

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,

Complainant,

v.

CASCADE NATURAL GAS  
CORPORATION,

Respondent.

DOCKETS UG-210755

ORDER 11

APPROVING PAYMENTS

**BACKGROUND**

- 1 On September 30, 2021, Cascade Natural Gas Corporation (Cascade or Company) filed with the Washington Utilities and Transportation Commission (Commission) revisions to its currently effective Tariff WN U-3, Natural Gas.
- 2 On February 18, 2022, counsel for Commission staff (Staff) notified the presiding Administrative Law Judges that Staff and Cascade had reached a full multi-party settlement in principle. Staff requested the Commission suspend the procedural schedule and convene a status conference to modify the schedule to accommodate the settlement.
- 3 On February 23, 2022, the Commission issued a Notice Suspending the Procedural Schedule and Notice of Status Conference.
- 4 On March 10, 2022, the Commission convened a virtual status conference and on March 11, 2022, entered Order 05, Second Prehearing Conference Order. Order 05 set the deadline for participating organizations to file a Request for Case Certification and Notice of Intent to Request a Fund Grant by 5 p.m. on Friday, March 18, 2022. The Commission indicated that proposed budgets would be due 30 days after issuing a decision on Requests and Notices.
- 5 On March 14, 2022, the Alliance of Western Energy Consumers (AWEC) filed a Request for Case Certification and Notice of Intent to Seek Fund Grant, Citing Sections 5.2.1 and 6.2 of the Interim Agreement.

- 6 On March 18, 2022, The Energy Project (TEP) also filed a Request for Case Certification and Notice of Intent to Seek Fund Grant, under Sections 5.2.1 and 6.2 of the Interim Agreement.
- 7 On March 26, 2022, the Commission issued Order 06, Granting Requests for Case Certification. The Commission granted case certification to TEP and AWEC. The Commission directed these parties to file Proposed Budgets within 30 days of Order 06. TEP and AWEC both timely filed Proposed Budgets for Fund Grants and on June 13, 2022, the Commission issued Order 08 Approving Proposed Budgets.
- 8 On June 1, 2022, the Commission convened a virtual evidentiary hearing and issued Final Order 09 in this Docket on August 23, 2022.
- 9 On September 6, 2022, AWEC filed a Request for Payment of Fund Grant and Eligible Expenses Report for a payment of \$45,000 from the Customer Representation Sub-Fund.
- 10 On October 24, 2022, TEP filed a Request for Payment of Fund Grant and Eligible Expenses Report for a payment of \$30,250 from the Customer Representation Sub-Fund.

### DISCUSSION

- 11 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>
- 12 On November 19, 2021, the Commission issued a Policy Statement on Participatory Funding for Regulatory Proceedings (Policy Statement) in Docket U-210595.<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>

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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.

13 On February 24, 2022, the Commission issued Order 01, Approving Agreement with Modifications (Order 01).<sup>4</sup> The Commission approved the Interim Agreement filed by the parties on February 23, 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>5</sup> The Commission also determined that of the amount authorized for funding, fully one third would be dedicated to organizations representing highly impacted communities and vulnerable populations.<sup>6</sup>

14 Participating Organizations must submit to the Commission a Request for Payment. “The Request for Payment must:

- (a) Itemize the expenses, payees and hourly rates for amounts to be reimbursed, including billing details, and including separately identified amounts for consultant or expert witness fees and travel expenses;
- (b) Demonstrate that the expenses are reasonable and are directly attributable to issues and positions pursued on behalf of customers and consistent with the intervenor's proposed budget;
- (c) Provide information sufficient to show that the Participating Organization has complied with any condition or requirement of the Fund Grant; and
- (d) Specify whether the request for payment is for interim funding, in the case of Prioritized Organizations only, or final payment in full and indicate whether any approved budget amount may be released back to the applicable Sub-Fund because the Participating Organization does not intend to request payment for the full approved budget amount.”<sup>7</sup>

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<sup>4</sup> *In the Matter of the Petition of Puget Sound Energy, et al.*, Docket U-210595 Order 01 (February 24, 2022).

<sup>5</sup> *E.g., id.* The Commission indicated that the Policy Statement was as 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.” ¶ 17

<sup>6</sup> *Id.* ¶ 4

<sup>7</sup> Interim Agreement at §7.1.

The Commission may disallow, in whole or in part, a Request for Payment if it determines that the request seeks reimbursement for (a) expenses that are not Eligible Expenses<sup>8</sup>, or (b) expenses that are inconsistent with the Participating Organization's Consumer Access Fund Grant or any conditions placed on the Consumer Access Fund Grant.<sup>9</sup> Upon authorization of payment, the Commission will additionally make a determination on how to recover the Fund Grants from the various customer classes of the affected Participating Public Utility.<sup>10</sup> Additionally, the Commission may determine whether Fund Grants were used to advocate positions on behalf of a broad cross-section of customers should be assessed against all customers or multiple classes of customers, to fairly align the costs of the advocacy with the intended potential beneficiaries of the advocacy.<sup>11</sup>

15 Here, both of the case-certified parties filed Requests for Payment of Fund Grants and Eligible Expenses Reports. The parties' requests would, if approved in whole, equal less than half of the \$177,008 amount available in Cascade's Customer Representation Sub-Fund this year. We determine that the Request for Payments submitted by TEP and AWEC should be approved. We address each of the Requests for Payments in turn.

16 **TEP.** On October 24, 2022, TEP filed a Request for Payment of Fund Grant and Eligible Expenses Report pursuant to the Interim Agreement. TEP requests a total award of \$30,250 from Cascade's Customer Representation Sub-Fund based on itemized attorney's fees.<sup>12</sup>

17 After considering the requirements set forth in Sections 7.1, 7.3, and 7.7 of the Interim Agreement, we determine that TEP's \$30,250 Fund Grant should be approved, and the fund grant should be assessed against all customers classes. TEP investigated all matters that have an impact on low-income customers in this proceeding and its advocacy benefits a wide customer base.<sup>13</sup> Additionally, TEP's Eligible Expense Report is consistent with its Proposed Budget and Section 7.3 of the Interim Agreement.

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<sup>8</sup> Interim Agreement at §7.3.

<sup>9</sup> Interim Agreement at §7.6.

<sup>10</sup> Interim Agreement at §7.7.

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

<sup>12</sup> TEP's Eligible Expenses Report Exhibit A. The report includes attorneys' fees. Amount requested is less than total expenses incurred.

<sup>13</sup> TEP's Proposed Budget at 1, ¶ 3. Specifically, TEP identifies a non-exclusive list of issues including

- 18 Accordingly, we approve TEP's Request for Payment of Fund Grant in light of the funds contributed by the organization itself, the breadth and complexity of the issues investigated, the organization's qualifications, its history before the Commission, and the organization's unique expertise in low-income issues.
- 19 **AWEC.** On September 6, 2022, AWEC filed a Request for Payment of Fund Grant and Eligible Expenses Report. AWEC requests a total award of \$45,000 from Cascade's Customer Representation Sub-Fund for attorneys and expert witness fees.<sup>14</sup>
- 20 After considering the various factors set forth in Sections 7.1, 7.3, and 7.7, we determine that AWEC's Request for Payment of \$45,000 Fund Grant should be approved. AWEC seeks only to partially offset the costs of its participation in this proceeding. Its Eligible Expense Report shows it will contribute \$25,669.40 of its own funds in addition to the Fund Grant of \$45,000 from the Customer Representation Sub-Fund. AWEC is an "incumbent" organization with a history of appearing before the Commission.<sup>15</sup> It investigated all aspects of Cascade's filing, but specifically identifies Cascade's 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, cost recovery mechanism, proposed capital additions, tax issues, and depreciation.<sup>16</sup>
- 21 Accordingly, we approve AWEC's Request for Payment of Fund Grant in light of the breadth and complexity of the issues investigated, the funds contributed by the organization, the organization's history before the Commission, and its expertise in representing industrial customers.
- 22 Cascade must pay the above Fund Grants as directed within 30 days of the filing of this Order.<sup>17</sup>

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the low-income assistance program funding and design, low-income weatherization, billing, credit and collection issues, arrearage management, COVID-19 impacts and costs, reporting requirements, and Cascade's revenue requirement.

<sup>14</sup> AWEC's Eligible Expenses Report Exhibit A.

<sup>15</sup> Policy Statement at ¶ 18.

<sup>16</sup> AWEC's Proposed Budget at 3, ¶ 8.

<sup>17</sup> Interim Agreement at §7.8.

**ORDER**

**THE COMMISSION:**

- 23 (1) APPROVES The Energy Project's Request for Payment of Fund Grant for  
\$30,250 from the Customer Representation Sub-Fund to be assessed against all  
customer classes.
- 24 (2) APPROVES the Alliance of Western Energy Consumers' Request for Payment of  
Fund Grant for \$45,000 from the Customer Representation Sub-Fund to be  
assessed against all customer classes.
- 25 (3) Cascade Natural Gas Corporation will pay the approved Fund Grants as directed  
in paragraphs 23 and 24 within 30 days of the effective date of this Order.

DATED at Lacey, Washington, and effective December 9, 2022.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chair

ANN E. RENDAHL, Commissioner

MILTON H. DOUMIT, Commissioner