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BEFORE THE WASHINGTON STATE

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UTILITIES AND TRANSPORTATION COMMISSION

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WASHINGTON UTILITIES AND)
TRANSPORTATION COMMISSION,)

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Complainant,)

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vs.) Docket UE-111190

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) Pages 1-19

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PACIFICORP d/b/a PACIFIC POWER)
& LIGHT COMPANY,)

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Respondent.)

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PREHEARING CONFERENCE, VOLUME I

12

Pages 1-19

13

ADMINISTRATIVE LAW JUDGE PATRICIA CLARK

14

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1:30 P.M.

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AUGUST 23, 2011

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Washington Utilities and Transportation Commission

18

1300 South Evergreen Park Drive Southwest
Olympia, Washington 98504-7250

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A P P E A R A N C E S

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A P P E A R A N C E S (Continued)

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OLYMPIA, WASHINGTON, AUGUST 23, 2011

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1:30 P.M.

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P R O C E E D I N G S

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JUDGE CLARK: Good afternoon. It's approximately 1:30 p.m., August 23, 2011, in the Commission's hearing room in Olympia, Washington.

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This is the time and the place set for a prehearing conference in the matter of Washington Utilities and Transportation Commission versus PacifiCorp, doing business as Pacific Power & Light Company, given Docket No. UE-111190.

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Patricia Clark, Administrative Law Judge for the Commission, presiding.

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This matter came before the Commission on July 1, 2011, when PacifiCorp filed revisions to its tariff requesting a \$12.94 million increase in its rates for electric service that would result in an overall 4.3 percent rate increase.

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By Order No. 1 entered in this docket on July 28, 2011, the Commission suspended the tariff revisions and by a notice entered on August 2, 2011, the Commission scheduled this prehearing conference for this date and time.

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The first thing I'll do is take appearances on behalf of the parties. I recognize that there is one outstanding petition to intervene, but I'm going to ask everyone to enter an

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1 appearance at this juncture. We'll address the petition to
2 intervene first.

3 And because this is the initial appearance, of
4 course, we want everything. We want your name and your address.
5 Your phone number. Your e-mail. Fax number. So I'm going to
6 start with the Company.

7 Appearing on behalf of PacifiCorp?

8 MS. McDOWELL: This is Katherine McDowell. I'm
9 appearing on behalf of PacifiCorp. My law firm name is McDowell
10 Rackner & Gibson. My address is 419 Southwest 11th, Suite 400
11 in Portland, Oregon 97205. My phone number is 503.595.3924, my
12 fax number is 503.595.3928, and my e-mail address is
13 Katherine -- K-a-t-h-e-r-i-n-e -- @mcd-law -- l-a-w -- dot com.
14 Thank you.

15 JUDGE CLARK: Thank you, Ms. McDowell.

16 Appearing on behalf of the Commission Staff?

17 MR. TRAUTMAN: Thank you, Your Honor. Greg Trautman,
18 Assistant Attorney General, for Commission Staff. My address is
19 1400 South Evergreen Park Drive Southwest, Post Office Box
20 40128, Olympia, Washington 98504. My telephone number is area
21 code 360.664.1187, my fax number is area code 360.586.5522, and
22 my e-mail address is gtrautma@utc.wa.gov.

23 JUDGE CLARK: Appearing on behalf of Public Counsel?

24 MS. SHIFLEY: Your Honor, this is Sarah Shifley,
25 Assistant Attorney General, on behalf of Public Counsel. My

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1 address is 800 Fifth Avenue, Suite 2000, Seattle, Washington
2 98103 -- 98104. My direct phone number is area code
3 206.464.6595, my e-mail address is sarah.shifley@atg.wa.gov, and
4 I will provide an updated fax number off the record later on.
5 Thank you.

6 JUDGE CLARK: Appearing on behalf of Industrial
7 Customers of Northwest Utilities?

8 MS. DAVISON: Good afternoon. This is Melinda
9 Davison. I'm appearing on behalf of the Industrial Customers of
10 Northwest Utilities. My firm name is Davison Van Cleve. Our
11 address is 333 Southwest Taylor, Suite 400, Portland, Oregon
12 97204. My phone is 503.241.7242. My fax is 503.241.8160. My
13 e-mail is mjd@dvclaw.com.

14 And I'd also like to enter the appearance of Irion
15 Sanger, S-a-n-g-e-r. And he has the same information, except a
16 different e-mail address, and his e-mail is ias@dvclaw.com.
17 Thank you.

18 JUDGE CLARK: Thank you. And just for the clarity of
19 the record, Mr. Sanger's first name is spelled I-r-i-o-n.

20 Appearing on behalf of The Energy Project?

21 I will note that The Energy Project is appearing
22 telephonically. Whenever we have an individual appearing
23 telephonically, it is necessary for you to speak a little more
24 loudly and perhaps slowly than you would ordinarily speak so
25 that we make sure we get the comments on the phone.

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1 I'll take your appearance now.

2 MR. PURDY: Thank you, Your Honor. Brad, initial
3 "M," as in Michael, Purdy, P-u-r-d-y. My address is 2019 North
4 17th Street, Boise, Idaho 83702. Telephone: 208.384.1299.
5 E-mail: bmpurdy@hotmail.com. My fax: 208.384.8511.

6 JUDGE CLARK: Thank you, Mr. Purdy.

7 Is there anyone else who wishes to enter an
8 appearance?

9 Hearing nothing, I'm going to turn to the first
10 preliminary matter on our agenda, which is the outstanding
11 petition to intervene filed by The Energy Project.

12 The petition to intervene was not opposed, and The
13 Energy Project met the standard in WAC 480-07-355, demonstrating
14 a substantial interest in the outcome of this proceeding and
15 that its participation is in the public interest.

16 The petition to intervene is granted.

17 The Commission will also accumulate an interested
18 persons list in this docket. I'd appreciate it if you could get
19 me the names and the e-mail addresses of the individuals you
20 want included on the interested persons list by Monday, August
21 29, 2011.

22 And in recent history, not necessarily in dockets
23 involving these parties, the interested persons list has gotten
24 a little bit out of control, so I would like the parties to
25 limit the individuals that you place on that list to two.

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1 The first item I'd like to address on the procedural
2 schedule is something that the Commission has in the past
3 covered in the context of bench requests. And, historically,
4 the Commission has entered two bench requests shortly following
5 the prehearing conference. However, in last year's rate case,
6 UE-100749, the Commission required PacifiCorp to file certain
7 data that would be normally sought in those bench requests, and
8 this seemed to be an efficient and expeditious way to obtain
9 that data without filing the bench request.

10 So I'm going to again require PacifiCorp to file the
11 same data that we have required in -- we required in Order No. 4
12 issued in Docket UE-100749, and the information that was
13 contained in Bench Request Nos. 1 and 2 in UE-090205.

14 Specifically, PacifiCorp needs to provide the
15 following data with respect to the direct testimony exhibit of
16 R. Bryce Dalley, Exhibit No. RBD-3, and in separate electronic
17 spreadsheet file. The spreadsheet must be in Excel format, and
18 the filing must include all linked files with all formulas and
19 formatting in every spreadsheet intact; that is, formulas are
20 not to be converted to values or otherwise modified from the
21 original. The information must be provided on a CD.

22 In addition, the Commission requests that the Company
23 provide electronic spreadsheet files for any other exhibits that
24 flow into the results of operations, including all adjustments
25 furnished by other witnesses. And those files must also be in

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1 Excel format and include any linked files with all formulas and
2 formatting in every spreadsheet intact, and that file should
3 also be provided on CD.

4 And, again, this is just the information that has
5 been previously sought, so if you didn't rapidly take notes of
6 all those requirements, you can certainly refer back to one of
7 those previous dockets. And, hopefully, I have not misspoken,
8 as I attempted to carefully read word for word that information.

9 So I have the supplemental filing, and I would like
10 to hear from PacifiCorp on a date where you believe you could
11 provide that information.

12 Ms. McDowell?

13 MS. McDOWELL: Your Honor, can I take just a moment
14 and check with my clients?

15 JUDGE CLARK: Absolutely.

16 MS. McDOWELL: Thank you.

17 (Brief pause in the proceedings.)

18 MS. McDOWELL: Your Honor, the Company can make that
19 filing by Monday, August 29th.

20 JUDGE CLARK: August 29th. Thank you very much.

21 The second item that we have not addressed in prior
22 years is during this year's bench/bar conference, the Commission
23 discussed the possibility of having the parties in general rate
24 cases file issue lists, and the Commission's determined that it
25 would be appropriate in this case to have the parties file a

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1 joint issue list.

2 What the Commission would like to have is have --
3 start the joint issue list series, for lack of a better term, by
4 having PacifiCorp file a joint issues list, simply indicating
5 those items that it has placed in -- in play in this particular
6 rate case. I think the parties are well aware that in this
7 case, PacifiCorp has limited the number of issues that it is
8 presenting for Commission consideration, and, for example, has
9 not asked that the Commission modify the Company's capital
10 structure or cost of equity, rate design, and a number of other
11 issues.

12 So I know this is the first time we have done this,
13 so we're going to have to sort of, you know, work through the
14 process for this. But I believe the general concept the
15 Commission would like would be to have PacifiCorp list the
16 issues for which it would seek modification or reimbursement in
17 the form of modification to its revenue requirement in this
18 particular case. We may have to modify that a little bit as
19 we're moving through the process, but at least I think that
20 would be a good starting place.

21 So there will be three deadlines in the procedural
22 schedule that we will need to adopt in this case that will
23 incorporate the issue list requirement. Excuse me. It will
24 start with a joint issue list that would be submitted by
25 PacifiCorp, and, of course, we'll need to come up with a

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1 JUDGE CLARK: We're back on the record.

2 Have the parties had an adequate opportunity to
3 confer regarding the procedural schedule?

4 MR. TRAUTMAN: We have.

5 JUDGE CLARK: And would one of the attorneys
6 memorialize that procedural schedule for the record, please.

7 MR. TRAUTMAN: All right. Thank you, Your Honor.
8 And I believe these dates are correct. If they're not, I'm sure
9 I'll be told.

10 Based on Appendix C, Procedural Schedule, that --
11 that the Bench has handed us, the initial issues list would be
12 filed on December 9, 2011. The public notice report on October
13 14, 2011. The issue discussion settlement conference for
14 parties would be November 10, 2011, starting at 9:30 a.m.

15 The public comment hearing, the parties have
16 suggested two hearings: One in Yakima, and one in Walla Walla,
17 and we've suggested the dates of January 24th, 25th, and 26th,
18 recognizing that the dates for the public comment hearing are
19 dependent on the Commission's calendar.

20 JUDGE CLARK: Could you give me those dates again,
21 please?

22 MR. TRAUTMAN: January 24th, 25th, and 26th.

23 JUDGE CLARK: Thank you.

24 MR. TRAUTMAN: And Staff would request that it not be
25 held during the period of January 13 through 20.

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1 Staff, Public Counsel, and Intervenor responsive
2 testimony and exhibits would be due on January 6, 2012, and the
3 updated issues list would be January 12, 2012. Company rebuttal
4 testimony and exhibits, and Staff, Public Counsel, and
5 Intervenor cross-answering testimony and exhibits would be on
6 February 10, 2012. The discovery deadline would be February 21,
7 2012. The deadline for cross-examination exhibits, March 1,
8 2012. We -- I don't believe we have a date for the prehearing
9 conference.

10 MS. DAVISON: Yeah.

11 MR. TRAUTMAN: Evidentiary hearing would be March 6th
12 and 7th, 2012, which is a Tuesday and a Wednesday.

13 The initial post-hearing briefs and final issues
14 list, March 30, 2012, and post-hearing reply brief April 9,
15 2012.

16 JUDGE CLARK: Thank you, Mr. Trautman.

17 Are there any --

18 MR. TRAUTMAN: Oh, and also on the discovery -- on
19 the discovery deadline, at the bottom of the first page, you
20 have the footnotes?

21 JUDGE CLARK: Right.

22 MR. TRAUTMAN: After -- it would be after January 6,
23 2012, which is the responsive date. Responses to data requests
24 would be due seven business days after receipt.

25 And then after February 10, 2012, responses to data

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1 requests would be due five business days after receipt.

2 JUDGE CLARK: All right. Are there any additions,
3 corrections, or deletions to that proposed schedule?

4 MS. McDOWELL: So, Your Honor?

5 JUDGE CLARK: Yes?

6 MS. McDOWELL: Katherine McDowell here. I'm not sure
7 if Mr. Trautman read this particular milestone, and it's the
8 update to the joint issues list, which -- as I understand it, it
9 isn't actually on your schedule here, but I understood that you
10 wanted an update to the issues list after the Company's rebuttal
11 filing and the cross-answering filing?

12 So we had talked about doing that on the same day --

13 JUDGE CLARK: It's -- it's on there. Actually, it's
14 with the final -- with the post-hearing briefs.

15 MS. McDOWELL: So we --

16 JUDGE CLARK: It's not after rebuttal. It's with
17 them.

18 MS. McDOWELL: I see. I see.

19 JUDGE CLARK: It's at the end.

20 MS. McDOWELL: I was about ready to ask you about
21 that.

22 JUDGE CLARK: The bitter end.

23 MS. McDOWELL: So it's not updated after the
24 Company's rebuttal before the hearing, it's updated after the
25 hearing; is that --

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1 JUDGE CLARK: Yes, I misspoke.

2 MS. McDOWELL: And each of the parties, then, update
3 it as a part of preparing their brief; is that -- I guess that's
4 my question. Is that last -- the finals issues list a joint
5 issues list again that the parties would prepare collectively,
6 or...

7 JUDGE CLARK: Ideally it would be. And these are
8 good questions, because the Commission is just sort of working
9 through this process. This is the first time we have required
10 this information. And it's my understanding that these are the
11 approximate time frames that the Commission is asking for this
12 information in other general rate cases that are before the
13 Commission at this time.

14 Not having any of these things set in concrete, we
15 may be modifying these as the process moves along. But I think
16 at this juncture, that's what the Commission wants to know.

17 At the time that they would be going into making a
18 decision on the disputed issues, they'd like to know what the
19 parties' position is.

20 MS. McDOWELL: So I think that in our discussions,
21 Mr. Schooley pointed out that the Puget or the Avista joint
22 issues list update was due at the same time as the discovery
23 deadline in the case, so it --

24 JUDGE CLARK: Oh, really?

25 MR. TRAUTMAN: Yeah, it's the same; looks the same.

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1 MS. McDOWELL: So it looked like -- I mean, I think
2 that's what we were keying off, and then thinking maybe it was
3 before the hearing -- after rebuttal and before the hearing.

4 JUDGE CLARK: Right. And I do appreciate that
5 update. I'll check on that. My suspicion would be that that
6 would have been a modification in Puget Sound Energy rather than
7 the Avista rate case.

8 MR. SCHOOLEY: It was in the Puget case.

9 JUDGE CLARK: Oh, okay. All right.

10 MS. McDOWELL: And, you know, we're -- if you wanted
11 to do it -- I think we had -- our proposal was to do it at
12 that -- in that same manner, the same -- the same date as the
13 discovery deadline.

14 JUDGE CLARK: On February 21st?

15 MS. McDOWELL: Yes. But if that's not the way you
16 want to proceed, then you don't need that date from -- that
17 suggestion from the parties.

18 JUDGE CLARK: No, it's a good suggestion. Thank you.

19 Any other modifications?

20 Okay. With respect to the public comment hearings,
21 you're proposing two public comment hearings. And I'm assuming
22 that you're proposing that those be held at the same approximate
23 time frame so that the Commission would travel to Eastern
24 Washington and conduct both at the same approximate time period;
25 is that correct?

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1 MS. SHIFLEY: Yes, Your Honor.

2 JUDGE CLARK: Thank you, Ms. Shifley.

3 And if the Commission were to determine, given State
4 budgetary constraints, that it could only hold one public
5 comment hearing in this proceeding, do you have a conference?

6 MS. SHIFLEY: Public Counsel doesn't state a
7 preference, but I know that other parties might have had some
8 preferences to locations.

9 JUDGE CLARK: All right. Does anyone else want to
10 weigh in on the location?

11 Ms. Davison?

12 MS. DAVISON: Yes. We would prefer to have it back
13 in the Walla Walla area. It has been in Yakima for several
14 years running now.

15 JUDGE CLARK: Ms. McDowell?

16 MS. MCDOWELL: The Company does not have a
17 preference. We're happy to do it wherever the parties agree
18 when the Commission decides.

19 JUDGE CLARK: Mr. Purdy?

20 MR. PURDY: The Energy Project is fine with that.

21 JUDGE CLARK: Is fine with no preference or fine with
22 Walla Walla?

23 MR. PURDY: I'm sorry. Fine with Walla Walla.

24 JUDGE CLARK: All right. Thank you.

25 MR. TRAUTMAN: Staff has no preference.

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1 JUDGE CLARK: All right. I did check with the
2 Commissioners immediately before the preparing conference, and I
3 know that we're all accustomed to me simply adopting a
4 procedural schedule at this juncture, but they would like to
5 view the procedural schedule, and so I'm taking this schedule
6 under advisement.

7 The only other item I have on my agenda for today is
8 to advise you of the number of the copies that we need filed in
9 this case, and we will need an original and 12 copies of all
10 filings.

11 Are there any other matters that need to be addressed
12 this afternoon?

13 Hearing nothing, we are adjourned.

14 MS. McDOWELL: Thank you.

15 MS. DAVISON: Thank you.

16 MR. PURDY: Thank you.

17 (Proceeding concluded at 2:43 p.m.)

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C E R T I F I C A T E

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3 STATE OF WASHINGTON)
4 COUNTY OF KING) ss

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6 I, SHELBY KAY K. FUKUSHIMA, a Certified Shorthand Reporter
7 and Notary Public in and for the State of Washington, do hereby
8 certify that the foregoing transcript is true and accurate to
9 the best of my knowledge, skill and ability.

10 IN WITNESS WHEREOF, I have hereunto set my hand and seal
11 this 30th day of August, 2011.

12

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SHELBY KAY K. FUKUSHIMA, CCR

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17 My commission expires:
18 June 29, 2013

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