

2229

1 BEFORE THE WASHINGTON UTILITIES AND
2 TRANSPORTATION COMMISSION
3 WASHINGTON UTILITIES AND)
 TRANSPORTATION COMMISSION,)
4)
 Complainant,) Docket Nos. UE-011570
5) and UG-011571
 v.) (consolidated)
6 PUGET SOUND ENERGY, INC.,)
) Volume XVIII
7 Respondent.) Pages 2229 to 2243
 _____)
8

9 A pre-hearing conference in the above matter
10 was held on August 27, 2002, from 5:00 p.m. to 5:30 p.m.
11 at 1300 South Evergreen Park Drive Southwest, Room 206,
12 Olympia, Washington, before Administrative Law Judge
13 THEODORA MACE.

14
15 The parties were present as follows:
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2230

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2231

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2 INDEX OF EXHIBITS

3 -----

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| 5 | EXHIBIT: | MARKED: | ADMITTED: |
|----|----------|---------|-----------|
| 6 | 603-T | 2234 | |
| 7 | 604 | 2234 | |
| 8 | 605-T | 2234 | |
| 9 | 606 | 2234 | |
| 10 | 607 | 2237 | |
| 11 | 608 | 2237 | |
| 12 | 609 | 2239 | |

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1 P R O C E E D I N G S

2 JUDGE MACE: Let's be on the record in Docket
3 Numbers UE-011570 and UG-011571. The purpose of this
4 pre-hearing conference is so that we can mark exhibits
5 and make sure that we're all on the same page as far as
6 procedures for the upcoming settlement and public
7 hearing that's taking place at 6:00 p.m. this evening
8 with regard to the settlement of the remaining issues in
9 the general rate case.

10 My name is Theodora Mace, and I'm the
11 presiding Administrative Law Judge for this portion of
12 the proceeding. Today is August 27th, 2002, and we are
13 convened in a hearing room at the Commission's offices
14 in Olympia, Washington. As you're probably aware, the
15 Commissioners will be joining me on the Bench for the
16 evidentiary and public hearing portion of this
17 proceeding.

18 I would like to take the appearances of
19 counsel now beginning with the company.

20 MS. DODGE: Kirstin Dodge with Perkins Coie
21 for Puget Sound Energy.

22 MR. CEDARBAUM: Robert Cedarbaum, Assistant
23 Attorney General for Commission Staff.

24 MR. FFITCH: Simon ffitch, Assistant Attorney
25 General for the Public Counsel Section of the Washington

2233

1 AG's Office.

2 MR. FINKLEA: Ed Finklea, Energy Advocates,
3 on behalf of the Northwest Industrial Gas Users.

4 MS. THOMAS: Elizabeth Thomas at Preston,
5 Gates, & Ellis on behalf of Cost Management Services,
6 Inc.

7 JUDGE MACE: Anyone else?

8 Is there anyone on the bridge line?

9 Thank you. I think the first thing I would
10 like to address unless you have something you want to
11 bring to my attention first is marking the exhibits that
12 have been filed that are going to be presented during
13 the hearing today, and let me make -- well, does anybody
14 have anything that they want to address before we go to
15 that matter?

16 Then what I did is preliminarily marked these
17 exhibits, and let's make sure that I have an
18 understanding that these are the exhibits that are going
19 to be presented. I have an Exhibit KRK-G6T, Karl
20 Karzmar, and KRK-G7, Karl Karzmar, KRK-G8, are you
21 intending to present those today?

22 MS. DODGE: No, Your Honor, I believe that
23 those were the additional prefiled exhibits of Karl
24 Karzmar that were filed to meet a deadline for filing of
25 evidence that would be used at hearing. And then

2234

1 subsequently after the filing of the settlement on
2 August 16th, exhibits called Joint 1, Joint 2, and Joint
3 3 were filed, and those are the ones that will be
4 presented this evening.

5 JUDGE MACE: Very well. I wondered about
6 that, I wasn't sure what you intended with regard to
7 those other exhibits.

8 Okay, well, then moving right along, Joint
9 1-T, since I already premarked these, and it sounds
10 bizarre to do it this way, but nevertheless we will do
11 it this way, I'm going to have that joint 1-T marked
12 603-T, partially because the Commissioners already have
13 a set of exhibits, and I have indicated what the marking
14 will be. And then Joint 2 will be 604, Joint 3-T will
15 be 605-T, and then the settlement agreement will be 606.
16 A little bit backwards, but does anybody have any
17 problems with that way of marking the exhibits?

18 MR. CEDARBAUM: Your Honor, if I could just,
19 this is Robert Cedarbaum, perhaps just for completion of
20 the record, in what's been marked for identification as
21 Exhibit 603-T, on page 1 at line 6 1/2 there's reference
22 to Mr. Karzmar's qualifications, which was a prefiled
23 exhibit that's not being offered in total. And a
24 similar situation occurs in Exhibit 605-T on page 2 in
25 the first answer. There's a reference to Mr. Amen's

2235

1 background information in Exhibit RJA-2. I just wonder
2 whether we ought to have those admitted as well just
3 with respect to the qualification testimony. Otherwise
4 there will be references to those materials without the
5 materials themselves.

6 JUDGE MACE: I'm sorry, counsel, could you
7 point me to the first reference again?

8 MR. CEDARBAUM: Exhibit 603-T for
9 identification, which is the testimony, the joint
10 testimony of Karl Karzmar, Michael Parvinen, and Jim
11 Lazar, on page 1 between lines 6 and 7 there's an
12 exhibit number blank, KRK-G2.

13 JUDGE MACE: And that was never admitted as
14 an exhibit in this proceeding?

15 MR. CEDARBAUM: No, it's not, but it is
16 referenced here for Mr. Karzmar's qualifications so --
17 and perhaps maybe I can work with the company after --

18 JUDGE MACE: You wouldn't have a copy of
19 that?

20 MS. DODGE: No, it was prefiled in November,
21 last November.

22 MR. CEDARBAUM: And maybe this is just
23 something I can do after the record is closed, just
24 provide that qualification testimony of Mr. Karzmar.

25 JUDGE MACE: I guess the thing I found

1 confusing about that was when I looked at it, it says a
2 statement of my qualifications is found in prefiled
3 exhibit blank, and then it goes on to say, my testimony
4 has been entered into the record in Exhibits Number 533
5 and 534 and apparently incorrectly assumed that those
6 exhibits would have included the qualifications.

7 MR. CEDARBAUM: You know, quite honestly, I
8 don't recall. I believe Exhibits 533 and 534 would have
9 been Mr. Karzmar's testimony in support of the electric
10 stipulation that was presented a while ago.

11 MS. DODGE: And there wasn't, because it was
12 a stipulated presentation, there wasn't a lot of
13 attention paid to necessarily going into a lot of
14 background on witness qualification. It's more for I
15 think completeness of the record that the witnesses now
16 have gone through and made sure that they have their
17 qualifications on the record. And because those were
18 prefiled with respect to Mr. Karzmar and Mr. Amen, we
19 thought that it would be more efficient to refer to the
20 prefiled exhibits. I'm sure we could provide copies as
21 well if needed.

22 Mr. CEDARBAUM: And I -- maybe I'm
23 overcomplicating this, it just seemed that there was an
24 omission in the record with respect to the references to
25 prefiled materials that weren't being offered. So just

2237

1 for the sake of completeness, if we could provide those
2 to the Commission and perhaps premark them, give them a
3 number now and then just offer them after the record is
4 closed, provide them after the record is closed.

5 JUDGE MACE: All right. Well, let's make
6 Exhibit 607 Mr. Karzmar's qualifications.

7 And what was the other set of qualifications?

8 MR. CEDARBAUM: It would be Mr. Amen's.

9 JUDGE MACE: Amen's, is that how you say it,
10 Amen's, 608, and I will ask the company to file those
11 after we're done today. Is that --

12 MS. DODGE: Yes.

13 JUDGE MACE: And I will admit them as --

14 MS. DODGE: They have been filed, and it's a
15 question of providing additional copies.

16 JUDGE MACE: Then if you move their
17 admission, I will admit them as those marked exhibits.
18 Is that satisfactory, are we on the --

19 MR. CEDARBAUM: I think we are on the same
20 page. I just want to make sure that what's admitted is
21 only the qualification portion of the testimony, not the
22 entire testimony that was prefiled.

23 MS. DODGE: The way that the prefiled worked,
24 and this ought to clear things up, was that the
25 qualifications were submitted as a separate exhibit

2238

1 that's about two pages long, and so it will be very --
2 that exhibit itself is just the qualifications.

3 MR. CEDARBAUM: That should work fine then.

4 JUDGE MACE: Very well.

5 MR. CEDARBAUM: Thank you.

6 JUDGE MACE: I would like to turn now to the
7 procedures that we're going to use for this evening's
8 hearing. As you know, it's a combined
9 settlement-evidentiary hearing and a public hearing.

10 Yes, Mr. ffitch.

11 MR. FFITCH: I'm sorry, I missed my
12 opportunity to slip in one other exhibit matter, Your
13 Honor.

14 JUDGE MACE: Sure.

15 MR. FFITCH: I wasn't sure we were done. But
16 we, Public Counsel, has prepared an exhibit containing
17 electronic mail received by the Commission with respect
18 to this matter as we do in these contested cases, and we
19 offer that as the public testimonial exhibit. We would
20 propose -- we have an exhibit prepared already which we
21 can offer. If we have additional written materials that
22 are presented authored by the public during the public
23 hearing today, we would have to take this away and
24 modify it or add to it so that it's complete. In the
25 event there's no written materials, additional written

2239

1 materials presented this evening, we have a complete
2 exhibit that we can offer containing the public comment
3 that's been received on this matter.

4 JUDGE MACE: We'll mark that as Exhibit 609.

5 MR. FFITCH: Thank you, Your Honor. And I'm
6 not sure how you want to proceed on that. I have a
7 number of copies here that I can provide to the Bench,
8 but I'm thinking that we should wait and see what occurs
9 at the public comment hearing before we determine
10 whether to provide this exhibit or whether I have to go
11 back and revise it.

12 JUDGE MACE: That's probably a wise course of
13 action. Let's wait and see what happens.

14 MR. FFITCH: So the number was 60?

15 JUDGE MACE: 609.

16 MR. FFITCH: 609, thank you.

17 JUDGE MACE: Anything else before we proceed
18 to talk about the process?

19 MR. FFITCH: Thank you, apologize for the
20 interruption, Your Honor.

21 JUDGE MACE: Because this is both an
22 evidentiary hearing and a settlement, or pardon me, and
23 a public hearing, it's possible that there will be
24 members of the public who will be here prepared to
25 comment after the close of the evidentiary portion, and

2240

1 I want to try to streamline this so that they don't have
2 to hear the same thing two times or that there's an
3 unnecessary delay in getting to them, allowing them to
4 comment. So what I'm driving at is I would like to know
5 if there is some witness or one attorney who would give
6 an overview of the settlement agreement in the same way
7 that this would typically be done at a public hearing
8 and maybe even a more streamlined version of that as we
9 begin the evidentiary portion of the hearing, have that
10 presentation made, and then have the witnesses be sworn
11 and prepared to testify or to answer questions and then
12 have the question period, and then go into the public
13 hearing having already had the sort of basic explanation
14 of the settlement agreement, because people would
15 probably be here listening to that, so that we don't
16 have to repeat it twice. Now, of course, I suppose if
17 100 people come in after the close of the evidentiary
18 hearing, we may, you know, maybe that's not appropriate,
19 but that's not my sense of what's going to happen, so
20 I'm wanting comments from the parties to find out if
21 that would be acceptable as a procedure to follow.

22 MR. FFITCH: Well, for Public Counsel, Your
23 Honor, that would be acceptable to us. I think that's a
24 good approach.

25 JUDGE MACE: And would Public Counsel make

2241

1 that initial statement of description of the settlement?

2 MR. FFITCH: We could do that, but I'm happy
3 to have counsel for Staff or the company I think equally
4 able to do that. The traditional approach at the public
5 comments hearing has been that Public Counsel does make
6 a brief opening description of the case status of
7 whatever matter is being heard.

8 JUDGE MACE: Right. Is it your intention
9 that you would still do that, or would you be agreeable
10 to just having an early description of it and then --

11 MR. FFITCH: No, I think that makes very good
12 sense. I would be happy to take that approach.

13 JUDGE MACE: So then who will make that brief
14 description of the settlement agreement?

15 MR. CEDARBAUM: I thought Mr. ffitch was just
16 offering to do it.

17 JUDGE MACE: I'm sorry, I didn't understand.

18 MR. FFITCH: Well, I was kind of being
19 willing to defer if somebody else is stepping up and
20 saying I would like to do it.

21 MS. DODGE: I think since we had anticipated
22 Mr. ffitch would take that traditional role at the
23 public comment hearing, to have it done early is fine.

24 MR. FFITCH: I would expect my comments to be
25 quite brief, but I will be happy to go ahead and do

2242

1 that.

2 JUDGE MACE: Very well.

3 MR. FFITCH: Just let me know when.

4 JUDGE MACE: And we would otherwise sort of
5 follow the basic procedure for a public hearing, which
6 would be that you would introduce the speaker, call the
7 speaker, and then we would hear from the speaker and et
8 cetera, that typical approach.

9 MR. FFITCH: Your Honor, one part of that is
10 that the presiding judge --

11 JUDGE MACE: Would swear the witnesses in,
12 right, that's exactly what we -- my view of this is that
13 there will be this presentation initially, the witnesses
14 will be sworn in, the witnesses will answer questions,
15 the witnesses will be excused, we'll segue into the
16 public hearing, Chairwoman Showalter will probably make
17 some initial statement, and then we will just -- I will
18 swear the witnesses, and then you will go ahead and
19 start calling on them.

20 MR. FFITCH: All right, very well.

21 JUDGE MACE: Is there anything else that we
22 need to address about this procedurally or otherwise?
23 Everybody clear about what's going to happen, need any
24 further clarification?

25 MS. DODGE: It probably goes without saying,

2243

1 but I just assumed as with the electric settlement that
2 everything, all the exhibits would just come in by
3 stipulation so that we don't need to go through the
4 motions of presenting.

5 JUDGE MACE: I will ask, I suppose I will ask
6 before or perhaps after the witnesses are sworn or at
7 whatever time you call my attention to it whether or not
8 I will admit the exhibits, and you can indicate they're
9 being presented pursuant to stipulation.

10 Anything else?

11 Well, then we're adjourned until 6:00. Thank
12 you very much.

13 (Proceedings adjourned at 5:30 p.m.)

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