

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

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| WASHINGTON UTILITIES AND |) | |
| TRANSPORTATION COMMISSION, |) | DOCKET NO. UG-000073 |
| |) | |
| Complainant, |) | |
| |) | |
| v. |) | FIRST SUPPLEMENTAL ORDER: |
| |) | PREHEARING CONFERENCE ORDER |
| NORTHWEST NATURAL GAS |) | |
| COMPANY, |) | |
| |) | |
| Respondent. |) | |
| |) | |

- 1 **PREHEARING CONFERENCE:** On January 21, 2000, Northwest Natural Gas Company filed certain tariff revisions designed to effect a general increase in its rates for gas service. The company's letter of transmittal indicates that the cumulative effect of the tariff filing would increase total revenue by \$6,204,367 per year. The Commission, by Order entered February 9, 2000, suspended the operation of the tariff revisions pending hearing or hearings concerning such changes and the justness and reasonableness thereof. The Commission convened a prehearing conference in this matter in Olympia, Washington, on March 8, 2000, before Administrative Law Judge Karen M. Caillé.

- 2 **PARTIES:** Susan K. Ackerman, Mark V. Dodson, and Susan B. Bergles, Portland, Oregon, represent Northwest Natural Gas Company (NW Natural). Shannon Smith and Robert D. Cedarbaum, Assistant Attorneys General, Olympia, Washington, represent Commission Staff (Staff). Simon ffitich and Robert Cromwell, Assistant Attorneys General, Seattle, Washington, represent Public Counsel. Melinda Davison, Duncan, Weinberg, Genzer & Pembroke, P. C., Portland, Oregon, represents Washington Food Industry (WFI). Edward A. Finklea, Energy Advocates, Portland, Oregon, represents Northwest Industrial Gas Users (NWIGU). Brian H. Wolfe and Robert M. Schaefer, Blair Schaefer Hutchison & Wolfe, Vancouver, Washington, represent SEH America, Inc.

- 3 **PETITIONS TO INTERVENE:** Each of the following organizations filed a petition to intervene: Washington Food Industry and Northwest Industrial Gas Users. Additionally, SEH America, Inc., a Washington corporation, moved to intervene at the prehearing conference. The motions demonstrate that the respective parties have a substantial interest in the outcome of this proceeding and that their participation will be in the public interest. The motions are unopposed by any party. The motions are granted.

- 4 **OTHER PRELIMINARY MOTIONS:** In its initial filing, NW Natural requested a waiver of the Commission's requirement, stated in the Fourth Supplemental Order in Cause No. U-86-100 at p. 11, that general rate increase filings include a class cost-of-service study.

- 5 NWIGU, WFI, and SEH oppose NW Natural's request for a waiver of the cost of service

study requirement. In addition, Southwest Washington Medical Center and Clark College, Community College District 14, both of which are not parties to the proceeding, communicated by letter their opposition to the waiver request.

6 Commission Staff supports NW Natural's proposal not to file a class cost-of-service study. Staff suggested that the parties discuss the matter and try to reach a resolution which would be satisfactory to all the parties.

7 The parties' attempt to resolve the cost of service study issue was not successful during the prehearing conference. The parties requested until March 17, 2000, to attempt to reach accord on the issue. On March 16, 2000, NW Natural informed the Commission by letter that the parties had reached a resolution on the class cost-of-service study issue. NW Natural withdraws its request for a waiver and will file its class cost-of-service study by June 15, 2000. In exchange, the parties agreed that the procedural schedule in this docket will not slip past the November 1, 2000, filing date for briefs. The parties also agreed to add dates to the procedural schedule to address the cost-of-service study filing as set forth in the Schedule section below.

8 **SCHEDULE:** The parties agreed to the following procedural schedule:

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| March 24, 2000 | NW Natural will refile its testimony and exhibits to reflect the impact of actual numbers for the month of December 1999 |
| April 17, 2000 | Conference call amongst parties to determine whether it is appropriate to engage in settlement negotiations |
| June 15, 2000 | NW Natural files class Cost-of-Service (COS) Study |
| June 16, 2000 | NW Natural sends COS work papers to parties |
| June 30, 2000 | Cut-off date for the parties to take depositions of the Company's direct case |
| July 21, 2000 | Staff, Public Counsel, and Intervenors file direct testimony |
| August 21, 2000 | All parties file responsive testimony on COS, rate spread, and rate design; Parties agree to a five-day turn-around of responses to data requests |
| August 30, 2000 | NW Natural files rebuttal testimony |
| September 11, 2000 | All parties file cross-responsive testimony on COS, rate spread, and rate design |
| September 25-29, 2000 | Evidentiary Hearings |

October 5, 2000 Public Hearing, 6:00 p.m. Water Resource Education
Center 4600 S.E. Columbia Way, Vancouver, WA.

November 1, 2000 All parties file simultaneous briefs

9 Additional procedural dates may be established by subsequent notice or order.

10 **DISCOVERY:** This proceeding is the type described in WAC 480-09-480(2)(a) and the parties request the opportunity for discovery. The discovery rule, WAC 480-09-480, is invoked. Formal discovery may commence immediately. Parties are required to limit discovery to that necessary to their respective cases, and parties should cooperate to facilitate discovery and resolve informally any disputes. Any discovery dispute referred to the Commission by motion must state what steps the parties have taken to resolve the dispute. Parties are encouraged to use electronic media to the extent feasible to expedite the exchange of discovery materials. Discovery practice must conform to the guidelines established above in the Schedule section of this Order, or as modified by subsequent order.

11 **PROTECTIVE ORDER:** The parties anticipate that certain confidential information will be required and request a protective order. On March 16, 2000, the Commission entered a protective order to protect the parties' interests in insulating confidential information from public disclosure while facilitating the open exchange of information required to develop a full record for Commission decision.

12 **WITNESS AND EXHIBITS LISTS:** Each party must provide the presiding Administrative Law Judge and each other party a list of witnesses in the order they will appear along with a list of exhibits sponsored by each witness. Parties also must identify exhibits expected to be used in cross-examination, linked to the appropriate witness, and provide copies to other parties and the Bench (7 copies). Prefiled exhibits provided to the Commission and the parties, including cross-examination exhibits, need not be provided to parties again at hearing.

13 Lists and exhibits must be provided in-hand to the Presiding Judge and all parties at least five (5) business days before the first hearing day (i.e., by COB, September 18, 2000). These requirements facilitate case management and expedite the hearing. Lists and cross-examination exhibits may be served by facsimile or other electronic transmission; the presiding Administrative Law Judges' facsimile number is (360) 664-2654. Copies may instead be furnished by mail or hand-delivery with the ALJ's courtesy copies addressed to her directly.

14 Parties will be responsible for marking their own exhibits at a prehearing conference to be scheduled during the week before the start of evidentiary hearings. The Bench will mark all originals and Bench copies.

- 15 **FILING; COPIES OF MATERIALS:** Filing can be accomplished by mail delivery to the Commission Secretary, 1300 S. Evergreen Park Drive, S.W., P.O. Box 47250, Olympia, Washington 98504-7250, or by hand delivery to the Commission Secretary via the Commission's records center at the Washington Utilities and Transportation Commission, 1300 S. Evergreen Park Drive, S.W., Olympia, Washington, 98504-7250. **Both the post office box and street address are required to expedite deliveries by U.S. Postal Service.** An original plus 15 copies of all pleadings, motions, briefs, and other prefiled materials must be filed with the Commission.
- 16 Electronic filing may be allowed on request by a party or required by the Bench, if necessary to expedite a particular process. When electronic filing and service is allowed, or required, please use the Commission's e-mail at: < records@wutc.wa.gov>, or facsimile number: (360) 586-1150.
- 17 Parties must submit e-mailed filings with attachments in WordPerfect 5.0 (or later) format or furnish separately a 3.5 inch diskette including the filed document(s) in WordPerfect 5.0 (or later) format.
- 18 **ALTERNATIVE DISPUTE RESOLUTION; SETTLEMENT:** The parties have indicated that they will discuss whether it is appropriate to engage in settlement negotiations. The Commission urges all parties to formal adjudications to consider alternative methods to bring resolution to contested issues. In this regard, the parties' attention is directed to WAC 480-09-465, "Alternative dispute resolution," and WAC 480-09-466, "Settlement conferences."
- 19 **NOTICE TO PARTIES:** Any objection to the provisions of this Order must be filed within ten (10) days after the date of mailing of this statement, pursuant to WAC 480-09-460(2). Absent such objections, this Prehearing Conference Order will control further proceedings in this matter, subject to Commission review.

DATED at Olympia, Washington, and effective this day of April, 2000.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

KAREN M.. CAILLÉ
Administrative Law Judge

**DOCKET UG-000073
PARTIES' REPRESENTATIVES**

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