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1 BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

2 -----)
3 WASHINGTON UTILITIES AND)
4 TRANSPORTATION COMMISSION,) DOCKET NO. UG-950278
5)
6 Complainant,)
7 vs.)
8)
9 WASHINGTON NATURAL GAS) VOLUME 1
10 COMPANY,)
11 Respondent.) PAGES 1 - 49
12 -----)

13 A hearing in the above matter was held on
14 March 30, 1995, at 9:30 a.m. at 1300 South Evergreen
15 Park Drive Southwest, Olympia, Washington before
16 Administrative Law Judge ALICE HAENLE.

17 The parties were present as follows:

18 WASHINGTON NATURAL GAS COMPANY, by DAVID
19 S. JOHNSON, Attorney at Law, 815 Mercer Street,
20 Seattle, Washington 98109 and MATTHEW HARRIS, Attorney
21 at Law, 701 Fifth Avenue, Suite 6100, Seattle,
22 Washington 98104.

23 WASHINGTON UTILITIES AND TRANSPORTATION
24 COMMISSION STAFF, by ANNE EGELER and JEFFREY GOLTZ,
25 Assistant Attorneys General, 1400 South Evergreen Park
Drive Southwest, Olympia, Washington 98504.

FOR THE PUBLIC, DONALD TROTTER, Assistant
Attorney General, 900 Fourth Avenue, Suite 2000,
Seattle, Washington 98164.

NORTHWEST INDUSTRIAL GAS USERS, by PAULA
PYRON, Attorney at Law, Suite 1100, One Main Place,
101 SW Main Street, Portland, Oregon 97204.

Cheryl Macdonald, CSR
Court Reporter

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APPEARANCES (Cont.)

PARTNERSHIP FOR EQUITABLE RATES FOR
COMMERCIAL CUSTOMERS, by CAROL ARNOLD, Attorney at
Law, 5000 Columbia Center, 701 Fifth Avenue, Seattle,
Washington 98104.

SEATTLE STEAM COMPANY, by FREDERICK O.
FREDERICKSON, Attorney at Law, 1420 Fifth Avenue, 33rd
Floor, Seattle, Washington 98101.

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WITNESSES:
(No witnesses.)

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EXAM

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EXHIBITS:

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

2 JUDGE HAENLE: The hearing will come to
3 order. This is a pre-hearing conference in docket No.
4 UG-950278. The pre-hearing conference is taking
5 place at Olympia, Washington on March 30, 1995. The
6 pre-hearing conference is taking place before
7 administrative law judge Alice L. Haenle of the Office
8 of Administrative Hearings. I would like to take
9 appearances at this time, please. Why don't you just
10 begin at that end of the table and work your way
11 around. Mr. Harris.

12 MR. HARRIS: Matthew Harris of Heller
13 Ehrman White & McAuliffe for Washington Natural.

14 JUDGE HAENLE: Thank you. I need to have
15 you give your address as well since this is the first
16 appearance in the case. You won't have to do it
17 again.

18 MR. HARRIS: Address is 701 Fifth Avenue,
19 Suite 6100, Seattle, Washington, 98104.

20 JUDGE HAENLE: Mr. Johnson.

21 MR. JOHNSON: David Johnson representing
22 Washington Natural Gas. I'm an in-house attorney for
23 the company. My address is 815 Mercer Street,
24 Seattle, Washington 98109.

25 JUDGE HAENLE: Thank you.

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1 MS. PYRON: Paula E. Pyron appearing for
2 the Northwest Industrial Gas Users with Ball, Janick &
3 Novak, 101 Southwest Main Street, Suite 1100,
4 Portland, Oregon 97204 and I'm also appearing for
5 Edward A. Finklea the same firm and address.

6 JUDGE HAENLE: Thank you. Ms. Arnold.

7 MS. ARNOLD: Carol Arnold appearing for
8 Partnership for Equitable Rates for Commercial
9 Customers. My address is 5000 Columbia Center, 701
10 Fifth Avenue, Seattle, 98104.

11 JUDGE HAENLE: You know, I don't even think
12 these are on. Give me a second and I will see if I
13 can turn them on.

14 Mr. Frederickson.

15 MR. FREDERICKSON: Frederick O.
16 Frederickson of Graham and Dunn representing Seattle
17 Steam Company. My address is 33rd floor, 1420 Fifth
18 Avenue, Seattle, Washington, 98101.

19 JUDGE HAENLE: Thank you. Mr. Trotter.

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

24 JUDGE HAENLE: Thank you. Ms. Egeler.

25 MS. EGELER: Appearing for the Commission,

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1 Anne Egeler and Jeffrey Goltz, assistant attorneys
2 general. Our address is P.O. Box 40128 1400 South
3 Evergreen Park Drive Southwest, Olympia, 98504.

4 JUDGE HAENLE: Thank you. Is there anyone
5 else present in the hearing room who intends to
6 intervene in this matter?

7 Hearing no response I assume that's all of
8 the appearances then. On March 3rd, 1995 the company
9 filed both a general case and a petition for interim
10 relief. Because the tariff changes sought to be filed
11 would affect tariffs subject to proposed increases now
12 under suspension, the company also filed a petition
13 for permission to file tariffs during the period of
14 suspension for expedited review. The Commission's
15 fourth supplemental order of March 22 granted the
16 petition for permission to file tariffs during a
17 period of suspension on condition. The company agreed
18 to the specified conditions by fax on March 20, 1995.
19 The Commission then entered an order dated March 22,
20 1995. That order suspended the tariff revisions in
21 UG-950278, instituted investigation, and gave notice
22 of this pre-hearing conference for March 30. The
23 complaint and order found good cause for this matter
24 to be heard on shortened notice under WAC 480-09-700
25 subsection 1A.

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1 As the first order of business -- first of
2 all, as I indicated to you before we went on the
3 record, this is the first pre-hearing conference both
4 for the main rate case, which I will refer to in
5 shorthand as the general rate filing, and also for the
6 request for interim relief, which in shorthand again
7 we can refer to as the interim portion of the case.
8 Because of the additional materials that the company
9 agreed to file later on, there are going to be certain
10 portions of this pre-hearing conference that will
11 apply both to the general case and to the interim
12 case. Most of it can apply to both pieces of the
13 case, but I don't think we'll be able to set a
14 schedule today for the general case, and I also don't
15 think we're going to be able to -- I don't want to
16 mark the prefiled documents in the general part of the
17 case yet since the company is going to supplement them
18 according to its agreement with the Commission. But
19 we will take petitions and motions to intervene. We
20 will discuss discovery. We will do all of those other
21 things, and I believe most of this will apply to the
22 general case and to the interim portion of the case.

23 Now, I have three petitions to intervene.
24 The first was from the Northwest Industrial Gas Users.
25 Ms. Pyron, did you have anything to add to your

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1 written petition?

2 MS. PYRON: No, Your Honor, other than if
3 it's necessary I would want to have it reflect that
4 we're seeking intervention in both matters in this
5 docket.

6 JUDGE HAENLE: I'm going to assume that all
7 of you are interested both in the general portion and
8 in the interim portion. Because the notice of
9 pre-hearing conference does not distinguish between
10 the two, the notice of pre-hearing conference does
11 state that if you fail to file your motion to
12 intervene today that you're too late. So you can
13 specify if you like, but I am assuming that this will
14 be the cutoff for all of the pieces of the case of
15 0278. So you're interested in both pieces?

16 MS. PYRON: Yes, Your Honor.

17 JUDGE HAENLE: All right. Is there any
18 objection to the intervention of the Northwest
19 Industrial Gas Users?

20 MR. JOHNSON: No objection, Your Honor.

21 JUDGE HAENLE: I believe the Northwest
22 Industrial Gas Users has shown a substantial interest
23 in the subject matter of the case and will be granted
24 intervenor status.

25 Second petition to intervene is from

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1 Seattle Steam Company. Do you have anything to add to
2 your petition, Mr. Frederickson?

3 MR. FREDERICKSON: No, Your Honor, other
4 than to add that we're interested in both pieces of
5 the case.

6 JUDGE HAENLE: All right. Is there any
7 objection to the participation of Seattle Steam
8 Company?

9 MR. JOHNSON: No objection.

10 JUDGE HAENLE: Anyone?

11 All right. I believe that Seattle Steam
12 Company has demonstrated in its petition a substantial
13 interest in the subject matter of the proceeding and
14 will be granted intervenor status. Ms. Arnold brought
15 with her today a petition to intervene from the
16 Partnership for Equitable Rates for Commercial
17 Customers and has distributed copies of that document.
18 If anyone has not received one you need to indicate.
19 Ms. Arnold, do you have anything to add to your
20 petition?

21 MS. ARNOLD: No, except that we did file
22 the petition this morning before the hearing and we
23 are requesting to intervene in both the interim and
24 the general rate case.

25 JUDGE HAENLE: Is there any objection to

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1 the participation of PERCC in this matter?

2 MR. JOHNSON: No objection.

3 JUDGE HAENLE: Anyone?

4 All right. I will grant the motion to
5 intervene of the Partnership for Equitable Rates for
6 Commercial Customers. I believe it has demonstrated a
7 substantial interest in the subject matter of the
8 proceeding. Now, once again, is there anyone else
9 present in the hearing room that intended to move to
10 intervene in this matter.

11 The record should reflect we were scheduled
12 to begin at 9:30. It's now 9:43 so I would think that
13 anyone that was going to be here would be here.

14 Now, the conditions that the company agreed
15 to, the conditions set out in the Commission's fourth
16 supplemental order, include the company's agreement to
17 refile its tariffs and to file supplemental direct
18 testimony and exhibits to the extent needed to be
19 consistent with the Commission's order in rate design
20 and rate structure once that order is issued. We will
21 therefore be able to do some pre-hearing type
22 conference functions today regarding both the interim
23 request and the general case and we'll have to
24 postpone other functions.

25 The Commission's order did indicate that

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1 the Commission will today consider the parties'
2 positions regarding the companies request for
3 expedited treatment of the interim rate request. They
4 requested that the interim rate increase be effective
5 by May 1, 1995 and in considering that request, I want
6 to also consider how to structure the filing of other
7 parties' testimony and exhibits if that request is
8 granted or if there is some expedited treatment short
9 of -- that was poor wording -- some expedited
10 treatment which is expedited but does not result in an
11 order as soon as May 1. How would the company propose
12 that this case be -- the interim portion of the case
13 -- be structured so the hearings could be heard in
14 time for an order to issue by April 24 or 25?

15 MR. JOHNSON: Your Honor, as I indicated,
16 Mr. Harris will be speaking to the bench concerning
17 the interim request.

18 MR. HARRIS: The company proposes a
19 schedule as follows: Testimony and exhibits from
20 others filed by April 14 with a single hearing to
21 commence on April 21st. We propose that schedule for
22 a couple of different reasons. First of all, we think
23 it gives the Commission a reasonable chance of issuing
24 an order by May 1, which we think is very important.
25 Second, we think it allows sufficient time to finish

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1 the discovery process in the interim case. The
2 company has already received, including formal and
3 informal requests, approximately 88 data requests.
4 All of those requests will be responded to by
5 Wednesday of next week. The company is operating
6 under the five-day response schedule set by the
7 Commission now and is committed to complying with that
8 schedule. Feels that it would be able to provide the
9 information necessary to meet this April 14th and
10 April 21st schedule that it proposes. Company also
11 thinks this schedule is reasonable in light of the
12 crisis the company now faces and the company is
13 committed to do whatever is necessary to make this
14 schedule work.

15 JUDGE HAENLE: Well, the schedule you've
16 proposed has a hearing on a Friday and the
17 Commission's order would have to be issued like the
18 next Monday or Tuesday in order to make it effective
19 May 1. That's kind of short, isn't it?

20 MR. HARRIS: Ideally we would like to push
21 it back further. I don't think we could get anybody
22 in this room to agree to anything earlier than April
23 14th and April 21st for a hearing, so if that pushes
24 us slightly beyond the May 1st deadline then we would
25 have to live with that.

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1 JUDGE HAENLE: All right, thank you. Now I
2 wanted to take comments of the parties as indicated in
3 the Commission's notice of hearing regarding the
4 company's request for interim or for expedited
5 treatment. What's the Commission staff's position?

6 MS. EGELER: Well, the company is
7 requesting that interim rates be calculated by running
8 their 17.8 million dollar revenue request through a
9 1995 cost of service study and applying the
10 Commission's standards from the 1994 cost of service
11 case. As the filing currently stands staff would
12 require significantly more time to consider the
13 revenue request and rate design and rate spread issues
14 raised by the interim request. However, if the
15 Commission does not consider rate design and rate
16 spread issues in the interim case staff believes that
17 it will be humanly possible to get interim rates, if
18 those are found to be appropriate, into effect by May
19 15 of 1995. And I want to go through why we believe
20 rate design and rate spread issues should not be a
21 part of the request for interim rates.

22 The purpose of an interim proceeding is to
23 allow the Commission to quickly examine the rate
24 request and determine whether interim relief is
25 required. With this goal in mind the Commission has

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1 always limited the scope of its examination in interim
2 cases to the immediate financial needs of the company.
3 It has never delayed an interim case by examining rate
4 spread and rate design issues. One of the most
5 important criteria the Commission has set forth in the
6 PNB case, cause No. U-72-30 and the last interim case,
7 which was the 1980 Washington Natural Gas interim
8 case, cause No. U-80-111, is that interim relief will
9 be granted only after an opportunity for adequate
10 hearing. If rate spread and rate design issues are
11 examined in this case it will be absolutely impossible
12 to provide an opportunity for adequate hearing in a
13 reasonable period of time.

14 The first problem is that the 1995 cost of
15 service study is based on an entirely new test period
16 and new test period data that no one has had an
17 opportunity to audit. Staff and the other parties
18 would need sufficient time to audit the company's
19 books for the 1995 test period and obviously that
20 flows through to the Commission's workload as well
21 since whatever findings we have the Commission would
22 need to review as well.

23 Secondly, the parties would also need time
24 to audit all of the information in the 1995 cost of
25 service study including all cost classification

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1 methodologies and allocation factors and then develop
2 their own allocation factors based on their analysis
3 of the appropriate weather-normalized volumes and
4 restating proforma adjustments. Then the parties
5 would have to have sufficient time to run the
6 company's Rudden model and develop their own rate
7 spread and rate design proposals. Now, I realize,
8 Your Honor, that you did not sit on the last case but
9 during that case there was testimony from both the
10 staff and public counsel about the enormous amount of
11 time in hours that they put into trying to get the
12 company's Rudden model to work. Ultimately public
13 counsel had to abandon that model and develop a
14 completely different model at the last minute. Those
15 bugs in the Rudden model have not been worked out and
16 there is no way that the staff can use and operate
17 under the Rudden model in such an abbreviated time
18 frame.

19 In a nutshell what the company is asking
20 the Commission to analyze is the company's current
21 financial condition and at the same time to
22 simultaneously perform cost of service case and reach
23 a result roughly one month from now. Obviously, this
24 is an impossible task not only for the parties to
25 present meaningful data and information and argument

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1 to the Commission but then for the Commission to have
2 time to consider all of this and make a decision.
3 Staff is therefore proposing that the Commission limit
4 the issues in this case by ruling that if interim
5 rates are found to be appropriate they will be spread
6 on an equal percentage of margin basis from the
7 margins the Commission approves in the UG-940814 case.
8 If the '94 rate case -- excuse me. If the '94 rate
9 case order is issued and the company requests
10 reconsideration of that order, then rates should be
11 spread on an equal percentage of margin over current
12 rates until the '94 rate case is decided.

13 With these limitations if interim rates are
14 found to be necessary staff believes that it will be
15 possible to have rates effective by May 15 of 1995,
16 and I have a proposed schedule assuming May 15 as
17 well, Your Honor.

18 JUDGE HAENLE: May I ask you to repeat the
19 -- you said that the Commission should limit the
20 issues so that rates would be spread on an equal
21 percentage of margin basis, and continue.

22 MS. EGELER: Well, what that basically
23 means is that the Commission would be looking at the
24 company's current financial condition and that would
25 be the issue in the interim case. This case would not

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1 involve analysis of the company's 1995 cost of service
2 study, so in other words, the Commission would have
3 one case here to look at, the immediate need for
4 interim rate relief and not have to simultaneously run
5 a cost of service case.

6 JUDGE HAENLE: Go ahead. You said that you
7 had a proposed schedule.

8 MS. EGELER: I have two proposed schedules,
9 one if you do ultimately decide that the Commission is
10 going to decide this case by May 1 we have a proposal,
11 but assuming that the Commission decides to get rates
12 into effect by May 15 we would propose that the
13 parties prefile on April 27th, that cross be heard on
14 May 5th, that the Commission issue an order on May
15 10th and then rates are effective by May 15th.

16 JUDGE HAENLE: All right. And your other
17 alternative?

18 MS. EGELER: Our other alternative is much
19 tighter for everyone.

20 JUDGE HAENLE: This I understand, the one
21 you've just given would be your preferred alternative.

22 MS. EGELER: Right.

23 JUDGE HAENLE: Go ahead.

24 MS. EGELER: That would involve prefiling
25 by the parties on April 18th, the cross hearing to be

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1 held on April 25th, the order to be issued by April
2 27th and rates to be in effect by May 1st.

3 JUDGE HAENLE: All right. Thank you.

4 MS. EGELER: If I could specifically
5 address the company's proposal. I realize that we
6 have built in a little bit more time, four more days,
7 before prefiling. We think that that's absolutely
8 essential. We have had an opportunity to get data
9 requests out. We have received data responses to
10 only 10 of our requests at this time. Not because the
11 company has fallen behind in any way but simply
12 because there is so little time. We believe that it
13 is essential that we have an opportunity to ask
14 follow-up questions in the event that we don't get
15 the responses that we anticipated or can't understand
16 the data or don't feel that the answer is responsive,
17 so just having one round of requests is not going to
18 be sufficient, Your Honor.

19 JUDGE HAENLE: Mr. Trotter.

20 MR. TROTTER: We strongly concur in staff's
21 suggestion that the issues be limited. The Rudden
22 model is -- the efficacy of the Rudden model is an
23 issue before the Commission in another docket and
24 we've briefed that, but it's extremely, extremely
25 difficult to use and it will require substantial

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1 amounts of our time to make sure, even if it has been
2 rerun pursuant to an order that has yet to be issued,
3 that it is rerun correctly. We found a multi-million
4 -- undisputed multi-million dollar error in the
5 company's rerunning of a prior Commission approved
6 methodology in that last docket, and so you should add
7 a couple of months to staff's primary recommended
8 schedule if that's going to be at issue here.

9 With respect to the request to expedite, we
10 issued some data requests on the 15th of March to the
11 company, and I have been out of my office for a couple
12 of days, but I did a quick look through my in box this
13 morning and did not find the responses. They were due
14 yesterday on a 10-day time limit, and I don't have
15 them yet as far as I know. The Commission announced a
16 five-day schedule on the 22nd, so presumably the five
17 days would have been met yesterday as well and now the
18 company is promising them to us next Wednesday, so if
19 the company is truly interested in expediting the
20 process we would have expected responses much much
21 sooner than apparently we're going to get them. Now
22 they may be in my in box but I took a quick look
23 through there and didn't find them.

24 JUDGE HAENLE: Mr. Harris, do you know if
25 those have been sent yet?

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1 MR. HARRIS: I don't know. All I know is
2 that by Wednesday of next week everybody will have
3 responses to all outstanding requests, and I'm sorry,
4 I can't respond directly to the question. I'm not
5 sure which ones you're referring to specifically.

6 JUDGE HAENLE: Mr. Trotter.

7 MR. TROTTER: We have retained a consultant
8 on this case and his time schedule is very tight and
9 so the longer we wait the worse it gets. So our time
10 to prepare based on the company's proposed schedule
11 probably makes us a nonparty. The staff schedule,
12 preferred schedule, is the barest of minimums, I
13 think. We could use an extra couple of weeks to
14 prepare this case. I don't even think we're going to
15 have a chance to depose company witnesses, and so in
16 reviewing past interim rate relief proceedings this is
17 the tightest schedule on record.

18 So we think that the size of the increase
19 that's being requested here is highly significant,
20 particularly when you consider that since 1993 if all
21 of the company's proposals currently before the
22 Commission were granted the residential rates would
23 have gone up 27 percent, so I think this is not the
24 time for rash action. I think we need to look at this
25 carefully. I understand the company is alleging

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1 financial emergency and we need to be respectful of
2 that as well, but we think that there needs to be a
3 balancing of the ratepayer interests in that formula
4 as well.

5 We support the staff's comments and their
6 preferred schedule is one that we'll try to make if
7 the company can come through with the responses and
8 hopefully they will be responsive. We haven't seen
9 any yet so we're hopeful that they're going to be
10 forthcoming with information.

11 JUDGE HAENLE: What will you be requesting
12 in terms of a public hearing if any on this, Mr.
13 Trotter?

14 MR. TROTTER: Yes, we would request one day
15 or one part of one day for the chance for the public
16 to participate. This is extremely short notice under
17 any scenario on the table, but every prior interim
18 rate relief case the Commission has ever had has given
19 the public at least a chance to appear and comment so
20 we would request perhaps part of the day on whatever
21 hearing day is being requested. We're not asking for
22 multiple locations, but certainly an opportunity would
23 be appreciated.

24 JUDGE HAENLE: Okay.

25 MR. TROTTER: Thank you.

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1 JUDGE HAENLE: Mr. Frederickson.

2 MR. FREDERICKSON: Thank you, Your Honor.
3 Seattle Steam does not oppose per se the timing and
4 level of interim rate relief which the Commission
5 determines meets its self-imposed criteria for
6 emergency rate relief. However, Seattle Steam is
7 concerned with the manner in which any interim rate
8 relief is to be collected from the various customer
9 classes. An extensive record as to cost of service
10 was developed in docket No. UG-940814, briefs filed,
11 and a decision by the Commission is due by May 15,
12 1995. To avoid rendering the substantial investment
13 by all parties a total waste, any interim increase
14 should be based on a cost of service basis consistent
15 with the Commission's findings and decisions in
16 UG-940814. Seattle Steam opposes any proposal or
17 suggestions to collect the interim increase on any
18 basis other than cost of service. Further, Seattle
19 Steam opposes the interim itself if it were to be
20 collected on any uniform basis. With a decision in
21 UG-940814 at hand it makes no sense not to utilize
22 those results. Thank you, Your Honor.

23 JUDGE HAENLE: Do you have any thought
24 on the schedules that have been proposed by the
25 company and the Commission staff?

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1 MR. FREDERICKSON: Only to say, Your Honor,
2 that Seattle Steam will be able to work within the
3 most stringent schedule proposed by any party in this
4 proceeding. If I might, for the record, I have not
5 received any of the data requests, and I realize that
6 I just became or Seattle Steam just became a party
7 this morning. I will follow up with a written
8 request, but I would like to have it on the record
9 that we would like to have copies of all data requests
10 and responses.

11 JUDGE HAENLE: We generally ask the parties
12 to work that out amongst themselves simply by asking
13 the providing party to provide you with copies of all
14 requests. I think that's useful to avoid duplication.

15 MR. FREDERICKSON: Thank you, Your Honor.

16 JUDGE HAENLE: Ms. Arnold.

17 MS. ARNOLD: Thank you. PERCC agrees with
18 staff and Seattle Steam that the most sensible way to
19 proceed is for the interim proceeding to focus on the
20 level of revenue that is required to address the
21 company's needs, but that the interim proceeding
22 should not address rate design and rate spread issues.
23 The parties in this room have spent a good part of a
24 year addressing rate design and rate spread issues in
25 docket 90814. It seems inconceivable that the results

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1 of those labors would be set adrift and we would redo
2 the rate design and rate allocation issues in a period
3 of some three weeks, so PERCC would recommend that the
4 parties address the revenue level issues in the next
5 three to four weeks and that the Commission's order in
6 90814 be followed with respect to rate spread and rate
7 design issues.

8 This impacts PERCC's time schedule
9 substantially. If only the revenue level is addressed
10 in the interim proceeding PERCC can meet any of the
11 schedules that are proposed. The rate design issues,
12 however, would require more time from PERCC for the
13 following reason. PERCC members are for the most part
14 commercial customers using one million therms or less
15 a year. The rate design proposed for transportation
16 in 90814 makes transportation available at an
17 economical basis for these customers for the most
18 part. However, if the allocation and rate design
19 proposed for the interim by the company is adopted,
20 most PERCC members will not be able to transport. It
21 will exclude them from transportation. So the
22 allocation and rate spread issues of are great
23 importance to PERCC, and if those are taken up in this
24 interim proceeding we would have a difficult time
25 meeting any of the schedules that have been proposed

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1 and would need five to six weeks for our consultant to
2 analyze the new cost of service and new rate design
3 and rate spread proposals.

4 So, in summary, we support the staff's
5 position that this interim proceeding should address
6 revenue, and that the rate spread/rate design
7 recommendations or order that comes down from the
8 Commission on I think it's May 12, actually, should be
9 used to spread the increased revenues if any are found
10 to be justified. Thank you.

11 JUDGE HAENLE: Thank you. Ms. Pyron.

12 MS. PYRON: Your Honor, the Northwest
13 Industrial Gas Users is not opposed to a tight
14 schedule to deal with these issues, but we are
15 adamantly opposed to cutting out the issue of rate
16 design and automatically going to a uniform percentage
17 allocation method. This process that we're dealing
18 with here needs to be efficient because of the nature
19 of it, and we agree that there should be one testimony
20 filing date and one hearing to deal with the issue of
21 interim relief, but, frankly, the bifurcation type of
22 process that Ms. Arnold is suggesting has some
23 reasonable application here. The company gets the
24 benefit in the financial markets that it's looking for
25 if it's entitled to interim relief with simply a

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1 revenue requirement determination, and we are -- in
2 fact, I filed an answer that I would refer you to on
3 the same date that I filed the petition dealing with
4 the issues as to why this should be a cost of service
5 determination.

6 The historical precedent in dealing with
7 any equal percentage allocation method for interim
8 relief has always been premised on the fact that there
9 wasn't a cost of service basis to do so, and there
10 could simply be nothing more contemporaneous than what
11 we have with us in this case. We have the Commission
12 literally on tomorrow or whenever but no later than
13 May the 12th issuing a cost of service decision that
14 we have also invested some, including the
15 collaborative effort, some 18 months in waiting for a
16 decision. And to automatically cut out and undermine
17 the benefit of that decision because any equal
18 percentage allocation method that's applied
19 immediately skews the results of the Commission's
20 decision from UG-940814 doesn't make any sense at all.
21 And we would agree that the purpose today needs to be
22 to do something efficient and we're willing to work
23 toward any kind of a prompt schedule, but it seems to
24 make the most sense to us that something could be
25 accommodated here that we could deal with the issues,

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1 we could deal with rate design issues. Obviously, you
2 know, if the staff wants to argue that it should be an
3 equal percentage basis they can be free to do so, but
4 we should be equally as free to do so to argue that
5 the only thing that makes sense is cost of service
6 basis based on the cases that we spent the last year
7 and a half working on, and it would be fairly simple
8 actually as a process to even build in some kind of a
9 -- I would suggest a technical conference or something
10 like that after we get the results of both decisions,
11 and still meet some kind of timely basis for giving
12 the company the implementation of the rates. I don't
13 have a problem with any of the dates that have been
14 proposed. I don't have a problem -- we have an
15 outside expert too who will be working very hard, and
16 we're committed to working with the parties because of
17 the nature of the process to come up with something
18 efficient, but I would refer you to the answer that I
19 filed as to why we think this has to be a cost of
20 service basis from 940814.

21 JUDGE HAENLE: What did you mean when you
22 suggested building in a technical conference after the
23 receipt of both decisions?

24 MS. PYRON: If we know how much, if any,
25 the interim rate relief is going to be, and we have

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1 the alternate proposal seems to be a target of May 15.

2 How does the company feel about that?

3 MR. HARRIS: Couple of things. The company
4 prefers its schedule. It considers its situation very
5 grave. Its bond ratings were cut again on February
6 23rd. Its preferred stock rating is the lowest
7 possible investment grade rating and it considers
8 every day important. If there's a way to do this and
9 get it done by May 1st, the company is committed to
10 doing it and will do whatever is necessary. Can I
11 address briefly the issue of rate spread because it
12 seems to play into the schedule here.

13 JUDGE HAENLE: Yes.

14 MR. HARRIS: It seems that there are really
15 two choices, either to apply some sort of equal
16 percentage or equal cents per term or apply the rate
17 design that comes out of 940814, and the company does
18 not believe it's necessary to rerun the Rudden model,
19 for example, or to litigate the rate spread and rate
20 design issues in this proceeding. The company asks
21 only that once the amount of interim relief is
22 determined that it be spread in accord with 940814.
23 The company believes that it could do that work in a
24 day after the amount is known. And the company would
25 also like to express what the intervenors have

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1 expressed that it fears throwing away 12 to 18 months
2 of work. Now, one way this could work is an interim
3 order could set the revenue amount by May 1st and when
4 the 940814 order is issued by May 12th, the spread
5 could be done at that point, and we suggest that that
6 would be a relatively simple operation.

7 JUDGE HAENLE: What rates would be charged
8 between May 1 and May 12?

9 MR. HARRIS: The rates would not become
10 effective then until May 12. It would make no sense
11 to have them become effective before May 12. That
12 does doesn't mean that the company wouldn't benefit
13 from the announcement of that order on May 1. The
14 company could then return to the financial community
15 with a clear signal from the Commission that the
16 company's financial health has taken a significant
17 return, and the company could get to work with the
18 financing efforts that will be necessary for fall.

19 One last comment very briefly for the
20 record. During the previous testimony we checked on
21 public counsel's data requests and those were filed
22 before the five-day order was imposed, and they are
23 due, according to our records, today. They are ready
24 and they will be served today.

25 JUDGE HAENLE: Those are Mr. Trotter's data

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1 request responses will be served today you said?

2 MR. HARRIS: Yes.

3 JUDGE HAENLE: Anything else?

4 MR. TROTTER: Yes, Your Honor, just a brief
5 response. We're not throwing out anything. Whatever
6 rate order the Commission issues in its cost of
7 service case will be, I assume, implemented in the
8 general rate case. Secondly, the Commission has --
9 apparently parties seem to think that rate spread is
10 automatic. It's not. Commission often uses judgment
11 in implementing rate spread decisions, so in any event
12 we think the Commission would be foolhardy to say,
13 yeah, we're just going to implement the order in
14 940814 because we've got another several percentage
15 point rate increase that ought to be considered in
16 that context, and should be considered. We're going
17 to reserve all procedural arguments on any suggestion
18 that an order in an unrelated document be implemented
19 through this docket and we just want to be clear on
20 the record that we're preserving all of those
21 arguments.

22 We think the staff's suggestion is
23 efficient, makes sense, and remember, interim relief,
24 we trust, will be subject to refund and so doing rate
25 spread or cost shifting through rates that are subject

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1 to refund we think doesn't make a lot of sense either.
2 So we would just like to -- but basically we're not
3 throwing out anything. Thank you.

4 JUDGE HAENLE: So you oppose the suggestion
5 that was made that the revenue requirement determined
6 in this case be spread according to the result of the
7 cost of service order?

8 MR. TROTTER: Yes, absolutely.

9 JUDGE HAENLE: Anything else?

10 MS. EGELER: Yes, Your Honor.

11 JUDGE HAENLE: Ms. Egeler.

12 MS. EGELER: First with respect to the
13 company's time concerns, we understand that they are
14 interested in sending a signal to the financial market
15 as quickly as possible, but that need, as Mr. Trotter
16 stated earlier, has to be weighed against the needs of
17 the ratepayers and I think that it's important to add
18 that it also has to be weighed against the
19 Commission's statutory duty to consider and to set
20 rates which are fair, just, reasonable and sufficient,
21 and I submit to you that that is simply not possible
22 to do under the schedule that the company has
23 proposed. If they are able to wait until May 12 to
24 actually implement rates then there is no point in not
25 waiting until May 15 and giving that additional time

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1 to the parties and to the Commission to look at this
2 matter in as rational and reasonable a fashion as
3 possible in that tremendously tight time frame. As
4 Trotter stated earlier, even with this two-week
5 extension that we're requesting this is still an
6 incredibly short schedule for everyone to work with.

7 With respect to NWIG comments it's
8 absolutely correct that the parties have spent 18
9 months and the Commission has spent 18 months
10 examining the cost of service case. It is not
11 possible to duplicate that effort over the next couple
12 of weeks. To suggest that a technical conference
13 could be held after the order comes out is absurd.
14 Those issues cannot be examined in such a short time
15 period, and I don't want to burden the record by going
16 through the list of elements that I listed earlier,
17 but all of those items would have to be examined
18 again, and this is not something that we can just meet
19 and do. This is something that the staff would need a
20 considerable amount of time to do. We would have to
21 go through the adjustments again, we would be looking
22 at new volumes, et cetera. It's not something that
23 can be done in a day or even in just a couple of
24 weeks. We would need a great deal more time, Your
25 Honor. And finally to conclude, as Mr. Trotter stated

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1 just a moment ago, it's simply not possible to do this
2 in that short of a time period and consider the
3 impacts on the ratepayers as well as the company.

4 JUDGE HAENLE: Anyone else? Ms. Pyron.

5 MS. PYRON: Just one comment. Would just
6 take notice, Your Honor, of the time of year that
7 we're dealing with is summertime, and we're not
8 talking about a situation where interim rates go into
9 effect May 1st, May 15th or June 1st, we're not
10 dealing with that much difference in actual -- no
11 matter what the level of it is or who pays for it,
12 revenue generation, because of the nature of the
13 heating load -- I mean, we could, if you would, take
14 judicial notice of it's going to get warmer in the
15 time period that we're talking about and that it
16 would, you know -- there is no sense to not
17 considering some kind of bifurcation, particularly
18 when the company needs in the financial market can be
19 addressed quickly and then we have -- we set up a
20 schedule to consider -- I don't consider a technical
21 conference absurd here to do like any compliance
22 filing. We may have disagreements at that point about
23 how people are interpreting the Commission's orders,
24 and if so then we have a process available to all of
25 us to take that to the Commission about whether there

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1 is right or wrong or there should be another hearing
2 about rate design, and I think that is a much more
3 equitable solution to the situation than a summary
4 judgment that immediately undermines the rate design
5 that the Commission and the cost of service decisions
6 that the Commission makes in UG-940814.

7 JUDGE HAENLE: Anything else? I don't want
8 -- people don't need to repeat at this point now
9 things they have already said. Anything else?

10 MR. HARRIS: One very brief point. Two.
11 One, we face a \$40 million dollar refinancing in
12 September of this year and we can't let this be pushed
13 off any longer than absolutely necessary because of
14 that. Second, we agree that this issue of how these
15 interim rates will be -- how this interim relief will
16 be spread is an important issue and it would be
17 inappropriate at this point to decide that issue in
18 this pre-hearing conference, we feel.

19 JUDGE HAENLE: Therefore, what?

20 MR. HARRIS: Therefore, it should be -- the
21 issue of how they should be spread should be part of
22 this interim proceeding, whether they should be spread
23 on an equal cent per therm basis or based on 940814.

24 MS. EGELER: Your Honor, I do feel
25 compelled to make one last comment. I think some

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1 confusion has been created by some of the statements
2 that we are asking that the decision in 94 rate case
3 be thrown out or not considered or undermined. That
4 is not the case. By spreading the rates on a uniform
5 percentage of margin based on that '94 case we are
6 asking that the Commission apply that case and all of
7 the time and work that has gone into it. We're just
8 simply addressing how it should be applied.

9 JUDGE HAENLE: Anything else? Why don't we
10 take our morning recess at this time. I'm going to go
11 consult at this point. Let's come back at 25 minutes
12 to. I will come back and let you know whether I'm
13 done at that point. I hope to have an answer for you.
14 I may not be able to. I will do my best. So let's be
15 back at 25 minutes to please.

16 (Recess.)

17 JUDGE HAENLE: Let's be back on the record.
18 During the time we were off the record I did get your
19 answer. The Commission is not going to limit its
20 consideration to a predetermined spread of rates. The
21 interim case is a revenue requirement case, and as in
22 any revenue requirement case, the Commission will be
23 called upon to spread any revenue deficiency among the
24 classes of customers. The Commission will consider
25 the principles reached in UG-940814 in deciding the

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1 spread of rates on any interim relief, but that does
2 not mean that the cost study needs to be relitigated
3 in this interim case.

4 The Commission will retain its discretion
5 as it does in all rate cases in applying the results
6 of UG-940814 to any revenue requirement, and the
7 Commission is doing its best to enter an order at the
8 earliest possible time in 940814. The schedule,
9 therefore, the Commission has set the hearing then for
10 April 21, which is that Friday. I want to start at
11 9:00 in the morning to be sure that we have as much
12 usable time as possible, and we will set the public
13 hearing at 1:00 that afternoon. That will all be here
14 in Olympia. The Commission wants to give the parties
15 some more time for prefilng, so it will have prefiled
16 materials from the parties due by 9:00 in the morning
17 on April 18, which is the Tuesday of that week. They
18 need to be in the Commission's offices by 9:00. That
19 gives you one extra evening if that's any help.
20 Because this is such a short schedule, the Commission
21 wants to be sure that public notice is issued, so in
22 order to accomplish public notice for the hearing for
23 public testimony, the company must display ads in
24 newspapers of general circulation in its service
25 territory according to a schedule to be arranged with

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1 the secretary of the Commission. And it's welcome to
2 contact such other media as the company and the
3 secretary of the Commission agree upon to be sure that
4 the public gets notice of the public hearing.

5 MR. TROTTER: Your Honor, could we ask that
6 not only are they notified of the public hearing but
7 also their opportunity to send letters to the
8 Commission regarding the filing?

9 JUDGE HAENLE: Yes. That makes a lot of
10 sense. In order for those letters to be considered,
11 though, we need to set a cutoff date. Let me try
12 that again. This is going to be such a short time for
13 the Commission to consider those letters, we need to
14 be sure to set a cutoff date that will allow them to
15 get in here in time for all of you to look at them,
16 for the Commission to look at them, before it makes
17 its decision. So will you talk, Mr. Trotter, with the
18 company about a cutoff date and with the secretary of
19 the Commission, please.

20 MR. TROTTER: Okay.

21 JUDGE HAENLE: All right. I guess that's
22 the scheduling issue then. We need to talk about some
23 other things including discovery and we need also --
24 is the company going to request a protective order in
25 this matter?

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1 MR. JOHNSON: Yes, we will, Your Honor. My
2 understanding the Commission has used the standard
3 protective order in the past on dockets involving the
4 company and we would request that same form of order
5 for this proceeding.

6 JUDGE HAENLE: Does anyone oppose the entry
7 of a protective order in this matter?

8 Hearing no response then I will ask the
9 Commission to issue one as soon as possible. In the
10 meantime, in other cases, parties have agreed to act
11 as if bound by the protective order, that is, to treat
12 materials, confidential materials, in a manner as if
13 the order were already out, and I think that would be
14 appropriate here considering the limited time frame.

15 Now, this protective order will apply both
16 to the general phase of the case and the interim phase
17 of the case, so you only need to do one set. The
18 notice of hearing already has invoked the discovery
19 provisions of WAC 480-09-480 and remember the notice
20 also shortened the response time for responses to data
21 requests in the interim case to five days, five
22 business days. Remember also that responses to data
23 requests from the staff should be sent directly to --
24 would it be to you, Ms. Egeler, rather than to Mr.
25 Goltz?

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1 MS. EGELER: Yes.

2 JUDGE HAENLE: To Ms. Egeler. They should
3 not be routed through the secretary of the Commission,
4 responses to staff data requests. Everything else in
5 the case should be routed through the secretary of the
6 Commission. If you sent it anywhere else it will not
7 be logged in, it will not be officially filed and you
8 will have delayed, so be sure you send all other
9 materials through the secretary of the Commission.
10 Prefile please an original and 19 copies of
11 everything. What else do we need to discuss?

12 MR. TROTTER: Just ask, is the company's
13 Mr. Amen the contact person for data requests?

14 MR. JOHNSON: Yes. The procedure we
15 followed before is Mr. Amen is the recipient of the
16 data requests. I would like to also receive copies
17 and I would also like to have Mr. Harris receive
18 copies of data requests, but the original should go to
19 Mr. Amen.

20 JUDGE HAENLE: Well, considering the short
21 time frame and all, let me suggest that Mr. Amen be
22 responsible for distributing within the company so
23 that one copy be provided to the company and then you
24 may distribute them any way you like within the
25 company.

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1 MR. JOHNSON: That's fine, Your Honor.

2 MS. EGELER: We have been sending copies of
3 things to all three counsel members for the company.
4 Is it sufficient just to copy Mr. Johnson?

5 JUDGE HAENLE: I think you two need to
6 choose one person to be the company contact person.

7 MR. HARRIS: That's fine. Just send it to
8 Mr. Johnson. We'll handle the distribution.

9 MR. JOHNSON: We'll work with you on that.

10 MS. EGELER: Okay.

11 JUDGE HAENLE: We also have the -- we need
12 to premark the exhibits. Also, please, I would like a
13 courtesy copy to me of any prefiled materials but do
14 not include confidential materials to me. Only
15 nonconfidential materials. Now, there will be a
16 protective order entered, so if you don't recall what
17 the procedure for dealing with confidential materials
18 is, please be sure that you check either with me or
19 with the records center. Those confidential materials
20 need to be segregated and they are only going to be
21 distributed to certain persons, so it's extremely
22 important they be segregated.

23 MR. JOHNSON: Your Honor, before we get to
24 the marking of the exhibits, there's two things
25 relating to the things that you brought out. First of

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1 all, with respect to the prefiling by April 18th by
2 the parties by 9:00 in the morning, will there be some
3 agreement -- we hope there would be -- for people
4 rather than to stick the copies in the mail to other
5 counsel that they be delivered that day to the other
6 parties. Otherwise, might be a situation where given
7 the hearing just three days later we might not have
8 everything and likewise with the other parties.

9 JUDGE HAENLE: I think that's reasonable.
10 Plan to Fed Ex or in some manner personally deliver
11 to, not just filing to the Commission but also to the
12 other parties so that it is received by the other
13 parties by 9:00 in the morning on April 18th.

14 MR. TROTTER: Your Honor, most deliveries
15 guarantee 10.

16 JUDGE HAENLE: Do they?

17 MR. TROTTER: If it's appropriate.

18 JUDGE HAENLE: I will change that to 10:00
19 then. That sounds fine.

20 What we were trying to do was give people
21 that extra evening but not cut out the entire working
22 day for us so 10:00 sounds fine and we will set the
23 prefiling time for 10:00 on April 18th. You had
24 something else?

25 MR. JOHNSON: Yes, Your Honor. The other

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1 thing -- and I don't know whether it's premature to
2 take care of this now or to wait for what I understand
3 to be a second pre-hearing conference. When hearing
4 dates are set we would suggest, and we've raised this
5 conceptually before, although I don't think it's been
6 implemented in any gas company proceeding, possibility
7 of a discovery cutoff a certain number of days before
8 each round of hearings such that the parties aren't
9 burdened with responding to discovery when they are
10 both preparing for and attending hearings. I
11 understand there's some precedent for that, but again,
12 I don't know whether it's premature to take that up
13 here or wait until our next conference.

14 JUDGE HAENLE: Well, I wouldn't ordinarily
15 set any cutoff dates until we have a schedule. Why
16 don't you think about that. You may discuss it among
17 yourselves, obviously, before a schedule is set, but
18 we're going to need to have some kind of additional
19 pre-hearing conference once we've got the company's
20 other materials once the rate design order is out.
21 Does anyone object to that being done by telephone?

22 All right. Well, we may consider doing it
23 that way then. The Commission is trying to encourage
24 that kind of thing. Think about that and if you want
25 to propose discovery cutoffs they may be appropriate

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1 in the general case, but discuss those with the other
2 parties.

3 MR. JOHNSON: Right. We're not proposing
4 -- so it's clear, we're not proposing discovery
5 cutoffs in the interim. That would only be in the
6 scope of the general and we will take that up later.

7 JUDGE HAENLE: We need to distinguish --
8 well, let's go off the record to mark the documents,
9 please.

10 (Recess.)

11 JUDGE HAENLE: Let's be back on the record.
12 During the time we were off the record we premarked
13 the company's documents for the interim portion of the
14 case. There are two witnesses. I marked as Exhibit
15 T-1 an 11-page document JPT-T, which is the prefiled
16 direct testimony of Mr. Torgerson. JPT-1 in three
17 pages is Exhibit 2. Exhibits 3 and 4 are both
18 confidential. Each one of them is in one page and
19 each one is entitled Summary of Proforma Interest
20 Coverage. It's my understanding that JPT-2 assumes
21 that interim relief will be granted. JPT-3 assumes
22 that interim relief is not granted. Exhibit 5 for
23 identification, JPT-4, in one page entitled Summary
24 of Maturing Securities. 6 for identification is
25 confidential JPT-5 in one page. It includes

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1 construction detail from the company's budget for year
2 ended December 31, 1995. T-7 for identification,
3 KRK-T in nine pages, the prefiled direct testimony of
4 Mr. Karzmar, and then KRK-1 through KRK-6 would be
5 marked 8 through 13. Now, is there anything else we
6 need to discuss today?

7 (Marked Exhibits T-1, 2 - 6, T-7, 8 - 13.)

8 MS. EGELER: Yes.

9 JUDGE HAENLE: Ms. Egeler.

10 MS. EGELER: With respect to the general
11 case, you stated that the schedule would not be set
12 until the refiling is made, but we think it's
13 important to address today also when the suspension
14 period begins to run. We feel that that suspension
15 period should not begin to run until the refiling is
16 made.

17 JUDGE HAENLE: I think that was part of the
18 agreement that the company made. Let me double-check.
19 I've got the materials here somewhere. When the
20 Commission issued its order it asked the company to
21 agree to certain conditions and by its letter of March
22 20, 1995, it is No. 3 that says the company authorizes
23 the Commission to extend the statutory suspension
24 period of the tariffs in docket No. UG-950278 up to
25 and including 10 months following the effective date

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1 of the tariff refiling required pursuant to paragraph
2 2 of that letter. You think there is something
3 necessary beyond that or does that take care of it?

4 MS. EGELER: I just wanted to hear a
5 statement from the Commission that that's what the
6 Commission was going to do was to start the clock when
7 the filing was made.

8 JUDGE HAENLE: Yes. That's my
9 understanding. The Commission set these conditions,
10 the company accepted the conditions, and the
11 Commission considers the company bound by those
12 conditions and the company's agreement is set out in
13 the fax which was received March 20, 1995. There's no
14 question about that from the company, is there, Mr.
15 Johnson?

16 MR. JOHNSON: No, Your Honor.

17 JUDGE HAENLE: Anything else we need to
18 discuss?

19 MS. PYRON: Your Honor, I have one question
20 related to the hearing itself on the 21st.

21 JUDGE HAENLE: Yes, Ms. Pyron.

22 MS. PYRON: I assume that the schedule
23 doesn't anticipate any setting up of a briefing type
24 schedule, and that any oral argument on that date on
25 the 21st would be at the Commission's discretion or --

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1 JUDGE HAENLE: Yeah. I guess that we
2 should -- that will be the day when it will all have
3 to happen, so I guess you should be prepared to give
4 brief oral argument on that same day. Stress brief,
5 please, but that is the only day that we'll have, so
6 that's a good point. Please be prepared to present
7 oral argument on that date.

8 MR. FREDERICKSON: Would the oral argument
9 come before the public portion of the hearing?

10 JUDGE HAENLE: No. I think that the public
11 -- you ought to be able to hear the public and what it
12 has to say in case you want to incorporate that into
13 your oral argument. What we will do is begin at 9:00.
14 We will take the testimony until the testimony runs
15 out, but we will break in any case at 1:00, take the
16 public and then resume whatever stage of the hearing
17 we're at then and take oral argument as the final
18 piece of that.

19 MR. FREDERICKSON: Thank you.

20 JUDGE HAENLE: Anything else we need to
21 discuss?

22 MR. HARRIS: No.

23 JUDGE HAENLE: I will try to put all of
24 this into a pre-hearing conference order as soon as
25 possible. I will ask the Commission to issue that

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1 protective order as soon as possible, but I suggest
2 you consider yourself bound by the protective order as
3 if it were out now so that the exchange of materials
4 can be happening right now. Is that all right with
5 you, Mr. Johnson?

6 MR. JOHNSON: Yes, Your Honor.

7 JUDGE HAENLE: Ms. Egeler?

8 MS. EGELER: Yes.

9 JUDGE HAENLE: Mr. Trotter?

10 MR. TROTTER: Yes.

11 JUDGE HAENLE: Mr. Frederickson?

12 MR. FREDERICKSON: Yes, Your Honor.

13 JUDGE HAENLE: Ms. Arnold?.

14 MS. ARNOLD: Yes, Your Honor.

15 JUDGE HAENLE: Ms. Pyron?

16 MS. PYRON: Yes, Your Honor.

17 JUDGE HAENLE: We'll do it in that manner.

18 Anything else to come before the Commission at this
19 time?

20 All right. Then the pre-hearing conference
21 will be adjourned and a pre-hearing conference order
22 will issue. Not sure if there will be a notice of
23 hearing for the hearing on the 21st. Will a written
24 notice be issued?

25 MS. EGELER: I think so.

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1 JUDGE HAENLE: Well, you can look for a
2 written notice, although this is notice also. Good.
3 Thank you.

4 (Hearing adjourned at 11:06 a.m.)

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