## WUTC v. Washington Water Supply, Inc.

## Docket No. UW-240079 & UW-230598 - Vol. II (July 10, 2024)



1325 Fourth Avenue, Suite 1840, Seattle, Washington 98101 Bellingham | Everett | Tacoma | Olympia | Yakima | Spokane Seattle 206.287.9066 Tacoma 253.235.0111 | Eastern Washington 509.624.3261

<u>www.buellrealtime.com</u> email: <u>audio@buellrealtime.com</u>

## Page 1 Page 3 BEFORE THE WASHINGTON 1 July 10, 2024 UTILITIES AND TRANSPORTATION COMMISSION 2 -000-3 WASHINGTON UTILITIES AND 4 JUDGE THOMPSON: Let's be on the record. The TRANSPORTATION COMMISSION, time is 9:31 a.m. Today is July 10, 2014. My name is 6 Connor Thompson and I am the administrative law judge Complainant, 7 with the Washington Utilities and Transportation ) DOCKETS UW-240079 VS 8 Commission assigned to this case. UW-230598 9 Let's go ahead and start out with taking (Consolidated) 10 appearances. And we'll go ahead and start with staff. WASHINGTON WATER SUPPLY, INC., ) 11 ATTORNEY GAFKEN: Good morning. My name is 12 Lisa Gafken. I'm an assistant attorney general appearing ) PAGES 19 - 29 Respondent. 13 on behalf of staff, along with assistant attorney general 14 Cassandra Jones. 15 JUDGE THOMPSON: Thank you. And for the REMOTE PREHEARING CONFERENCE - VOL II 16 company? BEFORE ADMINISTRATIVE LAW JUDGE CONNOR THOMPSON July 10, 2024 17 ATTORNEY GRIMES: Good morning. Alysa Grimes 18 on behalf of the company, Washington Water Supply, Inc. Washington Utilities and Transportation Commission 19 JUDGE THOMPSON: Thank you very much. 621 Woodland Square Loop SE 20 And do we have any intervenors today? I'm Lacey, Washington 98504 21 not anticipating any. And it does not look like we have 22 anybody else online. 23 So we are here today for a second prehearing 24 conference in Dockets UW-230598 and UW 240079 TRANSCRIBED BY: ELIZABETH PATTERSON HARVEY, WA CCR 2731 25 consolidated. This second prehearing conference was Page 2 Page 4 scheduled following the filing of a complaint by the UTC APPEARANCES 1 1 2 staff against Washington Water Supply on May 30 with an 2 3 3 errata filed May 31. 4 FOR COMMISSION STAFF: 4 The complaint alleges five causes of action, Lisa W. Gafken 5 5 including two statutory violations, one violation of the 6 6 Attorney General of Washington administrative code, and two violations of a previous 7 7 800 Fifth Avenue, Suite 2000 order of the commission. 8 Seattle, Washington 98104 8 Looking at the docket, it does not appear 9 lisa.gafken@atg.wa.gov 9 that the company has filed an answer or a motion in 10 10 response to the complaint. And so today's prehearing 11 11 conference is going to be a little bit different. We're FOR THE RESPONDENT: 12 12 not going to go through the same song and dance regarding 13 Alysa Marie Grimes 13 how to file an errata and all of those things. 14 Bagwell Law, PLLC 14 But really, I want to know, one, is there a 9057 Washington Ave NW Ste 103 15 15 reason we don't have an answer at this time; and two, do 16 Silverdale, Washington 98383 16 we need to make any changes to the procedural schedule as 17 alysa@silverdalelawyers.com 17 its already outlined in the previous prehearing 18 18 conference order to accommodate for the complaint in this 19 19 docket? 20 20 So I'll go ahead and just start out with the 21 21 company, and you, Ms. Grimes, please go ahead. 22 22 ATTORNEY GRIMES: Thank you, your Honor. The 23 23 reason that an answer hasn't been filed is completely my 24 24 oversight. I expected that we would do a prehearing 2.5 2.5 conference as usual and did not realize that there was a

Page 7 Page 5 1 different procedure for a complaint. I apologize. 1 conference. 2 That's my fault. And we will file an answer, if we're 2 JUDGE THOMPSON: Okay. Wonderful. If you 3 allowed to do so, today. 3 want to go ahead and read what you have into the record, JUDGE THOMPSON: Okay. And just for your and then, yeah, absolutely, if you could send me the 4 4 5 5 reference, so you know where I'm referring to for the email afterwards, that would be much appreciated. 6 deadline for filing an answer, it's in 6 ATTORNEY GAFKEN: Okay. So I guess I'll 7 WAC 480-07-370 (2), and it's Answer to formal complaint. 7 start with the date that's already passed. The company 8 And it has a 20-day timeline. And that typically applies 8 filing was due on January 27 in the rate case. That's 9 9 to motions to dismiss, too. already happened. 10 Does staff have any objection to allowing the 10 New deadline would be staff complaint testimony coming in on August 27, 2024. This would be company to file an answer? 11 11 ATTORNEY GAFKEN: Staff does not have an staff's direct case under the complaint. 12 12 13 objection to allowing the company to file an answer. 13 And then we still have a first settlement conference scheduled for September 17, 2024. And that 14 JUDGE THOMPSON: Okay. I'll go ahead and 14 15 allow you -- let's go ahead and give you seven days, if 15 would be on all issues in both of the consolidated 16 staff has no objection, so you don't feel the need to 16 dockets. 17 slap something together. And we can go ahead and go 17 Response testimony is still January 22, 2025. 18 seven days and file an answer by this time next week. 18 Originally, this was staff's response to the rate case. 19 ATTORNEY GRIMES: Thank you, your Honor. 19 That still, of course, remains in place. But then we're 20 And thank you, staff. 20 adding company response to the complaint on that date. JUDGE THOMPSON: Let me just make a note. 21 We have a second settlement conference on 21 22 Okay. 22 February 5, 2025. And again, that would be on all issues 23 And for the procedural schedule, obviously 23 that are present in the consolidated dockets. 24 the complaint makes things a little bit different 24 Rebuttal testimony comes in on February 20, 25 procedurally. We have the company bearing the burden on 25 2025. And so originally, that was company rebuttal on Page 6 Page 8 the rate case side of things and staff bearing the burden 1 1 the rate case. We're adding staff rebuttal on the 2 2 of proof on the complaint side of things. complaint. 3 3 And so we do have a procedural schedule in And then from there, the rest of the dates 4 and events remain the same. 4 this docket as it stands today. But I'm wondering if we 5 5 need to make any additions or move any dates around to Public comment hearing, that still needs to 6 the procedural schedule to accommodate for the complaint. 6 be scheduled. 7 Does staff have any opinions on that? 7 Discovery deadline being February 27, 2025. 8 8 ATTORNEY GAFKEN: We do. And we've also Cross exhibits, cross estimates, and errata 9 consulted with the company, and we've come to an agreed 9 coming in on March 11, 2025. 10 10 schedule. Hearing, March 18, 2025. 11 And I think the upshot is the parties are 11 Briefs, April 17, 2025. 12 12 amenable to combining the complaint procedural schedule And the suspension deadline for the rate case 13 13 with the existing rate case procedural schedule. There component remains the same at July 1, 2025. 14 are a few modifications that need to be made in order to 14 JUDGE THOMPSON: Okay. And so just to be 15 make it this happen. But the hearing and the existing 15 sure that I got that correct, we're going to go ahead and add staff filing on August 27, and then for response and 16 16 deadlines all remain intact. 17 The modifications deal with the testimony. 17 rebuttal testimony, those -- each party will be filing on 18 We need to add a round of testimony so staff can file its 18 those dates. 19 direct case in the complaint matter, and then we need to 19 ATTORNEY GAFKEN: Correct. 20 add rounds of testimony related to the complaint 20 JUDGE THOMPSON: Okay. That all makes 21 throughout the rest of the case. 21 perfect sense to me. And I appreciate the parties 22 So I can read off what we've come up with. 22 conferring ahead of time and making the necessary 23 23 And then I also have an e-mail fired up so I can send you changes. 24 24 the same schedule with the notes. So you can take a look With that, I don't think I have anything else 25 25 at it in preparing the order for this prehearing for today.

Page 9 Page 11 1 I'll probably go ahead and issue a second 1 CERTIFICATE 2 prehearing conference order. It may be more limited in 2 3 nature than the typical prehearing conference order, just 3 STATE OF WASHINGTON ) 4 amending the schedule. 4 ) ss 5 5 I don't think that I'll likely do an errata, COUNTY OF KING ) 6 just because I do want to go ahead and put in writing the 6 7 extension for the answer. And so I'll go ahead and get 7 I, Elizabeth Patterson Harvey, a Certified 8 8 to work on that. Court Reporter and Registered Professional Reporter 9 9 Are there any other issues from the parties within and for the State of Washington, do hereby that need to be addressed this morning? 10 certify under penalty of perjury that the foregoing legal 10 ATTORNEY GAFKEN: The only question I had, recordings were transcribed under my direction; that I 11 11 we're already in a consolidated proceeding. We have 12 12 received the electronic recording in the proprietary discovery from the first prehearing conference order. My 13 13 format; that I am not a relative or employee of any 14 assumption is that we would have discovery for the 14 attorney or counsel employed by the parties hereto, nor complaint portion as well. I just wanted to confirm 15 15 financially interested in its outcome. 16 that. 16 IN WITNESS WHEREOF, I have hereunto set my 17 JUDGE THOMPSON: Yes. We will have 17 hand this 19th day of July, 2024. 18 18 discovery, and I will make sure to include that in the 19 prehearing conference order. Because this is -- the 19 20 20 complaint is filed in the same docket, my read would be 21 that, you know, the prehearing conference order that has 21 Elizatet Pakerattury 22 already been issued would apply as far as discovery goes. 22 23 But I'll go ahead and ensure that we clarify that in the 23 second prehearing conference order. 24 24 25 ATTORNEY GAFKEN: Perfect. I kind of went 25 Page 10 1 through that same process as well. I think that applies, 2 but maybe it's worth raising. 3 JUDGE THOMPSON: Yeah. Absolutely. I 4 appreciate it. Thank you for doing so. 5 Does the company have any outstanding 6 issues? 7 ATTORNEY GRIMES: No, your Honor. Thank you. 8 JUDGE THOMPSON: Okay. And it does look like we added a couple of folks during our discussion. Are 9 1.0 there -- I'm just going to double check one more time. 11 Do we have any intervenors who are present 12 today? 13 Okay. Hearing nothing, I will go ahead and 14 issue a second prehearing conference order shortly. 15 And I don't believe we have any further 16 issues to address today. We are adjourned. 17 ATTORNEY GAFKEN: Thank you. 18 ATTORNEY GRIMES: Thank you both. 19 JUDGE THOMPSON: Thank you. 2.0 (Conclusion of proceedings at 9:41 a.m.) 21 22 23 2.4 25

Page 12

		4.10.5.1.7.24.6.2	1-1-4-1-62-24	F4 11.12
A	assistant 3:12,13	4:18 5:1,7,24 6:2	dockets 1:6 3:24	format 11:13
<b>a.m</b> 3:5 10:20	assumption 9:14	6:6,12,19,20 7:10	7:16,23	further 10:15
absolutely 7:4 10:3	attorney 2:6 3:11	7:12,20 8:2 9:15	doing 10:4	$\overline{G}$
accommodate 4:18	3:12,13,17 4:22	9:20	<b>double</b> 10:10	Gafken 2:5 3:11,12
6:6	5:12,19 6:8 7:6	completely 4:23	<b>due</b> 7:8	5:12 6:8 7:6 8:19
action 4:4	8:19 9:11,25 10:7	component 8:13		
add 6:18,20 8:16	10:17,18 11:14	Conclusion 10:20		9:11,25 10:17
<b>added</b> 10:9	<b>August</b> 7:11 8:16	conference 1:12	E 2:1,1 11:1,1	general 2:6 3:12,13
<b>adding</b> 7:20 8:1	Ave 2:15	3:24,25 4:11,18	e-mail 6:23	give 5:15
additions 6:5	Avenue 2:7	4:25 7:1,14,21 9:2	electronic 11:12	<b>go</b> 3:9,10 4:12,20
address 10:16		9:3,13,19,21,24	Elizabeth 1:24 11:7	4:21 5:14,15,17
addressed 9:10	$\frac{B}{B}$	10:14	11:23	5:17 7:3 8:15 9:1
adjourned 10:16	Bagwell 2:14	conferring 8:22	email 7:5	9:6,7,23 10:13
administrative	bearing 5:25 6:1	confirm 9:15	employed 11:14	goes 9:22
1:13 3:6 4:6	<b>behalf</b> 3:13,18	<b>Connor</b> 1:13 3:6	employee 11:13	going 4:11,12 8:15
agreed 6:9	believe 10:15	consolidated 1:7	ensure 9:23	10:10
ahead 3:9,10 4:20	<b>bit</b> 4:11 5:24	3:25 7:15,23 9:12	errata 4:3,13 8:8	<b>Good</b> 3:11,17
4:21 5:14,15,17	Briefs 8:11	consulted 6:9	9:5	<b>Grimes</b> 2:13 3:17
7:3 8:15,22 9:1,6	<b>burden</b> 5:25 6:1	<b>correct</b> 8:15,19	estimates 8:8	3:17 4:21,22 5:19
9:7,23 10:13	<u>C</u>	counsel 11:14	events 8:4	10:7,18
alleges 4:4		<b>COUNTY</b> 11:5	exhibits 8:8	guess 7:6
allow 5:15	C 2:1 11:1,1	couple 10:9	existing 6:13,15	$\left  \right $
allowed 5:3	case 3:8 6:1,13,19	course 7:19	expected 4:24	
<b>allowing</b> 5:10,13	6:21 7:8,12,18 8:1 8:12	<b>Court</b> 11:8	extension 9:7	hand 11:17
Alysa 2:13 3:17		cross 8:8,8	F	happen 6:15
alysa@silverdale	Cassandra 3:14		<b>F</b> 11:1	happened 7:9
2:17	causes 4:4	<u>D</u>		Harvey 1:24 11:7
amenable 6:12	CCR 1:24 11:23	dance 4:12	far 9:22 fault 5:2	11:23
amending 9:4	Certified 11:7	date 7:7,20		hearing 6:15 8:5,10
answer 4:9,15,23	certify 11:10	dates 6:5 8:3,18	<b>February</b> 7:22,24	10:13
5:2,6,7,11,13,18	<b>changes</b> 4:16 8:23	day 11:17	8:7	hereto 11:14
9:7	check 10:10	days 5:15,18	feel 5:16	hereunto 11:16
anticipating 3:21	clarify 9:23	<b>deadline</b> 5:6 7:10	Fifth 2:7	Honor 4:22 5:19
anybody 3:22	code 4:6	8:7,12	<b>file</b> 4:13 5:2,11,13	10:7
apologize 5:1	combining 6:12	deadlines 6:16	5:18 6:18	I
appear 4:8	come 6:9,22	<b>deal</b> 6:17	<b>filed</b> 4:3,9,23 9:20	<u>II</u> 1:12
appearances 3:10	comes 7:24	<b>different</b> 4:11 5:1	<b>filing</b> 4:1 5:6 7:8	include 9:18
appearing 3:12	coming 7:11 8:9	5:24	8:16,17	
applies 5:8 10:1	comment 8:5	<b>direct</b> 6:19 7:12	financially 11:15	including 4:5 intact 6:16
apply 9:22	commission 1:2,4	direction 11:11	fired 6:23	interested 11:15
appreciate 8:21	1:16 2:4 3:8 4:7	discovery 8:7 9:13	first 7:13 9:13	interested 11:15 intervenors 3:20
10:4	company 3:16,18	9:14,18,22	five 4:4	10:11
appreciated 7:5	4:9,21 5:11,13,25	discussion 10:9	folks 10:9	issue 9:1 10:14
April 8:11	6:9 7:7,20,25 10:5	dismiss 5:9	following 4:1	issued 9:22
assigned 3:8	Complainant 1:5	<b>docket</b> 4:8,19 6:4	foregoing 11:10	issues 7:15,22 9:9
assigned 5.0	<b>complaint</b> 4:1,4,10	9:20	formal 5:7	155ues 1.13,22 9.9
	I	I	I	<u>'</u>

## Page 13

	 	l		
10:6,16	name 3:5,11	prehearing 1:12	remains 7:19 8:13	Suite 2:7
	nature 9:3	3:23,25 4:10,17	<b>REMOTE</b> 1:12	<b>Supply</b> 1:8 3:18 4:2
$\frac{\mathbf{J}}{\mathbf{z}}$	necessary 8:22	4:24 6:25 9:2,3,13	Reporter 11:8,8	sure 8:15 9:18
<b>January</b> 7:8,17	need 4:16 5:16 6:5	9:19,21,24 10:14	Respondent 1:9	suspension 8:12
<b>Jones</b> 3:14	6:14,18,19 9:10	preparing 6:25	2:12	
judge 1:13 3:4,6,15	needs 8:5	<b>present</b> 7:23 10:11	response 4:10 7:17	<u> </u>
3:19 5:4,14,21 7:2	New 7:10	previous 4:6,17	7:18,20 8:16	<b>T</b> 11:1,1
8:14,20 9:17 10:3	note 5:21	probably 9:1	rest 6:21 8:3	take 6:24
10:8,19	notes 6:24	procedural 4:16	<b>round</b> 6:18	<b>testimony</b> 6:17,18
<b>July</b> 1:14 3:1,5 8:13	<b>NW</b> 2:15	5:23 6:3,6,12,13	rounds 6:20	6:20 7:11,17,24
11:17		procedurally 5:25		8:17
	0	procedure 5:1	S	thank 3:15,19 4:22
<u>K</u>	<b>o0o-</b> 3:2	proceeding 9:12	<b>S</b> 2:1	5:19,20 10:4,7,17
kind 9:25	<b>objection</b> 5:10,13	proceedings 10:20	<b>schedule</b> 4:16 5:23	10:18,19
<b>KING</b> 11:5	5:16	process 10:1	6:3,6,10,12,13,24	things 4:13 5:24
know 4:14 5:5 9:21	obviously 5:23	Professional 11:8	9:4	6:1,2
т	Okay 5:4,14,22 7:2	proof 6:2	<b>scheduled</b> 4:1 7:14	think 6:11 8:24 9:5
<u>L</u>	7:6 8:14,20 10:8	proprietary 11:12	8:6	10:1
Lacey 1:18	10:13	Public 8:5	<b>SE</b> 1:17	<b>Thompson</b> 1:13 3:4
law 1:13 2:14 3:6	online 3:22	put 9:6	Seattle 2:8	3:6,15,19 5:4,14
legal 11:10	opinions 6:7	<b>Put</b> 3.0	second 3:23,25	5:21 7:2 8:14,20
let's 3:4,9 5:15	order 4:7,18 6:14	Q	7:21 9:1,24 10:14	9:17 10:3,8,19
limited 9:2	6:25 9:2,3,13,19	question 9:11	send 6:23 7:4	time 3:5 4:15 5:18
<b>Lisa</b> 2:5 3:12	9:21,24 10:14		sense 8:21	8:22 10:10
lisa.gafken@atg	originally 7:18,25	R	September 7:14	timeline 5:8
2:9	outcome 11:15	<b>R</b> 2:1 11:1	set 11:16	today 3:5,20,23 5:3
little 4:11 5:24	outlined 4:17	raising 10:2	settlement 7:13,21	6:4 8:25 10:12,16
look 3:21 6:24 10:8	outstanding 10:5	rate 6:1,13 7:8,18	seven 5:15,18	today's 4:10
Looking 4:8	oversight 4:24	8:1,12	shortly 10:14	transcribed 1:24
<b>Loop</b> 1:17		read 6:22 7:3 9:20	side 6:1,2	11:11
	P	realize 4:25	Silverdale 2:16	Transportation 1:2
M	<b>P</b> 2:1,1	really 4:14	slap 5:17	1:4,16 3:7
making 8:22	<b>PAGES</b> 1:9	reason 4:15,23	sap 3.17 song 4:12	two 4:5,6,15
<b>March</b> 8:9,10	parties 6:11 8:21	rebuttal 7:24,25	Square 1:17	typical 9:3
<b>Marie</b> 2:13	9:9 11:14	8:1,17	square 1.17 ss 11:4	typical 9.5 typically 5:8
matter 6:19	party 8:17	received 11:12	staff 2:4 3:10,13	Lypicany 5.0
modifications 6:14	party 6.17 passed 7:7	record 3:4 7:3	,	U
6:17	Patterson 1:24 11:7	recording 11:12	4:2 5:10,12,16,20 6:1,7,18 7:10 8:1	upshot 6:11
<b>morning</b> 3:11,17	11:23	recordings 11:11	* *	usual 4:25
9:10	penalty 11:10	reference 5:5	8:16	UTC 4:1
motion 4:9	perfect 8:21 9:25	referring 5:5	staff's 7:12,18	<b>Utilities</b> 1:2,3,16
motions 5:9	perjury 11:10	regarding 4:12	stands 6:4	3:7
<b>move</b> 6:5	place 7:19	Registered 11:8	start 3:9,10 4:20	UW 3:24
	-	related 6:20	7:7	UW-230598 1:6
N	please 4:21		<b>State</b> 11:3,9	
N 2:1	PLLC 2:14	relative 11:13	statutory 4:5	3:24
	portion 9:15	<b>remain</b> 6:16 8:4	Ste 2:15	<b>UW-240079</b> 1:6
	ı	ı		1

Page 14

V       V         violation 4:5       18 8:10         violations 4:5,6       19 1:9         VOL 1:12       19th 11:17         vs 1:6       2         W       25:7         WA 1:24       20-day 5:8         WAC 5:7       2000 2:7         want 4:14 7:3 9:6       2014 3:5		
violation 4:5       18 8:10         violations 4:5,6       19 1:9         VOL 1:12       19th 11:17         vs 1:6       2         W       25:7         WA 1:24       20-day 5:8         WAC 5:7       2000 2:7		
violations 4:5,6 VOL 1:12 vs 1:6 W 2:5 WA 1:24 WAC 5:7  19 1:9 19th 11:17 2 2 5:7 20 7:24 20-day 5:8 2000 2:7		
VOL 1:12 vs 1:6  W 2 5 WA 1:24 WAC 5:7  VOL 1:12 2 2 5:7 20 7:24 20-day 5:8 2000 2:7		
vs 1:6     2       W     2 5:7       W 2:5     20 7:24       WA 1:24     20-day 5:8       WAC 5:7     2000 2:7		
W 2:5 WA 1:24 WAC 5:7 WA 2:5 20 7:24 20-day 5:8 2000 2:7		
W 2:5 WA 1:24 WAC 5:7 2 5:7 20 7:24 20-day 5:8 2000 2:7		
W 2:5 WA 1:24 WAC 5:7 20 7:24 20-day 5:8 2000 2:7		
WA 1:24 WAC 5:7  20-day 5:8 2000 2:7		
WAC 5:7 2000 2:7		
WAC 3.7		
want 4.14 7.3 5.0 wanted 9:15 2024 1:14 3:1 7:11		
<b>Washington</b> 1:1,3 7:14 11:17		
1:8,16,18 2:6,8,15 <b>2025</b> 7:17,22,25 8:7		
2:16 3:7,18 4:2 8:9,10,11,13		
11:3,9		
Water 1:8 3:18 4:2 240079 3:24		
we'll 3:10 27 7:8,11 8:7,16		
we're 4:11 5:2 7:19   <b>2731</b> 1:24 11:23		
8:1,15 9:12 <b>29</b> 1:9		
wo'vo 6:8 0 22		
week 5·18		
went 9·25		
WHEREOF 11:16 31 4:3		
WITNESS 11:16 4		
Wonderful 7:2 480-07-370 5:7		
wondering 6:4		
Woodland 1:17 5		
work 9:8 57:22		
worth 10:2		
writing 9:6		
<b>X</b> 621 1:17		
<u> </u>		
yeah 7:4 10:3 8		
800 2:7		
Z		
<b>9:31</b> 3:5		
9:41 10:20		
1 8:13 9057 2:15		
10 1.14 2.1 5		
102 2.15		
11 8:9 98504 1:18		
110.7		
<u> </u>	I I	