

1 BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION
 COMMISSION
 2 WASHINGTON UTILITIES AND)
 TRANSPORTATION COMMISSION,)
 3)
 Complainant,) Docket No. UE-940728
 4) VOLUME 1
 vs.) PAGES 1 - 30
 5)
 PUGET SOUND POWER & LIGHT)
 6 COMPANY,)
) Respondent.
 7 -----)

8

9 A hearing in the above matter was held on
 10 June 22, 1994 at 1:15 p.m., at 1300 South Evergreen
 11 Park Drive Southwest, Olympia, Washington, before
 12 Administrative Law Judge ALICE L. HAENLE.

13 The parties were present as follows:

14 Cheryl Macdonald, CSR, Court Reporter

15 WASHINGTON UTILITIES AND TRANSPORTATION
 16 COMMISSION STAFF, by ANNE EGELER, Assistant Attorney
 17 General, 1400 South Evergreen Park Drive Southwest,
 18 Olympia, Washington 98504.

19 PUGET SOUND POWER & LIGHT, by JAMES VAN
 20 NOSTRAND, Attorney at Law, 411 108th Avenue Northeast,
 21 Bellevue, Washington 98004.

22 WICFUR, by MARK P. TRINCHERO, Attorney at
 23 Law, 1300 Southwest Fifth Street, Suite 2300,
 24 Portland, Oregon 97212.

 BONNEVILLE POWER ADMINISTRATION, by BARRY
 BENNETT, Attorney at Law, P.O. Box 3621, Portland,
 Oregon 97208-3621.

 PUBLIC INTEREST, by DONALD T. TROTTER,
 Attorney at Law, 900 Fourth Avenue, Suite 2000,
 Seattle, Washington 98104.

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

2 JUDGE HAENLE: The hearing will come to
3 order. This is the prehearing conference in docket No.
4 UE-940728, which is the PRAM 4 filing of Puget Power.
5 The prehearing conference is taking place on June 22,
6 1994 before Administrative Law Judge Alice L. Haenle of
7 the Office of Administrative Hearings. I would like to
8 take appearances at this time, please, beginning with
9 the representative for the company. Mr. Van Nostrand.

10 MR. VAN NOSTRAND: For the company, James
11 M. Van Nostrand with the law firm of Perkins Coie,
12 411 108th Avenue, Bellevue.

13 JUDGE HAENLE: For the Commission.

14 MS. EGELER: Anne Egeler, assistant
15 attorney general, 1400 South Evergreen Park Drive
16 Southwest, Olympia, 98504. Also Sally Johnston,
17 assistant attorney general, will be appearing later in
18 this case.

19 JUDGE HAENLE: For public counsel.

20 MR. TROTTER: For the public counsel
21 section of the attorney general's office I'm Donald T.
22 Trotter, assistant attorney general. Address is 900
23 Fourth Avenue, Suite 2000, Seattle, Washington 98164.

24 JUDGE HAENLE: And those who are --

25 MR. TROTTER: Also enter an appearance for

1 Robert Manifold.

2 JUDGE HAENLE: For those who are going to
3 petition to intervene.

4 MR. BENNETT: Barry Bennett, Bonneville
5 Power Administration. Address, Post Office Box 3621,
6 Portland, Oregon, zip 97208-3621.

7 JUDGE HAENLE: Thank you.

8 MR. TRINCHERO: On behalf of the Washington
9 Industrial Committee for Fair Utility Rates, Mark P.
10 Trinchero, 2300 First Interstate Tower, 1300 Southwest
11 Fifth Avenue, Portland, Oregon, 97201. Also like to
12 enter appearances for Grant E. Tanner at the same
13 address and for Peter J. Richardson at 899 Main
14 Street, Suite 911, Boise, Idaho, 83702. We do intend
15 to have Mr. Richardson handling most of this case,
16 Your Honor.

17 JUDGE HAENLE: All right. Once we take the
18 petitions and motions to intervene, I'm going to ask
19 each one of you to designate a single contact person
20 for your entity. Let's do the petitions first and
21 then we'll just go around and ask you to tell me who
22 that contact person is.

23 Now, is there anyone else present in the
24 hearing room who intends to make a motion to intervene
25 in this matter?

1 The record should reflect there is no
2 response. I might note that I received a phone message
3 from Carol Arnold on behalf of the Skagit-Whatcom Area
4 Processors and she did send in a petition to intervene
5 indicating that she was not planning to attend the
6 prehearing conference today, and I also understand and
7 have verified by looking at the official file in this
8 matter that the Commission did not send a notice of
9 hearing to those persons who were intervenors in the
10 last PRAM case. Let's discuss that later, figure out
11 how to remedy that if we can, but there is, I believe,
12 only the two intervenors that are present today, both
13 brought with them petitions to intervene. I have a
14 petition, Ms. Arnold's petition to intervene. Does
15 anybody know of any other petitions to intervene?

16 Fine. Let's take yours, first,
17 Mr. Bennett. Do you have anything to add to the
18 petition that you've submitted to the Commission?

19 MR. BENNETT: No, I do not.

20 JUDGE HAENLE: Has everyone got a copy of
21 that? Does anyone have an objection to the
22 participation of the Bonneville Power Administration?

23 All right. I will grant the petition to
24 intervene. I believe BPA has demonstrated an interest
25 sufficient to allow it to be an intervenor.

1 Second, Mr. Trinchero.

2 MR. TRINCHERO: I have nothing to add to
3 our written petition for leave to intervene.

4 JUDGE HAENLE: Has everyone seen the written
5 petition to intervene? Anyone who has not? Does
6 anyone have an objection to WICFUR participating in
7 this matter?

8 Hearing no response, then, I will grant the
9 petition to intervene. I believe that WICFUR has
10 established in its petition grounds sufficient to allow
11 it to intervene.

12 And finally is the petition that was
13 received today from Carol Arnold on behalf of the
14 Skagit-Whatcom Area Processors. Is there anyone that
15 has not seen it?

16 Is there any objection to the participation
17 of the Skagit-Whatcom Area Processors in this matter?

18 Hearing no response, I will grant the
19 petition for intervention. I believe the Skagit-
20 Whatcom Area Processors has demonstrated in its
21 petition an interest sufficient to allow it to
22 intervene.

23 Now, this is your final call, everybody. Of
24 the people that are present, is there anyone who
25 intends to petition to intervene?

1 Hearing no response we will assume, then,
2 that we have covered everyone who's here present.

3 Now, with regard to the other people, what I
4 told you -- we discussed this briefly before we went on
5 the record and I told you that my suggestion would be
6 the following: That is, that I would do a prehearing
7 conference order after this matter, try to get it out
8 as fast as possible and direct that that prehearing
9 conference order be sent, in addition to you folks,
10 also be sent to those who participated in the last
11 PRAM. I would in the prehearing conference order
12 indicate that if anyone who is not sent the notice who
13 is interested in intervening that I would entertain
14 such petitions through the ten-day period during which
15 people could write in to correct any mistakes I might
16 have made in the prehearing conference order. That's
17 one way to do it. Does anybody else have an idea about
18 how we can notify those people and allow them to
19 participate if they're interested?

20 Thoughts anybody?

21 Okay. We'll do it in that way, then. If
22 you know of anyone that might be interested, please
23 give them a call. I saw that Mr. Furuta for the
24 Department of Defense is on the list, and I will try
25 calling him after this prehearing conference is over.

1 I understand that you, Mr. Trincherro, have contacted
2 Mr. Cameron for the Building Owners and Managers
3 Association and you said that he needs to check with
4 his client about that; is that right, sir?

5 MR. TRINCHERO: Yes.

6 JUDGE HAENLE: Well, if you know of anybody
7 else, you might pass the word along and we can send
8 them a copy of it also.

9 I indicated I would ask you to tell me who
10 is going to be the contact person for your entity. Why
11 don't we just start and go around the table. Mr. Van
12 Nostrand.

13 MR. VAN NOSTRAND: For the company it will
14 be me, Your Honor.

15 JUDGE HAENLE: Mr. Trincherro.

16 MR. TRINCHERO: On behalf of WICFUR the
17 contact person will be Peter J. Richardson at the
18 Boise, Idaho address given previously.

19 JUDGE HAENLE: Mr. Bennett.

20 MR. BENNETT: I will be the contact person
21 for BPA.

22 JUDGE HAENLE: Mr. Trotter.

23 MR. TROTTER: Robert Manifold.

24 JUDGE HAENLE: Ms. Egeler.

25 MS. EGELER: Sally Johnston.

1 JUDGE HAENLE: Excellent. I am going to
2 assume that Mr. Furuta and Mr. Cameron, since they're
3 the ones that are on the list, are the ones that I
4 should send this to and I will ask them to designate a
5 a contact person, too, if they desire to file a
6 petition to intervene.

7 MR. TRINCHERO: Your Honor, Mr. Cameron's
8 address is probably different now than that which
9 appeared on the service list in the last PRAM
10 proceeding.

11 JUDGE HAENLE: What is it now if you know?

12 MR. TRINCHERO: His address is the same as
13 Grant Tanner's and mine, 2300 First Interstate Tower,
14 1300 Southwest Fifth Avenue, Portland, Oregon, 97201.

15 JUDGE HAENLE: Thank you. I appreciate
16 that. I asked you before we went on the record whether
17 we need to invoke the rule for obtaining information in
18 discovery, WAC 480-09-480. Did you indicate that you
19 felt that was appropriate, Ms. Egeler?

20 MS. EGELER: Yes.

21 JUDGE HAENLE: Is there anyone who feels it
22 is not appropriate? Then we will invoke that rule. I
23 believe this is a matter that it is appropriate to use
24 those techniques and so they will be available for you.
25 We discussed briefly discovery schedule and the time

1 lines for production. Let me suggest we go on, finish
2 everything else up and then you talk about those and
3 come back on the record and summarize what you've
4 decided about discovery schedule and time lines, if
5 that's all right. I asked the parties if anyone felt
6 that a protective order was necessary in this matter.
7 I believe everyone said they did not. Is there anyone
8 that wants to request a protective order?

9 Hearing no response keep in mind the
10 material is not going to be able to be marked
11 confidential then or will not be held confidential if
12 you send it in.

13 Before we went on the record I read you the
14 schedule that the Commission gave me, and I will read
15 it again now in case you didn't write it down last
16 time. After the prehearing conference being held today
17 the next would be cross of the company materials, July
18 20, 21 and 22. I indicated that we would be starting
19 at 9:30 as usual on July 20 and then we would determine
20 that evening at what time we would begin on July 21
21 because the open meeting is on July 21 and so we would
22 be starting off after the open meeting on that date.

23 Company prefiling of -- I'm sorry --
24 prefiling of staff, intervenor, public counsel experts'
25 material August 19. Prefiling of company rebuttal

1 August 29. Cross of staff, intervenor, public counsel
2 expert and company rebuttal September 6 through 9 and
3 then a public hearing one of those days. I don't
4 believe there's been a suggestion about which of those
5 days particularly. We can talk about that also if
6 anyone has a recommendation about a specific day. And
7 then oral argument on September 19. Any comment or
8 thoughts about the schedule particularly?

9 MR. VAN NOSTRAND: Yes, Your Honor. I would
10 like to note, I'm extremely concerned. There's a
11 ten-day period between August 19 and August 29 when
12 staff and other intervenors file their testimony on the
13 19th and company rebuttal is due on the 29th. During
14 that ten-day period briefs are due in the prudence
15 review on August 26th, and I believe that's an extreme
16 hardship on the company, maybe other parties as well,
17 but certainly on the company to have ten days to
18 prepare rebuttal testimony in this case and most of the
19 ten days is also concurrent with the period in which
20 we're preparing the brief in a tremendously important
21 case to the company which is due on the 26th.

22 JUDGE HAENLE: So what are you proposing as
23 an alternative?

24 MR. VAN NOSTRAND: I propose either that the
25 prefiling date for staff and public counsel testimony

1 be moved up a few days or if there could be a slippage
2 of a couple of three days in the filing of the company
3 rebuttal, but seeing that the hearings are scheduled
4 for September 6th, I don't know if that's possible.
5 It's my suggestion would be to either move the
6 prefiling date for staff and intervenor testimony up to
7 August 12 or slip -- or leave it at August 19 and slip
8 the early date for prefiling company rebuttal to
9 September 1 so at least we have a couple, three working
10 days after the brief is due in the prudence review to
11 prepare rebuttal testimony in this case. As it stands
12 now, there is no working day between the 26th of August
13 when the prudence review brief is due and the 29th and
14 when this -- when the testimony is due in this case and
15 it's the same people involved in the company in both
16 proceedings.

17 JUDGE HAENLE: What day of the week is
18 September 1?

19 MR. VAN NOSTRAND: Thursday.

20 JUDGE HAENLE: So you would have the
21 prefiling on Thursday and then only one working day
22 before the cross begins?

23 MR. VAN NOSTRAND: Two working days. It
24 would be September -- when is Labor Day? The 5th?

25 JUDGE HAENLE: I believe so.

1 MR. VAN NOSTRAND: Yeah. Or the 31st. It
2 may be easier to have -- to take care of this by moving
3 the staff and intervenor prefiling date -- move that
4 from the 19th back to the 12th.

5 MR. TROTTER: The problem with that -- I'm
6 not sure that the calendar I'm looking at is correct,
7 is rebuttal cross in the prudence case the 1st through
8 5th of August?

9 JUDGE HAENLE: Yes.

10 MR. TROTTER: Well, then, that puts the
11 burden that is currently on the company on staff and
12 intervenors. I recognize the problem. I just don't
13 know -- that doesn't appear to be an obvious solution.

14 JUDGE HAENLE: Well, we certainly run into a
15 problem with couple of cases going simultaneously.
16 Does anyone else have a thought or comment on that
17 proposal?

18 MR. VAN NOSTRAND: I just didn't know --
19 with the schedule the way it is even it doesn't seem to
20 contemplate any discovery between when the company
21 files its rebuttal on the 29th and when hearings start
22 on the 6th and that's why if there's a couple of three
23 days in there to move that either to August 31 or
24 September 1 so we have a couple of working days after
25 when the prudence review brief is due. I didn't

1 realize Labor Day was in there as well.

2 MS. EGELER: What if we move both the filing
3 time for company rebuttal?

4 JUDGE HAENLE: Let's go off the record.

5 (Discussion off the record.)

6 JUDGE HAENLE: Let's be back on the record.

7 During the time we were off the record we discussed
8 scheduling. Do you want to -- what I want to be sure
9 is that everybody has a chance to get their
10 information on to the record, their proposals. I will
11 ask Mr. Van Nostrand first and then ask the rest of
12 you for your comment or counter proposals. Then I
13 will need to check with the Commissioners before we'll
14 know one way or the other since it's their schedules
15 that will determine this, so I would either get you
16 your response in a letter as soon as possible or
17 include it in my order on prehearing conference.
18 Mr. Van Nostrand, what were your final proposals?

19 MR. VAN NOSTRAND: I'm trying to recall,
20 Your Honor, what was said on the record before we went
21 off the record. Do you recall?

22 JUDGE HAENLE: I took some notes and I can
23 tell you what I think your final proposal was
24 irrespective of what else was on the record, or why
25 don't you just repeat your final proposal irrespective

1 of what else was on the record. That's much better.

2 MR. VAN NOSTRAND: Okay. As I noted before,
3 the concern is that the ten days that's allowed between
4 the filing of the staff and intervenor testimony and
5 company rebuttal on the 29th also within that ten days
6 is the due date for the parties' briefs in the prudence
7 review, and assuming the Commission needs to keep the
8 hearing schedule during the week of September 6th
9 through 9th, the company's proposal was either to slip
10 the prefiling date for company rebuttal to August 31 or
11 September 1 to allow us at least one or two working
12 days after the due date for the brief in the prudence
13 review, or to have the filing date for staff and
14 intervenor testimony advanced a few days, probably
15 Monday, August 15th, so that we would have additional
16 time at the front end of the period.

17 Assuming the Commission -- there was a
18 suggestion made by staff counsel Egeler that the
19 Commission may have hearing times available during the
20 following week, and if these hearings could be
21 rescheduled for the following week, the proposal would
22 be to continue to have the oral argument on Monday,
23 September 19th, to have the hearings set for sometime
24 during the week of the 12th through the 16th and have
25 the company prefiling date for its rebuttal slipped to

1 September 2, and I believe -- I don't know if there
2 would be a need to have the staff and public counsel or
3 staff and intervenor prefiling date changed under that
4 circumstance or not. August 19th may be fine in that
5 circumstance.

6 JUDGE HAENLE: And I believe you had said
7 something in response to that, Mr. Trotter.

8 MR. TROTTER: I'm having trouble focusing
9 on all these different dates that have been tossed
10 around, but one notion regarding the inconvenience for
11 the company because of the briefing schedule in the
12 other docket some of the same concerns apply to the
13 other parties with that same docket in view of the
14 fact that cross in that docket is from August 1
15 through the 5th. And so moving dates closer to that
16 period is problematic for other parties. We had
17 proposed shifting the staff/intervenor/public counsel
18 distribution dates to the 17th and the company's
19 rebuttal to September 1st and then the hearings on the
20 12th through 15th which is not substantially different
21 than the company's last proposal.

22 JUDGE HAENLE: Did anyone else have comments
23 or proposals?

24 MR. TROTTER: I would just add maybe that
25 the first preferential solution from our point of view

1 is wait until cross or wait until August 19th or both
2 and just see what the issues -- what issues percolate
3 out of this case. The last PRAM was relatively
4 issue-free. Prior PRAMs have not been, so depending
5 on what category this one falls in might make all of
6 this discussion moot.

7 JUDGE HAENLE: When you made that proposal,
8 you indicated that waiting that long might be too late
9 from the Commission's point of view to be able to make
10 other hearing dates available and that would be my
11 primary concern. Did anyone else have a comment or a
12 counter proposal?

13 MR. TRINCHERO: Yes, Your Honor. It would
14 be WICFUR's preference if the Commission has hearing
15 dates open the 12th through the 16th to follow that
16 proposal which would be to move the company rebuttal
17 filing date back and the hearing dates back.

18 JUDGE HAENLE: Company rebuttal date to
19 which?

20 MR. TRINCHERO: To either September 1st or
21 September 2nd, whatever can be worked out between
22 public counsel and the company. That one-day
23 difference is neither here nor there to us. What I
24 would be concerned with is any proposal that leaves
25 the September 6th through 9th hearing dates in place

1 but slips the company rebuttal date back leaving
2 insufficient time for discovery on the company
3 rebuttal testimony. There may be no issues
4 significant enough in this case that arise that would
5 require discovery at that period, but we don't know
6 that at this point. If the September 6th through 9th
7 hearing dates cannot be moved back, I would propose
8 that staff and intervenor testimony be submitted
9 either August 17th or August 15th rather than
10 squeezing the discovery period between company
11 rebuttal and September hearing dates.

12 JUDGE HAENLE: And then leaving everything
13 else in place?

14 MR. TRINCHERO: Yeah.

15 JUDGE HAENLE: Who hasn't had a chance to --
16 Mr. Bennett?

17 MR. BENNETT: No.

18 JUDGE HAENLE: Ms. Egeler, did you have a
19 proposal?

20 MS. EGELER: The staff would support public
21 counsel's proposal.

22 JUDGE HAENLE: I will let you know as I can
23 get a reading on what their preference is. I don't
24 know whether that next week is available in September,
25 that second week of September is available or not. I

1 will do my best to check quickly.

2 We need to premark the documents. We can
3 do that off the record also at the time we're
4 discussing discovery schedules and deadlines. But I
5 wanted to find out also what you expect the issues to
6 be in this PRAM case. What's going to be different
7 about this one from previous ones, Mr. Van Nostrand?

8 MR. VAN NOSTRAND: I am not aware of any
9 difference, Your Honor. I think we've kind of got this
10 down. Hopefully it's just the application of a
11 formula. I don't believe there's anything in our
12 filing that departs from the norm, although the
13 incentive thing which we'll talk about at 3 is
14 obviously something different from previous PRAMs.

15 MR. TROTTER: Your Honor, there is also a
16 request by the company to accrue interest or AFUCE on
17 the deferrals that is different from -- issue has
18 come up in prior PRAMs but I think this is the first
19 time it's been offered as an issue.

20 MR. VAN NOSTRAND: I will acknowledge that,
21 Your Honor. That is a departure, something that
22 hasn't been expressly requested before.

23 JUDGE HAENLE: This is the first time that
24 that's been included in the company direct, is it not?

25 MR. VAN NOSTRAND: I believe so, yes.

1 JUDGE HAENLE: What else in the way of -- we
2 discussed the interplay of this case with the
3 incentives case that will be reopening at 3:00. What I
4 told you I knew about it we'll discuss more at 3:00,
5 but generally it's that if the Commission -- if you
6 are able to present to the Commission something that's
7 been agreed upon presented from the collaborative, if
8 this case is going to be settled then that settlement
9 would need to be presented to the Commission before
10 the end of August so that the Commissioners could ask
11 any questions they might have during the PRAM
12 examination dates. If it looks like this is not going
13 to be settled and it's going to need to go to hearing,
14 that the Commission does not anticipate that these
15 issues could be covered in time to combine it with this
16 PRAM case and prefiling dates then hearing dates would
17 most likely be set starting after these cases are over,
18 sometime after October 1st, so that's as much as I know
19 about it now. We'll know more about it at 3:00, when
20 we talk about it, I assume, but you might keep that
21 framework in mind.

22 Other issues, Mr. Trotter, that you see?

23 MR. TROTTER: Well, I'm probably not going
24 to be the attorney that ultimately represents public
25 counsel in this docket.

1 JUDGE HAENLE: Well, then, that gives you a
2 great chance.

3 MR. TROTTER: So I am not as prepared as I
4 might otherwise be, but I was aware of the AFUCE
5 issue. Mr. Lauckhart also makes a proposal regarding
6 true-ups to some power supply account although he does
7 not implement -- as I understand he is not seeking to
8 implement that proposal but that could be an issue just
9 depending on how it plays out. I would like to make a
10 brief statement on the incentives issues that is in
11 this case if I might.

12 JUDGE HAENLE: Yes.

13 MR. TROTTER: I did have discussion with
14 staff counsel and company counsel before the hearing,
15 and the incentives issue is -- the merits of the
16 incentive issue is before the Commission in the docket
17 that's going to go to prehearing conference this
18 afternoon, that's UE-910689, and so we didn't want the
19 merits of that to be litigated in two dockets, and it's
20 my general understanding that if it's the Commission's
21 intent or if it turns out that the incentive docket is
22 a litigated contested case that goes along for some
23 time that the company would withdraw the testimony of
24 Ms. Smith in PRAM 4 docket and presumably seek
25 recovery, whatever results from the incentive docket,

1 in a future PRAM. On the other hand, if we can reach
2 agreement then PRAM 4 might be the appropriate vehicle
3 for the recovery, though not the litigation of the
4 merits of the amount.

5 JUDGE HAENLE: Well, not knowing at this
6 point how close anyone might be to that kind of
7 agreement or what the chances are, how would you
8 propose to treat that, I guess, so that we don't have to
9 cover it twice? At what point would you suggest the
10 company withdraw its exhibit?

11 MR. TROTTER: I think at this point the most
12 I would want from the company is an acknowledgement
13 that that is a reasonable course of action. We're all
14 hopeful that we can get a resolution in the incentive
15 docket but we want an understanding of what happens
16 if we don't now. We don't need to do anything now.
17 We don't need to move to strike any testimony because
18 none has been offered and I don't think we need to
19 formally resolve that now, but I want to get what I
20 think is an understanding on the record on what the
21 course of action will be so that we can plan
22 accordingly.

23 JUDGE HAENLE: You folks had this
24 discussion before we went on the record, Mr. Van
25 Nostrand.

1 MR. VAN NOSTRAND: Yes, Your Honor, and I
2 think the company's agreement of what we do not want is
3 to have to litigate this issue in two different
4 proceedings, and I guess depending upon the outcome of
5 discussions at 3, if it appears that issue can't be
6 resolved probably what -- and if there is going to be
7 a hearing schedule set in that proceeding that
8 precludes the amounts being recovered in PRAM 4, we
9 would probably want to withdraw Ms. Smith's testimony
10 in PRAM 4 and then -- and forego recovery of that
11 amount until PRAM 5, I guess. But we are in agreement
12 with public counsel and staff that we don't want to
13 litigate that issue into two different proceedings.

14 JUDGE HAENLE: I think that's an excellent
15 idea, and I think that would probably be the
16 Commission's preference as well. Anyone else have a
17 thought on that? Comments?

18 Well, let's try to identify that as soon as
19 possible or try to let everybody know as soon as
20 possible whether that's actually going to be a live
21 issue or not.

22 Need to mark the exhibits. We need to
23 discuss discovery to some extent. Anything else we
24 need to cover in this prehearing conference? Let's go
25 off the record to do those two things. We'll come back

1 on the record with a summary of what we came up with.

2 (Recess.)

3 JUDGE HAENLE: Let's be back on the record.

4 During the time we were off the record we discussed
5 additional issues. We premarked the documents for
6 identification, and we discussed discovery. Before we
7 go any further, it appears we did get sidetracked in
8 discussing issues, so let me ask, is there anyone else
9 that knows of issues that are going to be in this PRAM
10 that we haven't discussed on the record already?

11 MS. EGELER: Nothing from the staff, Your
12 Honor, but, again, Ms. Johnston isn't here today so I
13 don't want to limit her completely. Staff's issues
14 are directly tied to the prudence case. In addition
15 from the staff will be raising issues regarding the
16 interest on deferrals and the proposed true-ups of
17 items transferred from the base, and any issues which
18 may arise during discovery.

19 JUDGE HAENLE: Sorry. Proposed true-up of
20 items transferred from the base?

21 MR. TROTTER: Base costs.

22 JUDGE HAENLE: Transferred from base costs
23 to resource cost, okay.

24 Anyone else?

25 MR. TROTTER: Do I assume correctly that by

1 asking for this listing of issues you're not
2 foreclosing any issue?

3 JUDGE HAENLE: No. I'm trying to figure out
4 what's likely to happen here to give the Commission the
5 best idea we can. I would appreciate an exhaustive
6 list but I don't ever expect to get it at this point.

7 Anyone else?

8 Okay. Also during the time we were off the
9 record we premarked a number of documents for
10 identification. Mr. Lauckhart's series, JRL-1, T-1
11 for identification, his testimony in 14 pages. JRL-2,
12 Exhibit 2 for identification, education summary in
13 two pages. JRL-3, Exhibit 3 for identification hydro
14 conditions in two pages. JRL-4, Exhibit 4 for
15 identification. Revenue requirement for base cost in
16 one page. JRL-5, Exhibit 5 for identification, revenue
17 requirement for resource costs in eight pages. JRL-6,
18 Exhibit 6 for identification, a summary sheet for
19 estimating period No. 4 in one page. JRL-7, Exhibit
20 7 for identification, a listing of new resources the
21 company is adding to this filing. Exhibit 8 for
22 identification, JRL-8, transmission costs in one page.
23 Exhibit T-9 for identification, MES-1, the
24 prefiled testimony of Marie Smith in seven pages.
25 Exhibit 10 for identification, MES-2, three-year

1 verification plan in eight pages plus a 13-page
2 attachment A. Exhibit 11 for identification, MES-3, in
3 three pages incentive calculation.

4 Then Exhibit T-12 for identification,
5 prefiled testimony of John Story in 11 pages. 13 for
6 identification, JHS-2, statement of operating income and
7 adjustments from UE-921262 in one page. Exhibit 14 for
8 identification, JHS-3, PRAM deferral in four pages.
9 Exhibit 15 for identification, JHS-4, interest on PRAM
10 deferrals in one page. JHS-5, Exhibit 16 for
11 identification return, on rate base comparison in one
12 page, and Exhibit 17 for identification, JHS-6,
13 conservation revenue requirement in one page.

14 Exhibit T-18 for identification, prefiled
15 testimony of David Hoff in seven pages. Exhibit 19 for
16 identification, DWH-2, report on PRAM implementation
17 issues collaborative in nine pages.
18 DWH-3, Exhibit 20 for identification, status report
19 on PRAM evaluation in two pages. And Exhibit 21 for
20 identification, DWH-4 proposed tariffs.

21 (Marked Exhibits T-1, 2 through 8, T-9, 10
22 through 17, T-18 and 19 through 21.)

23 JUDGE HAENLE: While we were on the subject,
24 Mr. Bennett, you said there was some agreement by the
25 company to make a substitute. Do you want to describe

1 that?

2 MR. BENNETT: Yes, Your Honor. Exhibit
3 DWH-2 which is a consensus report from the
4 collaborative group on PRAM, simply inadvertently some
5 minor comments on that Bonneville made and I believe
6 perhaps comments that other parties made that were
7 meant to be incorporated in this report was not
8 incorporated. I have that from personal knowledge. It
9 is also my understanding that Mr. Hoff, who sponsored
10 this exhibit, has agreed with Bonneville, perhaps with
11 others, to issue a substitute report with these
12 changes. I know ours are not major. I don't have them
13 with me now. I don't know that any other parties' are
14 major. I believe planning to substitute this at the
15 time that he testifies and as far as BPA is concerned
16 no interest in posing any kind of deadline. Other
17 parties may if there's no objection to this
18 substitution, which I would be interested in knowing
19 also if there's going to be. I know parties -- I don't
20 mean objection to the exhibit itself, which is a
21 separate question, but to the idea of substituting this
22 to incorporate the comments that were left out.

23 JUDGE HAENLE: Mr. Van Nostrand.

24 MR. VAN NOSTRAND: I have nothing to say,
25 Your Honor.

1 JUDGE HAENLE: You indicated while we were
2 off the record that you didn't have any personal
3 knowledge of this issue.

4 MR. VAN NOSTRAND: No. I have no personal
5 knowledge. I will check with Mr. Hoff as soon as I
6 get back and whatever the parties wish in terms of
7 when the substitution would be made, I'm sure we can
8 accommodate.

9 JUDGE HAENLE: Why don't we set it up that
10 Mr. Hoff will bring it to the first day of
11 cross-examination unless the parties agree otherwise
12 that it needs to be predistributed. Would that be
13 okay?

14 Anybody know now they need it to be
15 predistributed?

16 We'll leave it in that manner, then.

17 The last thing we discussed while we were
18 off the record was the discovery schedule. After some
19 discussion and not total agreement I'm going to include
20 in the prehearing conference order the following
21 discovery parameters, requirements, guidelines,
22 predesignation dates, receipt dates and some of the
23 parties requested and the company indicated it would do
24 its best to comply with a requirement that on
25 predistribution dates the material should be to the

1 parties by 1:00 in the afternoon on that date.
2 Prefiling testimony would include supporting work
3 papers as well to try to cut down on discovery to the
4 extent possible. That faxed requests and responses are
5 acceptable and then a five working day turnaround for
6 discovery responses through the July 20 hearings, then
7 five calendar days through the company rebuttal
8 prefiling date and finally two calendar days after the
9 company prefiling rebuttal date. I also indicated that
10 if anyone had additional requests about discovery that
11 I would leave it to that party to bring up those
12 additional requests at a later time.

13 Now, have I missed anything in our
14 discussion of the discovery guidelines and did anyone
15 have any comments on those discovery guidelines?

16 MR. TRINCHERO: Your Honor, I believe the
17 only additional thing that we discussed off the record
18 was that faxed requests and faxed responses would be
19 acceptable.

20 JUDGE HAENLE: I should have listed that in
21 the list. If I did not, thank you.

22 Was there anything else that we discussed?
23 I will be issuing a prehearing conference order. As I
24 indicated, there will be the opportunity for other
25 parties or other entities to file interventions. I

1 don't know if anyone is going to, but how do you want
2 to provide for your responses to those petitions if at
3 all. Say I get a petition to intervene. Do you all
4 want the chance to respond to it?

5 MR. BENNETT: We don't need it. We're not
6 going to object.

7 JUDGE HAENLE: Mr. Van Nostrand.

8 MR. VAN NOSTRAND: Yes. I guess I would
9 expect you'd probably issue some sort of a notice
10 saying you've got this petition to intervene and
11 parties have until blank to respond. Five days.

12 JUDGE HAENLE: I would want that to be a
13 very short turnaround to be sure whoever the party was
14 to be able to participate fully in the case so I would
15 give probably two or three days worth of chance for
16 parties to respond in writing to the petitions to
17 intervene. Does that sound okay? Why don't we say
18 three days.

19 MR. TROTTER: I assume, Your Honor, that
20 your prehearing order will require service of the
21 petition on all parties.

22 JUDGE HAENLE: I'm sorry. I don't
23 understand. What petition --

24 MR. TROTTER: For intervention.

25 JUDGE HAENLE: Oh, yes. Petitions for

1 intervention are supposed to be served on everyone
2 that the party knows about and since we will have
3 identified at least these people, those of you who are
4 present would certainly be served. What you're
5 suggesting is since I was going to send my pre-hearing
6 conference order to everyone that was in the PRAM 3
7 that anyone filing a petition to intervene would also
8 need to file it on those who are present in the PRAM
9 3. Is that what you're saying?

10 MR. TROTTER: I just want to make sure I got
11 a copy of it. That's all.

12 JUDGE HAENLE: Well, I think I am going to
13 put in that you need to serve everyone in the PRAM 3 if
14 you're going to petition to intervene but most
15 particularly a copy to Mr. Trotter.

16 MR. TROTTER: Thank you.

17 JUDGE HAENLE: Who isn't even the contact
18 person.

19 MR. TROTTER: Our office.

20 JUDGE HAENLE: Anyone else that has anything
21 they need to cover?

22 The hearing will be adjourned, then. The
23 next time we meet I imagine will be for the cross of
24 the company. Thanks.

25 (Hearing adjourned at 2:17 p.m.)