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BEFORE THE WASHINGTON STATE

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UTILITIES AND TRANSPORTATION COMMISSION

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4 Petition of)
5 PUGET SOUND ENERGY, INC.)
6 To Update Methodologies Used to) DOCKET UE-141368
Allocate Electric Cost of Service)
7 and For Electric Rate Design)
Purposes)
8)

9

PREHEARING CONFERENCE - VOLUME I

10

Pages 1-14

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ADMINISTRATIVE LAW JUDGE MARGUERITE E. FRIEDLANDER

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10:00 A.M.

15

AUGUST 18, 2014

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Washington Utilities and Transportation Commission
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Olympia, Washington 98504-7250

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1 OLYMPIA, WASHINGTON AUGUST 18, 2014, 2012

2 10:00 A.M.

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4 JUDGE FRIEDLANDER: Let's go on the record.

5 I'm Marguerite Friedlander, Administrative Law Judge with
6 the Utilities and Transportation Commission.

7 We're here today for a prehearing conference
8 in the Puget Sound Energy filing to address electric cost of
9 service, rate spread, and rate design issues.

10 And the Commission has designated this matter
11 as Docket UE-141368.

12 We'll begin by taking appearances. However,
13 it will be abbreviated appearances, just your name and who
14 you represent, beginning with the company.

15 MS. CARSON: Good morning, your Honor.
16 Sheree Strom Carson with Perkins Coie representing Puget
17 Sound Energy.

18 JUDGE FRIEDLANDER: Thank you.

19 Appearing on behalf of staff?

20 MS. BROWN: Sally Brown, Senior Assistant
21 Attorney General.

22 JUDGE FRIEDLANDER: Thank you.

23 And appearing today on behalf of the
24 Industrial Customers of Northwest Utilities?

25 MR. COWELL: Jesse Cowell with Davison Van

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1 Cleve.

2 JUDGE FRIEDLANDER: Thank you.

3 Appearing today on behalf of The Energy
4 Project?

5 MR. ROSEMAN: Ron Roseman, attorney in
6 Seattle on behalf of The Energy Project.

7 JUDGE FRIEDLANDER: Thank you.

8 Appearing today on behalf of The Northwest
9 Energy Coalition?

10 MS. GOODIN: Amanda Goodin with Earth
11 Justice.

12 JUDGE FRIEDLANDER: Thank you.

13 Appearing today on behalf of Walmart stores?

14 MR. ROBERTS: Sam Roberts, Hutchinson Cox.

15 JUDGE FRIEDLANDER: Thank you.

16 Appearing today on behalf of the Federal
17 Executive Agencies?

18 MS. LIOTTA: Rita Liotta.

19 JUDGE FRIEDLANDER: Thank you.

20 Appearing today on behalf of the Kroger
21 Company? Okay.

22 Appearing today on behalf of Public
23 Counsel?

24 MR. FFITCH: Simon ffitich, Senior Attorney
25 General with the Office of Public Counsel.

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1 JUDGE FRIEDLANDER: Thank you.

2 All right. We have -- I'm sorry; go
3 ahead? All right. Is there anyone else on the conference
4 bridge or in person who would like to put in an appears
5 today?

6 Hearing nothing, we'll move on to the
7 petitions for intervention. We have six filed by the
8 Industrial Customers of Northwest Utilities, The Energy
9 Project, The Northwest Coalition -- Energy Coalition,
10 Walmart Stores, Federal Executive Agencies and Kroger
11 Company, who does not seem to be putting in an appearance
12 today.

13 Are there any objections to these petitions
14 for intervention?

15 MS. CARSON: PSE has no objection.

16 JUDGE FRIEDLANDER: Thank you.

17 MS. BROWN: No objection.

18 JUDGE FRIEDLANDER: Thank you.

19 Hearing nothing, I will grant the
20 interventions.

21 I will conditionally grant Kroger Company's
22 intervention considering that they're not here today. But
23 if this becomes a habit then I think we'll probably need to
24 reconsider that.

25 Does anyone wish to make an oral petition for

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1 intervention at this time on the conference bridge?

2 All right. This matter originally came from
3 the settlement agreement in a prior docket. And I guess at
4 this point I need to know, do we need a protective agreement
5 in this matter?

6 MS. CARSON: Your Honor, I believe we do
7 need a protective order. I believe the standard protective
8 order is sufficient.

9 JUDGE FRIEDLANDER: Okay. Does anyone
10 else wish to weigh in on this?

11 MS. BROWN: Staff concurs.

12 JUDGE FRIEDLANDER: Okay. And I take it
13 that since this has been an ongoing issue that discovery is
14 currently ongoing?

15 MS. BROWN: No. To my knowledge it's
16 not ongoing, per se, but I would like to invoke the
17 discovery rules.

18 JUDGE FRIEDLANDER: Okay. That's fine
19 then.

20 MR. FFITCH: Your Honor, Simon ffitch.
21 There has been, I think, some informal discovery or
22 information exchange between the parties to date.

23 But I would agree with staff counsel
24 that invoking discovery would be helpful.

25 JUDGE FRIEDLANDER: Okay.

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1 MR. FFITCH: We may want to incorporate by
2 agreement previous discovery into, you know, the formal
3 discovery of this docket. And we will discuss that among
4 counsel.

5 JUDGE FRIEDLANDER: Okay. Well, if that's
6 the case, invoking the discovery from Docket UE-130617; is
7 that accurate?

8 Mr. ffitch, is that what you intended?

9 MR. FFITCH: I was referring to the discovery
10 that occurred during the collaborative process.

11 JUDGE FRIEDLANDER: I see. So -- I see.
12 Although I'm not sure I would call it discovery, considering
13 it wasn't part of a formal adjudication.

14 MR. FFITCH: That's correct.

15 JUDGE FRIEDLANDER: It was just a
16 collaborative process.

17 MR. FFITCH: That's correct. And other
18 parties can help my memory here in terms of how much of that
19 we did, but I believe that there was some information
20 exchanged. We can address that between counsel.

21 JUDGE FRIEDLANDER: Offline?

22 MR. FFITCH: Yes, offline.

23 JUDGE FRIEDLANDER: Sure. Okay.

24 MR. ROSEMAN: This is Ron Roseman. I
25 attended numerous meetings, and there were a bunch of --

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1 especially regarding rate spread and rate design documents
2 that both the company and staff had produced that at least
3 helped me better understand some of the issues in this case.

4 And rather than re-ask and re-go through
5 those again, I would -- I think it was Mr. ffitch's
6 recommendation that those -- and they were extensive, too.

7 And John Piliaris also gave very valuable
8 information.

9 I would hate to have us have to go through
10 and issue discovery on those items that were already
11 provided. So since I'm not there, the reason this little
12 speech is going on is that I'm not there present, and I just
13 wanted to let counsel know that that is my opinion on this
14 subject.

15 MS. CARSON: Your honor?

16 MR. ROSEMAN: And the judge.

17 JUDGE FRIEDLANDER: Thank you.

18 MS. CARSON: If I might add something, I
19 agree with Mr. ffitch. I think that we can work this out
20 offline.

21 I would be concerned about some broad
22 incorporation of everything that was exchanged in a
23 collaborative because some of that was for settlement
24 purposes, as I recall. So -- but I'm sure there is a lot
25 that can be exchanged or can be incorporated into this

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1 docket. And I think we can work that out.

2 JUDGE FRIEDLANDER: Okay. Thank you.

3 Is there any other comment on this matter?

4 MS. BROWN: Staff concurs. I don't think
5 anyone is suggesting that we should reinvent the wheel or
6 waste time.

7 JUDGE FRIEDLANDER: Sounds good.

8 And as far as the procedural schedule, I
9 don't know if the parties have had a chance to confer on
10 this or not, but staff has presented a hard copy schedule,
11 which for those of you on the conference bridge I can read
12 to you or we can take a break and maybe have it sent
13 electronically to them.

14 Have the parties had a chance to look this
15 schedule over or should we take a break?

16 MS. BROWN: No, no one has seen it yet.

17 JUDGE FRIEDLANDER: Then why don't we go
18 ahead and take a break.

19 And then someone can come and get me when you
20 all have reached agreement, or if you can't reach agreement
21 then I can come back and mediate.

22 MR. ROSEMAN: It would be helpful if you
23 suggest, your Honor, that if they could send it digitally to
24 -- at least the intervenors who have intervened over the
25 phone. That would be helpful. And then we could understand

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1 what the parameters of the schedule are.

2 JUDGE FRIEDLANDER: Ms. Brown, would that be
3 possible?

4 MS. BROWN: No. They have to show up.
5 That would be fine, yes. We'll send it
6 electronically.

7 And keep in mind that this was prepared well
8 in advance of today's hearing. So my guess is that the
9 dates will have to be shifted some.

10 JUDGE FRIEDLANDER: Sure. That's fine.

11 All right. Then we'll be off the record.

12 Thank you.

13 (Recess.)

14 THE COURT: Let's go back on the record then.

15 I will amend my earlier grant of Kroger's
16 petition to intervene. WAC 480-07-340 (2) provides that
17 "The Commission will not grant party status to a person who
18 fails to appear at the earliest prehearing conference, if
19 one is held, or hearing session, if there was no prehearing
20 conference, unless the party is excused from appearing by
21 the presiding officer or shows good cause for failing to
22 timely appear."

23 I did not receive a request for the absence
24 from Kroger, so I am going to deny their petition to
25 intervene. They can always file something later requesting

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1 -- showing good cause for why they failed to appear today
2 and requesting a re-examination of the original request, but
3 at this time I'm going to deny that.

4 So I believe we have a schedule now for this
5 proceeding, and I'll read it into the record. The parties
6 can correct me if I miss anything or if I get the dates
7 wrong.

8 So we'll start with the settlement
9 conference, which is scheduled for September 22 at 1:00 p.m.

10 Then staff, public counsel, and intervenor
11 testimony is set for October 22.

12 At that point, the responses to DR's, the
13 data request turnaround time will be five days as opposed to
14 ten.

15 PSE's rebuttal testimony and cross-answering
16 testimony will be due November 12.

17 We will have the -- I should say discovery
18 cutoff will then be November 21.

19 The evidentiary hearing will be one day,
20 which will be December 4.

21 We'll have simultaneous initial briefs filed
22 on January 9.

23 And we'll have simultaneous reply briefs
24 filed January 30.

25 Did I miss anything?

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1 MS. BROWN: Cross-answering, what exhibits?

2 MS. CARSON: Cross exhibits filed?

3 THE COURT: Of course. The one I was
4 actually asking about.

5 MS. BROWN: The 26th.

6 THE COURT: That's right. Pre-filed
7 cross-exam exhibits are due on Wednesday, November 26.

8 All right. Is there anything else from the
9 parties?

10 Okay. When filing, please submit an original
11 and eight copies, eight unredacted copies.

12 And if there's nothing else?

13 All right. We are adjourned. Thank you.

14 (Whereupon, the proceedings were
15 concluded at 10:38 a.m.)

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3 CERTIFICATE OF REPORTER)

4 STATE OF WASHINGTON)) ss

5 COUNTY OF KING)

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7 Reporter and Registered Professional Reporter within and for
8 the State of Washington, do hereby certify that the
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