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1 BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION

2 COMMISSION

3	WASHINGTON UTILITIES AND	)	
	TRANSPORTATION COMMISSION,	)	
4		)	
	Complainant,	)	
5		)	
	vs.	)	DOCKET NO. UG-080546
6		)	Volume I
	NORTHWEST NATURAL GAS	)	Pages 1 - 20
7	COMPANY,	)	
		)	
8	Respondent.	)	

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A prehearing conference in the above matter was held on April 24, 2008, at 1:40 p.m., at 1300 South Evergreen Park Drive Southwest, Olympia, Washington, before Administrative Law Judge ADAM TOREM.

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The parties were present as follows:

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WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION, by SALLY G. BROWN, JENNIFER CAMERON-RULKOWSKI, GREGORY J. TRAUTMAN, Assistant Attorneys General, 1400 South Evergreen Park Drive Southwest, Post Office Box 40128, Olympia, Washington 98504; telephone (Ms. Brown), (360) 664-1193.

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NORTHWEST NATURAL GAS COMPANY, by JAMES M. VAN NOSTRAND, Attorney at Law, Perkins Coie, 1120 Northwest Couch Street, 10th Floor, Portland, Oregon 97209; telephone, (503) 727-2162.

Kathryn T. Wilson, CCR

Court Reporter

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1 PUBLIC COUNSEL, by SARAH A. SHIFLEY and SIMON  
2 J. FFITCH, Assistant Attorneys General, 800 Fifth  
3 Avenue, Suite 2000, Seattle, Washington 98104;  
4 telephone, (206) 389-2055 (Mr. ffitch.)

5 THE ENERGY PROJECT, by RONALD L. ROSEMAN,  
6 Attorney at Law, 2011 14th Avenue East, Seattle,  
7 Washington 98112; telephone, (206) 324-8792.

8 NORTHWEST INDUSTRIAL GAS USERS, by EDWARD A.  
9 FINKLEA, Attorney at Law, Cable, Huston, Benedict,  
10 Haagensen & Lloyd, 1001 Southwest Fifth Avenue, Suite  
11 2000, Portland, Oregon 97204; telephone, (503)  
12 224-3092.

13 NORTHWEST ENERGY COALITION, by STEVEN WEISS  
14 (via bridge line), Senior Policy Associate, 4422 Oregon  
15 Trail Court Northeast, Salem, Oregon 97305; telephone,  
16 (503) 851-4054.

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

2 JUDGE TOREM: Those on the bridge, we are  
3 going to get started. It's now about 20 minutes to  
4 two. This is Administrative Law Judge Adam Torem. We  
5 are convened in Docket UG-080546. This is a filing by  
6 the Northwest Natural Gas Company for a general rate  
7 increase, and the first order of business will be to  
8 take appearances.

9 I've been advised to let everyone know, we  
10 are crammed in a small room. Those on the bridge line  
11 probably have more room, and the court reporter is  
12 seated a little further away than normal, so if  
13 everybody will speak slowly and give their full  
14 appearances, then we will take up the other business as  
15 to protective orders, petitions to intervene, one of  
16 which was just received this afternoon and is appearing  
17 on the bridge line, and then look to the procedural  
18 schedule with what's left of the Commission's calendar  
19 for this year and early next. Starting with the  
20 Company?

21 MR. VAN NOSTRAND: On behalf of Northwest  
22 Natural Gas, James M. Van Nostrand of Perkins Coie,  
23 LLP, Portland, Oregon, 1120 Northwest Couch Street,  
24 10th Floor; phone, (503) 727-2162; e-mail address,  
25 jvannostrand@perkinscoie.com. The fax is (503)

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1 346-2162.

2 JUDGE TOREM: For Commission staff?

3 MS. BROWN: Sally Brown, senior assistant  
4 attorney general. My street address is 1400 South  
5 Evergreen Park Drive Southwest, Olympia, Washington,  
6 98504. My telephone number is (360) 664-1193. My  
7 e-mail address is sbrown@utc.wa.gov. My fax number is  
8 area code (360) 586-5522.

9 MR. TRAUTMAN: Gregory J. Trautman, assistant  
10 attorney general for Commission staff. My address is  
11 the same as Ms. Brown. My telephone number is (360)  
12 664-1187. My fax number is the same as Ms. Brown's,  
13 and my e-mail address is gtrautma@utc.wa.gov.

14 MS. CAMERON-RULKOWSKI: Also on behalf of  
15 Commission staff, Jennifer Cameron-Rulkowski, assistant  
16 attorney general. Same address, same fax. Telephone  
17 number is (360) 664-1186. E-mail is  
18 jcameron@utc.wa.gov.

19 JUDGE TOREM: Thank you. Public Counsel?

20 MS. SHIFLEY: Sarah Shifley for Public  
21 Counsel. My street address is 800 Fifth Avenue, Suite  
22 2000, Seattle, Washington, 98104. My phone number is  
23 (206) 464-6595. My fax is (206) 464-6451. My e-mail  
24 is sarahs5@atg.wa.gov, and also appearing on behalf of  
25 Public Counsel is Simon ffitch. Mr. ffitch's address

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1 is the same as mine. His fax number is the same as  
2 mine. His direct line is (206) 389-2055, and his  
3 e-mail address is simonf@atg.wa.gov.

4 JUDGE TOREM: We received a petition to  
5 intervene from the Northwest Industrial Gas Users.

6 MR. FINKLEA: My name is Edward A. Finklea  
7 representing the Northwest Industrial Gas Users. I'm  
8 with the law firm of Cable, Huston, Benedict, Haagensen  
9 & Lloyd. Our address is 1001 Southwest Fifth Avenue,  
10 Suite 2000, Portland, Oregon, 97204. Our telephone is  
11 (503) 224-3092. Our fax is (503) 224-3176. My e-mail  
12 address is efinklea@cablehuston.com.

13 Also appearing with me in this proceeding  
14 will be Chad Stokes, and all the information is the  
15 same with Mr. Stokes, and his e-mail address is  
16 cstokes@cablehuston.com, and then in this proceeding,  
17 our executive director, Paula Pyron, would like to be  
18 on the e-mail distribution list, and I was told we  
19 should request that at the prehearing conference, and  
20 Ms. Pyron's e-mail address is ppyron@nwigu.org.

21 JUDGE TOREM: One confirmation, Mr. Finklea,  
22 you used to have an e-mail domain of chbh.com?

23 MR. FINKLEA: They still get there if you use  
24 that, but we have changed, so it's cablehuston.com.

25 JUDGE TOREM: For The Energy Project?

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1           MR. ROSEMAN: My name is Ronald Roseman. I'm  
2 an attorney in Seattle. My address is 2011 14th Avenue  
3 East, Seattle, Washington, 98112. My telephone number  
4 is (206) 324-8792. My fax number is (206) 568-0138.  
5 My e-mail address is ronaldroseman@comcast.net.

6           Mr. Charles Eberdt, who is the manager of The  
7 Energy Project, would also like to receive e-mails  
8 regarding this case. His e-mail address is  
9 chuck eberdt@opportunitycouncil.org.

10           JUDGE TOREM: And this afternoon, I got a  
11 call from Danielle Dixon that the Northwest Energy  
12 Coalition would make an oral petition to intervene  
13 today. I have received, as has our records center, a  
14 written copy of that. Mr. Steven Weiss, are you on the  
15 bridge line?

16           MR. WEISS: Yes. My name is Steven Weiss,  
17 W-e-i-s-s. I'm a senior policy associate for the  
18 Northwest Energy Coalition. My phone number is (503)  
19 851-4054. My fax is (503) 393-8859. My e-mail address  
20 is steve@nwenergy.org, and my address is 4422 Oregon  
21 Trail Court Northeast, Salem, Oregon, 97305.

22           JUDGE TOREM: Mr. Weiss, was there anyone at  
23 the Energy Coalition that needed to be on the e-mail  
24 courtesy list?

25           MR. WEISS: No. I can send things to them if

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1 I have to, but I will be doing it myself.

2 JUDGE TOREM: Thank you. Were there any  
3 other oral petitions to intervene here in Olympia or  
4 otherwise on the bridge line?

5 MR. VAN NOSTRAND: Your Honor, we did have  
6 one more appearance on behalf of Northwest Natural.

7 MS. SCOTT: Inara K. Scott, and the address  
8 is 220 Northwest Second Avenue, Portland, Oregon,  
9 97202. Telephone is (503) 721-2476 the fax is (503)  
10 721-2532, and the e-mail address is  
11 inara.scott@nwnatural.com.

12 JUDGE TOREM: Ms. Scott, your position with  
13 the company?

14 MS. SCOTT: Manager of regulatory affairs.

15 JUDGE TOREM: Again, were there any other  
16 petitions to intervene that I'm not aware of? Then I  
17 don't believe, before I dash into all of what we are  
18 going to do that I stated dates and all of that, so it  
19 is Thursday. It is April 24th, 2008. Most of us are  
20 here in Olympia and Mr. Weiss is on the bridge line.

21 Let me turn to the Company, and skipping the  
22 Northwest Energy Coalition which was new to you this  
23 afternoon, perhaps, any objections to petitions to  
24 intervene by the Northwest Industrial Gas Users and The  
25 Energy Project?

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1           MR. VAN NOSTRAND: No, Your Honor, and I also  
2 had a chance to talk to Mr. Weiss, who advised me of  
3 the Northwest Energy Coalition petition to intervene,  
4 and we have no objection to that either.

5           JUDGE TOREM: Any input from Commission staff  
6 or Public Counsel?

7           MS. SHIFLEY: No objection.

8           MR. TRAUTMAN: No objection.

9           JUDGE TOREM: I take it those petitions will  
10 be granted, and I will take care of that in the  
11 prehearing conference order. The next matter to turn  
12 to is the need for a protective order in this case.  
13 Hear from the Company on that?

14           MR. VAN NOSTRAND: We would request that the  
15 standard form of protective order be issued. At this  
16 point, we don't anticipate highly confidential  
17 information, so we believe the standard protective  
18 order should be sufficient.

19           JUDGE TOREM: So no highly confidential  
20 provisions in this particular case, and discovery. I  
21 take it people want to get started despite the amount  
22 of things that are going on for many of the parties in  
23 this room. Any comments from any of the parties on  
24 discovery?

25           MR. TRAUTMAN: Your Honor, the Commission



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1 should invoke the standard discovery rules.

2 JUDGE TOREM: Then the standard protective  
3 order will be issued, and the prehearing conference  
4 order will invoke the discovery rules as is common.

5 That brings us to the procedural schedule,  
6 unless any of the parties want to inform me of other  
7 procedural matters we need to deal with today. Seeing  
8 none, I was handed a proposed schedule. I'm not sure  
9 who presented this or how much work went on beforehand  
10 with everyone. Can someone enlighten me?

11 MR. TRAUTMAN: Your Honor, I know this has  
12 been discussed with Public Counsel and the Company and  
13 Staff, and we circulated it to the other companies  
14 yesterday.

15 JUDGE TOREM: So, Mr. Trautman, include a  
16 hearing that would be January of 2009. In the notice  
17 of today's prehearing conference, we were looking for  
18 the 5th, 6th, and 7th and here's the 7th and 8th.

19 MR. TRAUTMAN: The 5th, 6th and 7th would  
20 work.

21 JUDGE TOREM: The Commissioners have a  
22 conference in the Avista rate case on the 8th, and I  
23 wanted to make sure there isn't an intentional reason.

24 MR. TRAUTMAN: No.

25 JUDGE TOREM: Any comment from the Company on

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1 the schedule as proposed?

2 MR. VAN NOSTRAND: No. All the items in the  
3 schedule are fine. It's as we discussed with the  
4 parties, and we've revised some of the dates, but this  
5 would work for us.

6 MR. ROSEMAN: Will you refresh my memory? Is  
7 this Avista general rate case that you referred to?

8 JUDGE TOREM: Yes.

9 MR. ROSEMAN: I just needed some  
10 clarification, because we are active in Avista. I just  
11 don't know which -- is this the Avista General rate  
12 case?

13 JUDGE TOREM: Yes. The hearing in the Avista  
14 case is to be December 1st, 2nd, and 3rd of 2008, so  
15 the decision conference will be after the briefing is  
16 what's going on. As far as you will be involved, your  
17 part will probably be done.

18 MR. ROSEMAN: Thank you.

19 JUDGE TOREM: Mr. Weiss, you are on the phone  
20 without benefit of this schedule, I would imagine.

21 MR. WEISS: I do have the schedule, and it's  
22 fine with me.

23 JUDGE TOREM: Good. As I look at this, the  
24 only question I have, the filing dates for testimony  
25 don't worry me any. It's the request for initial and

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1 reply briefs as needed. In some of the other cases; in  
2 fact, in all the other general rate cases that precede  
3 this one, they have agreed to have simultaneous briefs  
4 so as to perhaps give them a little bit more time and  
5 not have to worry about a reply.

6 I wasn't sure if this standard calendar that  
7 was circulated had given any particular thought to  
8 simultaneous briefs. That can certainly be modified  
9 later as the parties move along or at the hearing  
10 itself because you may know how many issues you have  
11 left. Certainly this can be taken and approved today  
12 as it stands, but I wanted to raise that issue. Here  
13 you are giving yourself just about 21 days after the  
14 close of the hearing for the initial briefs. Some of  
15 the other cases have been as short as 20 but as long as  
16 28 days.

17 MS. BROWN: Your Honor, we did discuss it  
18 internally, the possibility of simultaneous briefing,  
19 but my preference would be to defer it until we see  
20 where we are later in the stages of the case.

21 JUDGE TOREM: Certainly.

22 MR. FINKLEA: Your Honor, I had just one  
23 matter. I don't think it's a change of anything. It's  
24 just adding or clarifying that the November 21 date for  
25 the prefiling of Northwest Natural's rebuttal, it's

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1 certainly possible in this case that the parties may  
2 need to rebut each other, so we generally in  
3 proceedings allow for cross-rebuttal so that the  
4 parties can rebut each other. It's not just for the  
5 Company that rebuts, and if the prehearing conference  
6 order would reflect that cross-rebuttal testimony is  
7 for all parties, we would request that.

8 JUDGE TOREM: I think that's previously been  
9 done.

10 MR. FINKLEA: It's more common than not in my  
11 experience.

12 MR. WEISS: I agree to that and support it.

13 JUDGE TOREM: I concur. Then for the record,  
14 let me recite the dates and then I will put them into  
15 the prehearing conference order.

16 MS. SHIFLEY: Your Honor, Public Counsel  
17 requests there be a report-back date on the public  
18 notice drafting process. We requested that in the  
19 other cases, and you probably see it on the schedule in  
20 front of you, and we would propose a report-back date  
21 of May 28th, 2008, at which time Public Counsel would  
22 file a letter, a brief sort of status report letter  
23 with the Bench on how the notice drafting process is  
24 going.

25 JUDGE TOREM: So this would be a self-imposed

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1 deadline, essentially, on you to send a letter?

2 MS. SHIFLEY: Exactly, but to have it be  
3 reflected in the procedural schedule.

4 JUDGE TOREM: I take it that you and the  
5 Company have already established a rapport on how you  
6 are going to go about dealing with this process of  
7 reviewing it so that on May 28th, hopefully the letter  
8 says, All is okay and here's a proposed notice?

9 MS. SHIFLEY: We have been in contact about  
10 the notice drafting process, but not specifically about  
11 a report-back letter, no.

12 JUDGE TOREM: Any objections for the May 28th  
13 date?

14 MR. VAN NOSTRAND: No, Your Honor.

15 JUDGE TOREM: Then a public notice report  
16 deadline will be added as well, unless any other  
17 parties have objections or comments to that. Any other  
18 additions or comments on the procedural schedule?

19 MR. TRAUTMAN: We were discussing whether to  
20 put in a settlement conference date --

21 MR. VAN NOSTRAND: And we may want to go off  
22 the record to see if we can come up with a date for a  
23 round of settlement conferences.

24 JUDGE TOREM: While we are off the record, I  
25 will ask Public Counsel to suggest when they might want

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1 to have a public hearing. I know it will be in  
2 Vancouver, if there is a potential range of dates we  
3 might discuss while all the parties are here. Anything  
4 else before we take a break off the record?

5 (Discussion off the record.)

6 JUDGE TOREM: It's now almost 2:30. We've  
7 managed to hammer out the schedule for this case,  
8 understanding that it was difficult to accommodate all  
9 the other rate cases and commitments on the Commission  
10 calendar already, and thank the parties. Here's what  
11 we've got:

12 First, the initial filing was accomplished on  
13 March 28th, 2008, and today, April 24th, 2008, is our  
14 prehearing conference to discuss all these procedural  
15 issues. The proposed tariff effective date was May  
16 1st, 2008, and that has been suspended. The next  
17 operative date on this will be a public notice report  
18 of May 28th, 2008. That essentially will require  
19 Ms. Shifley to file on behalf of Public Counsel a  
20 letter explaining the status of the draft of the public  
21 notice. She's indicated she will be working with the  
22 Company and as needed with the other parties to make  
23 sure that's on track, so May 28th, 2008.

24 Then an initial settlement conference was  
25 shoehorned into the calendar for Friday, September the

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1 26th, 2008. That will be followed almost a month later  
2 by the prefiling of all the responsive testimony to the  
3 Company's initial filing, so Staff, Public Counsel, and  
4 the three intervenors in this case will file their  
5 testimony October 24th, 2008.

6           The rebuttal testimony of the Company and any  
7 other party that wishes to file cross-rebuttal  
8 testimony will be due on November 21st, 2008, and then  
9 what I'm told will be the true substantive settlement  
10 conferences will occur on Monday, December the 8th, and  
11 Tuesday, December the 9th, 2008. The hearing in the  
12 matter will be scheduled for Tuesday, January 6th, and  
13 Wednesday, January 7th of 2009.

14           A public hearing will precede the evidentiary  
15 hearings about a month and a half earlier. We are  
16 looking to choose a date. What's been discussed was  
17 Wednesday, November the 12th or Thursday, November the  
18 13th. Public Counsel has requested this be held in  
19 Vancouver, Washington; that the start be no earlier  
20 than six p.m., and that if the dates of Wednesday or  
21 Thursday are not agreed to by the commissioners that we  
22 not pick a date that's a Monday or a Friday.

23           I think the preferred date will be Thursday,  
24 November the 13th. Ms. Shifley, did I get the  
25 description of the public hearings about right?

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1 MS. SHIFLEY: Yes, Your Honor.

2 JUDGE TOREM: So the hearing itself, January  
3 6th and 7th, 2009, and we have sort of a two-track  
4 approach to briefs. At this time, the parties are  
5 asking and will schedule an initial brief due-date of  
6 January 30th, 2009, followed one week later with reply  
7 briefs on February the 6th, 2009.

8 If the parties decide to come back later in  
9 the process and request a consolidation into a  
10 simultaneous briefing, that would be February 6th,  
11 2009, and the parties may ask given that one week slip  
12 in the brief deadline that the hearing dates be moved  
13 out a week. We've looked, but we can't commit at this  
14 time that January 12th and 13th, 2009, appear to be  
15 reasonable alternate dates that are free on the  
16 Commission's calendar. I will try to give everybody  
17 formal notice of that in the prehearing conference  
18 order explaining this what-if deadline for simultaneous  
19 briefs and the potential for moving the hearing out an  
20 additional week to accommodate that.

21 Either way, the suspension period is going to  
22 end on Sunday, March the 1st, 2009. I think that  
23 covers all the dates. Mr. Roseman, did I get it right?

24 MR. ROSEMAN: Yes, you did, Your Honor.

25 JUDGE TOREM: Any other procedural issues we



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1 need to look at in this case?

2 MS. SHIFLEY: We would just request on behalf  
3 of Public Counsel for leave to provide names for an  
4 electronic courtesy service list by this Monday rather  
5 than reciting them on the record now.

6 JUDGE TOREM: What will that list consist of?  
7 Just other folks in your office who need to have that?

8 MS. SHIFLEY: That's correct.

9 JUDGE TOREM: Anybody else want to provide  
10 names of a service list that need electronic courtesy  
11 copies as they come out at this time, or if I give  
12 everyone leave to file those with me directly on  
13 Monday? I'll try to draft the prehearing conference  
14 order this afternoon or tomorrow and await sending it  
15 out until next Tuesday so I can give you until the  
16 close of business Monday to give me any other names to  
17 add on the representation appendix, so everybody will  
18 have that same courtesy until Monday afternoon, and  
19 then I'll ask Margaret or Kippy to finalize the  
20 electronic service list, and you will see the  
21 prehearing conference order the next day.

22 MR. ROSEMAN: Your Honor, maybe I  
23 misinterpreted. I thought that when I gave  
24 Mr. Eberdt's e-mail address I, in fact, had  
25 accomplished this.

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1                   JUDGE TOREM:  You had.  I think what Public  
2  Counsel --

3                   MR. ROSEMAN:  They have additional people; I  
4  understand.  I just didn't know if I needed to do it  
5  again.

6                   JUDGE TOREM:  No, and Mr. Finklea, you've  
7  achieved that for Ms. Pyron as well.

8                   MR. FINKLEA:  And I will call by Monday if I  
9  want to add more.

10                  JUDGE TOREM:  I'm sure people can be added  
11  later.

12                  MR. FINKLEA:  It's always easiest to get it  
13  right the first time.

14                  MR. WEISS:  Your Honor, I'm somewhat  
15  unfamiliar with the Washington procedures.  Can we  
16  request electronic service only?  Is that something  
17  that the Washington Commission does?

18                  JUDGE TOREM:  What we typically do is allow  
19  for electronic filing followed with next-day hard  
20  copies.  We haven't got to the point of no hard copy  
21  filing quite yet.

22                  MR. WEISS:  Okay.  I just suggest at some  
23  point -- in Oregon, for instance, we have electronic  
24  filing for anyone who is willing to accept it, but we  
25  maintain hard copies for those who don't, and that

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1 includes the Commission wants hard copies.

2 JUDGE TOREM: You will see in the prehearing  
3 conference order some paragraphs that will probably be  
4 toward the end of the order that address the document  
5 preparation and filing requirements, and I understand  
6 what you are suggesting has been done. I've done it at  
7 the energy facility site evaluation where the parties  
8 have waived hard copy. This Commission doesn't, in my  
9 knowledge, adopt anything like that quite yet, so we  
10 still have people filing the hard copies with each  
11 other and with the Commission.

12 MR. WEISS: Is that also true for data  
13 requests? We need hard copies to every party for data  
14 requests?

15 JUDGE TOREM: No. You will see in our  
16 discovery rules that it addresses the data requests,  
17 but it's much more informal, and there are heads  
18 nodding around the table. Those can be done  
19 electronically, as long as everybody knows you received  
20 them.

21 MR. WEISS: Thank you.

22 JUDGE TOREM: I think if you want to talk to  
23 Commission staff or Public Counsel and their  
24 suggestions on how to proceed in Washington, they may  
25 be willing to give you some insight as to the

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1 Commission's culture on filings and papers.

2 Any other procedural issues for today? Does  
3 anybody need a copy of the transcript? Unless someone  
4 objects, we are adjourned.

5 (Prehearing adjourned at 2:40 p.m.)

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