

**BEFORE THE WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,

Complainant,

v.

AVISTA CORPORATION d/b/a  
AVISTA UTILITIES,

Respondent.

DOCKETS UE-220053 and  
UG-220054 (*Consolidated*)

**PROPOSED BUDGET**

**Introduction**

1. Pursuant to Section 6.3 of the Washington Interim Participatory Funding Agreement (“Interim Agreement”) and ¶¶ 32-36 of the Administrative Law Judge (“ALJ”)’s Order No. 5, issued on March 24, 2022, in Dockets UE-220053 & UG-220054, Small Business Utility Advocates (“SBUA”) provides the following proposed budget for consideration by the Utilities and Transportation Commission (“UTC” or “Commission”). This budget is based both on an acknowledgement that program “funds are . . . sourced from ratepayers, many of whom are faced with their own economic challenges[,]”<sup>1</sup> and the Commission’s goal and mandate to bring new voices to Commission proceedings.<sup>2</sup> SBUA is a new entrant to UTC proceedings as a result of the intervenor funding provisions in RCW 80.28.430, and we appreciate the opportunity to provide this budget.

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<sup>1</sup> ORDER 05, ¶ 34, DOCKETS UE-220053 & UG-220054 (Consolidated) (issued Mar. 24, 2022).

<sup>2</sup> POLICY STATEMENT ON PARTICIPATORY FUNDING FOR REGULATORY PROCEEDINGS ¶ 13, ¶ 15, ¶ 48, DOCKETS UE-220053 & UG-220054.

## Interim Agreement, Section 6.3 requirements

### Statement of work to be performed

2. SBUA intends to focus approximately 90 percent of its effort in this case on advocacy related to a few discrete topics of high importance to small businesses, which are described in paragraph 4 below. This advocacy will include SBUA submitting expert testimony and legal briefings, conducting discovery, preparing comments on the proposed decision, attending hearings, responding—if required—to issues raised by other parties, and participating in meetings and negotiations related to rate impacts and tariff changes.
3. Consistent with the Commission’s Policy Statement,<sup>3</sup> SBUA seeks authorization to focus approximately 10 percent of its work in this case on outreach to small commercial customers in vulnerable and highly impacted communities within Avista’s service territory.<sup>4</sup> This outreach work will consist primary of hiring an outreach consultant or specialist to raise awareness regarding utility and Avista GRC issues by:

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<sup>3</sup> See Policy Statement at ¶ 66, stating that “. . . outreach to organizations representing vulnerable populations and highly impacted communities, including consulting fees for those activities, are allowable expenses eligible for participatory funding.”

<sup>4</sup> Related to this proposed outreach, SBUA has considerable experience advocating on Environmental and Social Justice (“ESJ”) matters at the California Public Utilities Commission, including arguing for small businesses located in ESJ communities to be considered in utilities’ program efforts and metrics. *See, e.g., Small Business Utility Advocates Comments on ESJ Action Plan 2.0*, dated Nov. 22, 2021 (importance of small businesses in ESJ Action Plan), available for download [here](#); *Ord. Instituting Rulemaking to Continue the Dev. of Rates & Infrastructure for Vehicle Electrification*, No. D. 21-12-027 (Dec. 12, 2020) at 15 (“In response to comments on the PD, the Commission clarifies that small businesses located in the locations eligible for equity projects are eligible to participate in a large electrical corporation’s equity projects.”), decision available for download [here](#); *SBUA Opening Comments on Draft Transportation Electrification Framework*, filed Mar. 6, 2020, at 11 (“SBUA’s primary comment along these lines is that the small businesses located in and serving the ESJ communities are part of the community, and should be covered by the ESJ efforts and metrics.”); available for download [here](#).

- a. planning and overseeing outreach strategies to small businesses in vulnerable and highly impacted communities with a focus on Avista's General Rate Case, including proposed rate increases and utility programs that might benefit underserved small businesses;
- b. producing and distributing resource pamphlets and other outreach program materials to raise awareness;
- c. in-person outreach and educational activities, which may include activities such as: tabling at local events and fairs, attending community and small business planning meetings, workshops, and conferences, and organizing mass mailings;
- d. fostering collaborations with existing community-based organizations that represent underserved small businesses; and
- e. soliciting feedback from underserved small businesses and responding to inquiries regarding Avista's General Rate Case.

Description of the general areas to be investigated

4. SBUA is conducting discovery and reserves the right to address other issues that arise during this proceeding. But at this stage, SBUA intends to investigate the general areas of: COVID pandemic impacts on load patterns, forecasts and associated rate impacts for small businesses; Avista's approach to adjusting rates by rate schedule (uniform based on percent of revenues) and the resulting impact on small commercial ratepayers; Avista's proposed capital expenditures and the associated rate impacts on small commercial customer rates; and the appropriateness of Avista's proposed performance metrics.

Identification of the specific Sub-Fund from which the applicant is seeking a Fund

Grant and an estimate of the amount of available funds in that account, if known.

5. SBUA seeks a Fund Grant from Avista’s Customer Representation Sub-Fund.

SBUA understands there is currently \$200,000 in this fund. SBUA seeks a fund grant of \$50,000 at this time and is coordinating its request with other intervenors. Given this limited amount, SBUA will need to tailor its participation to a few key issues as indicated above.

6. Section 7.4 of the interim agreement provides that “Fund Grants for general outreach by Participating Organizations under this section shall be funded from the applicable Sub-fund for the applicant organization, or from unutilized funds in the Prioritized Organization Sub-funds.” SBUA has received case certification in this matter under the Customer Representation Sub-Fund<sup>5</sup> and thus understands it is only authorized to request outreach funding from that source. However, given that the focus of SBUA’s proposed outreach is to businesses in vulnerable and underserved communities, the Commission may wish to consider allocating unused Prioritized Organization funds, if any, for this purpose when grant payments are allocated at the end of this proceeding.

A budget showing estimated attorney fees, which may include the cost for appropriate support staff and operational support

7. Please see the Commission’s standardized form at Attachment A.

A budget showing estimated consultant fees and expert witness fees, which may include the cost for appropriate support staff and operational support

8. Please see the Commission’s standardized form at Attachment A.

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<sup>5</sup> Order No. 5, ¶ 15 & ¶ 40.

## Order No. 5 Requirements

Detail and explain SBUA's connection to Avista's small businesses and service territory.

9. As previously conveyed to the Commission in SBUA's Notice to Intervene and its Response to Bench Request No. 2, SBUA is new to Washington and looks forward to deepening its connection to Avista's small businesses customers, which will be made possible by RCW 80.28.430 and the Commission's implementation efforts. SBUA currently has over a dozen members within Avista's service territory, but expects that number to grow as a result of SBUA's participation this proceeding and other outreach efforts. To date, SBUA has performed in-person education and outreach to small businesses in Washington (2020, 2021, and soon to be 2022) and outreach efforts to seek input specifically on this Avista GRC through information digests and updates on the SBUA's website.<sup>6</sup>

How funding, if awarded, will represent the interest of small businesses specifically in Avista's service territory

10. Funding, if awarded, will represent the interests of small business customers by providing them with focused advocacy not subject to conflicts with other customer classes. Additionally, funding, if awarded, will ripple beyond this instant proceeding by providing small business customers in Avista's service

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<sup>6</sup> SBUA's outreach activities in Oregon have included, for example, publishing newsletters, holding energy forums for small businesses, and sending out alerts about rate increases and opportunities to comment on utility proceedings. We anticipate engaging in similar activities in Washington State.

territory with educational and coordination opportunities, which will provide this group with greater insight into utility and UTC activities and a more engaged voice in future Commission proceedings.

Where SBUA's interests overlap with other parties, such as Public Counsel explain how the public interest will benefit from the participation of these parties and SBUA's funding as an intervenor.

11. As conveyed in SBUA's response to Bench Request No. 2, the Public Counsel Unit of the Washington Attorney General's Office ("Public Counsel") has a broad mandate,<sup>7</sup> while SBUA's mission is narrow. SBUA specifically focuses on regulatory impacts to small commercial customers and related rate schedules, certain cost allocation issues, different program opportunities for small businesses, and the promotion of clean energy resources generally, whereas Public Counsel focuses on a larger set of issues and ratepayer concerns. Given their distinct missions, neither SBUA nor Public Counsel represent the same constituency and thus cannot represent each other's interests fully.

12. This is punctuated by the fact that SBUA and Public Counsel may disagree on fundamental issues in this proceeding. The interests of small business customers often diverge from residential ratepayers on utility and energy matters, including on rate design, revenue allocation, cost allocations between customer classes, and the designs and expenditures for utility programs. SBUA's experience is replete with examples where SBUA has disagreed with Public Counsel's counterpart in California, the

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<sup>7</sup> See RCW § 80.04.510, stating that Public Counsel shall "represent and appear for the people of the state of Washington and the commission in all actions and proceedings. . . . " And RCW § 80.01.100 states that Public Counsel shall "generally see that all laws affecting any of the persons or corporations herein enumerated are complied with[.]" Given this broad mandate, Public Counsel's interests also overlaps with those intervenors representing subsets of residential customers in UTC proceedings.

California Public Advocates Office, in both public proceedings<sup>8</sup> and private forums.

Similar disagreement is entirely possible in this and future UTC cases between SBUA and Public Counsel.

13. If there are instances where SBUA and other parties support the same policies or outcomes, it will likely be for separate reasons, and the Commission will benefit from hearing those diverse perspectives and identifying areas of support across multiple customer classes and stakeholders—which will result in a more fully developed record.
14. With regard to how the public interest will specifically be served by SBUA involvement, the Washington State Legislature has found that thriving small businesses are central to the public interest. SBUA’s advocacy provides a stronger voice to those small business concerns. RCW Title 19.85 articulates the legislature’s commitment to small businesses, stating that:

“[t]he legislature finds that administrative rules adopted by state agencies can have a disproportionate impact on the state’s small businesses because of the size of those businesses. This disproportionate impact reduces competition, innovation, employment, and new employment opportunities, and threatens the very existence of some small businesses.” RCW § 19.85.011.

15. While this language in Title 19.85 is directed specifically towards state administrative

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<sup>8</sup> See, e.g., Rebuttal Testimony of SBUA in Liberty Utilities’ General Rate Case, A.21-05-017 (filed Mar. 23, 2022) at 7-9 (recommending that the CPUC reject Cal Advocates’ proposed rate increase cap mechanism), available [here](#); Application of San Diego Gas & Elec. Co. (U902e) for Approval of Its 2018 Energy Storage Procurement & Inv. Plan. & Related Matter., No. 18-02-016, 2019 WL 3017166 (June 27, 2019) at 21 (p. 36 of Decision) (“Contrary to Cal Advocates, SBUA recommends that the Commission approve PG&E’s proposed behind the meter thermal energy storage program” and “set aside a budget and specific outreach plan for small commercial customers”) available [here](#); Direct Testimony of SBUA in Southern California Edison’s General Rate Case, A.20-10-012 (July 26, 2021) at 4 (“With respect to the spreading of costs between peak capacity needs and ramping capacity needs, [SBUA] disagree[s] with methods proposed by SCE and Cal Advocates. Instead, we recommend that all MGCC costs be allocated to peak capacity...”), available [here](#).

agencies—not independent commissions such as the UTC—the legislature’s overall policy philosophy is clear: the public interest requires focused concern on small business issues.<sup>9</sup> This fact was also recognized in Order No. 5, which stated that “the public interest is served by the participation of an advocate for small businesses and that no other party adequately represents these interests with the same focus as SBUA.”<sup>10</sup>

## 5. Conclusion

16. SBUA appreciates the opportunity to submit this proposed budget. The constituency SBUA represents is directly affected by this Avista proceeding, the public interest is served by broader stakeholder representation generally, and small business representation specifically, and SBUA has assembled a litigation team with the experience and expertise to meaningfully participate and help the Commission in its review and final decisions in this docket. SBUA therefore respectfully requests that the Commission approve this proposed budget.

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<sup>9</sup> In the bill enacting RCW § 19.85.011, the legislature made the following express legislative findings: “A vibrant and growing small business sector is critical to creating jobs in a dynamic economy; . . . Small businesses bear a disproportionate share of regulatory costs and burdens; . . . Fundamental changes that are needed in the regulatory . . . culture of state agencies to make them more responsive to small business can be made without compromising the statutory missions of the agencies; . . . The failure to recognize differences in the scale and resources of regulated businesses can adversely affect competition in the marketplace, discourage innovation, and restrict improvements in productivity; . . . The process by which state rules are developed and adopted should be reformed to require agencies to solicit the ideas and comments of small businesses, to examine the impact of proposed and existing rules. . . . The process by which state rules are developed and adopted should be reformed to require agencies to solicit the ideas and comments of small businesses [and] to examine the impact of proposed and existing rules on such businesses. . . .” H.B. 1525 (Chase) § 1 (2007).

<sup>10</sup> Order No. 5, ¶ 33.



Dated this 25<sup>h</sup> day of April 2022.

Respectfully submitted,

/s/ Jeff Winnill

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Attachment A

SBUA Proposed Budget for Issue Fund Grant

Personnel	Hours	Rate	Cost
<i>Attorney Fees</i>			
Lead Regulatory Attorney	78	\$300	\$23,400
Other Attorneys (time waived) <sup>11</sup>			
<i>Expert Witness Fees</i>			
Expert	75	\$290	\$21,750
<i>General Outreach</i>			
Outreach specialist and consultant	32	Up to \$125	\$4,000
Outreach Expenses/Travel			\$850
<i>Other Expenses</i> <sup>12</sup>			
Travel			
Printing/Postage			
<b>Total SBUA Fund Request</b>			<b>\$50,000</b>

<sup>11</sup> SBUA anticipates significant additional attorney time will be required in this case; however, given the budget constraints in the current Interim Participatory Funding Agreement, SBUA is waiving these additional attorney costs.

<sup>12</sup> SBUA anticipates that its expert will participate remotely in hearings, and SBUA is waiving any printing / postage costs.