

**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION  
COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,	)	DOCKET NO. UG 240008
	)	
	)	
Complainant,	)	PROPOSED BUDGET FOR FUND
	)	GRANT OF THE ALLIANCE OF
v.	)	WESTERN ENERGY CONSUMERS
	)	
CASCADE NATURAL GAS CORPORATION	)	
	)	
	)	
Respondent.	)	
	)	

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**INTRODUCTION**

1. Pursuant to the Washington Extended Interim Participatory Funding Agreement (“IFA”), approved by the Washington Utilities and Transportation Commission (“WUTC” or “Commission”) in Order 02 in Docket No. U-210595, Alliance of Western Energy Consumers (“AWEC”) hereby respectfully submits its Proposed Budget for a Fund Grant in this proceeding.
  
2. On March 29, 2024, Cascade Natural Gas Corporation (“Cascade”) filed its request for a general rate revision for natural gas distribution service. In its filing, Cascade proposes a two-year rate plan beginning March 1, 2025, and March 1, 2026. In rate year 1, Cascade seeks a \$43.8 million increase in Washington revenues, and in rate year 2, Cascade seeks an additional \$11.7 million in revenues. The Commission docketed Cascade’s filing as UG 240008. Cascade’s request to increase Washington revenues is significant, and the multi-year rate plan request will materially impact the public interest.

3. Cascade is designated as a “Participating Public Utility” in Article 1(g) of the IFA. Docket UG 240008 is an Eligible Proceedings for Fund Grants under Article 1(c) of the IFA. Accordingly, a Fund Grant may be made for this proceeding under the IFA.
4. On April 15, 2024, as required by Article 6.2 of the IFA, AWEC filed its Request for Case Certification and Notice of Intent to request a Fund Grant, which was also served on Cascade and all parties of record in the proceeding. In that filing, AWEC identified the Cascade 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 Cascade’s prior general rate case, the Commission approved AWEC’s Proposed Budget and Request for a Fund Grant because of “the breadth and complexity of the issues being investigated, the funds contributed by the organization, the organization’s history before the Commission, and its expertise in representing industrial customers.”<sup>1</sup>
6. AWEC is filing its request prior to the Commission’s determination on AWEC’s Request for Case Certification given the requirement in the IFA that Proposed Budgets be filed within 30 days of the Prehearing Conference in a proceeding unless an alternative date is set by the Commission.
7. AWEC meets the criteria for Case-Certification included in Article 5.2.1:
  - a. Non-Profit Representing Broad Customer Interest. AWEC is a non-profit organization that represents broad customer interests. RCW 80.28.430(1) provides that organizations representing “broad customer interests” includes organizations representing “industrial” customers. In its Policy Statement, the Commission recognized certain “incumbent”

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<sup>1</sup> UG 210755, Order 8, ¶ 19.

organizations that have a history of representing these customer interests before the Commission and specifically referred to AWEC.<sup>2</sup>

- b. Effective Representation: AWEC demonstrates that it can effectively represent the particular customers it seeks to represent. AWEC routinely appears before the Commission on behalf of large volume customers, participates in settlements, and offers testimony at evidentiary hearings without causing undue delays.
- c. Industrial Customer Representation. AWEC is the only intervenor in this proceeding that represents the interest of large volume customers. These customers will benefit from AWEC's participation in this proceeding.

8. Article 6.3 of the IFA provides that Case-certified Participating Organizations seeking a Fund Grant must submit a proposed budget to the Commission. Accordingly, AWEC has attached a budget as **Exhibit A** consistent with the Commission's standardized format. AWEC's proposed budget is based on AWEC's full participation in this proceeding up to and including an evidentiary hearing and briefing, including time and expenses that have already been incurred to date.

Article 6.3 of the IFA also requires the following information:

**1. A Statement of Work to be Performed.**

9. AWEC has retained Cable Huston, LLP to represent it in this proceeding. AWEC has participated and will continue to participate in all stages of this general rate case proceeding. This participation includes: (a) a review of the initial filing, workpapers and testimony of Cascade; (b) drafting discovery and reviewing discovery responses; (c) preparing for and

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<sup>2</sup> WUTC Docket U-210595, Policy Statement at ¶ 18.

attending multiple settlement conferences; (d) drafting testimony and reviewing the testimony of other parties; (e) participating in prehearing/status conferences; (f) preparing for and attending the evidentiary hearing; and (g) drafting briefs and reviewing briefs of other parties. AWEC has retained an expert witness to assist legal counsel in this proceeding.

**2. A Description of the Areas to be Investigated.**

10. A multi-year rate plan is by its nature, complex and involves all aspects of utility operations and service to customers. AWEC has and will focus on all aspects of Cascade's requested increase to natural gas distribution rates. AWEC's investigation will include an analysis of the requested revenue requirement, capital structure, cost of debt, jurisdictional allocations, rate base, special contract revenues, working capital, billing determinants, MDU cross charges, memberships and dues, director stock awards, proposed capital additions, tax issues and depreciation, and rate spread and rate design.

**3. 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.**

11. AWEC identifies the Cascade Customer Representative Sub-Fund as the account from which AWEC is seeking monies. As of the date of this submittal, the uncommitted balance of that fund is \$177,008.

**4. A Budget Showing Estimated Attorneys' fees.**

12. AWEC has attached a budget for attorneys' fees for AWEC's participation in this proceeding as **Exhibit A**.

**5. A budget Showing Estimated consultant and expert witness fees.**

13. AWEC has attached a budget for consultant and expert witness fees for AWEC's participation in this proceeding as **Exhibit A**.

**6. Cooperative Efforts.**

In accordance with Article 6.6 of the IFA, AWEC coordinated with the other organization that filed a Notice of Intent to Request a Fund Grant from the Customer Representation Sub-Fund – The Energy Project (“TEP”). As part of those discussions, AWEC and TEP reached agreement on the amounts each organization would request in participatory funding. Accordingly, AWEC is not aware of any objection to its proposed budget.

15. **7. Article 6.5 Considerations.** Article 6.5 of the IFA 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 operations, including revenue requirement, expenses, revenues, capital additions, depreciation, tax issues, cost of capital and rate spread/rate design. Evaluation of this rate case will require substantial effort and expense by AWEC to ensure fair, just and reasonable rates for industrial customers.
- b. The procedural schedule in this case assumes a fully litigated case, which requires discovery, pre-filed written testimony, 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.

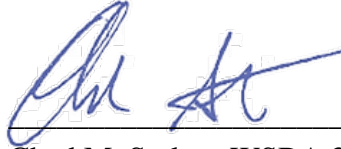
- c. In rate year 1, Cascade seeks a \$43.8 million increase in Washington revenues, and in rate year 2, Cascade seeks an additional \$11.7 million in revenues. If approved, these represent significant rate increases for Cascade's customers, including industrial and large non-residential customers. Cascade's proposal to increase revenues will substantially impact the rates Cascade charges to its customers, including AWEC's members, and therefore warrants considerable review and scrutiny to ensure that the final rates are fair, just and reasonable.
- d. 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. Further, AWEC coordinated with TEP on its proposed budget, and the combined budgets of AWEC and TEP are less than what is available in the Cascade Customer Representation Sub-Fund.

### **CONCLUSION**

16. AWEC and its predecessor organization have been involved in Cascade rate proceedings for more than 20 years. AWEC routinely sponsors expert witnesses that identify numerous adjustments to Cascade's proposed revenue requirement. AWEC's advocacy has directly resulted in lower energy costs for industrial customers and all other customer classes. AWEC respectfully requests that the Commission approve its Fund Grant in the amount of \$75,000.00.

Dated in Portland, Oregon, this 13<sup>th</sup> day of June 2024.

Respectfully submitted,



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Consumers*

**EXHIBIT A**

AWEC Proposed Budget for Fund Grant

Personnel	Hours	Rate	Cost
<i>Attorney Fees</i>			
Senior Attorney*	225	\$325	\$73,125
Junior Attorney*	100	\$275	\$27,500
Paralegal*	20	\$225	\$4,500
<i>Expert Witness Fees</i>			
Experts*	200	\$280	\$56,000
<i>Other Expenses</i>			
Subtotal			\$161,125
<b>Total AWEC Request for Cascade Customer Representation Sub-Fund Grant</b>			<b>\$75,000</b>

*\*discounted rate*