

Docket No. UG-200568 - Vol. I

WUTC v. Cascade Natural Gas Corporation

July 8, 2020



206.287.9066 | 800.846.6989

1325 Fourth Avenue, Suite 1840, Seattle, Washington 98101

www.buellrealtime.com

email: info@buellrealtime.com



BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND) DOCKET UG-200568
TRANSPORTATION COMMISSION,)
))
Claimant,))
))
vs.))
))
CASCADE NATURAL GAS))
CORPORATION,))
))
Respondent.))

TELEPHONIC PREHEARING CONFERENCE, VOLUME I

Pages 1-18

ADMINISTRATIVE LAW JUDGE MICHAEL HOWARD

July 8, 2020

1:00 p.m.

Washington Utilities and Transportation Commission
621 Woodland Square Loop Southeast
Lacey, Washington 98503

REPORTED BY: TAYLER GARLINGHOUSE, CCR 3358

Buell Realtime Reporting, LLC
1325 Fourth Avenue, Suite 1840
Seattle, Washington 98101
(206) 287-9066 | Seattle
(360) 534-9066 | Olympia
(800) 846-6989 | National
www.buellrealtime.com

1 A P P E A R A N C E S

2 ADMINISTRATIVE LAW JUDGE:

3 MICHAEL HOWARD

4

5 FOR COMMISSION STAFF:

6 NASH CALLAGHAN
Attorney General's Office
7 PO Box 40128
Olympia, Washington 98504
8 (360) 664-1187
nash.callaghan@utc.wa.gov

9

10 FOR PUBLIC COUNSEL:

11 ANN PAISNER
Attorney General's Office
12 800 - 5th Avenue, Suite 2000
Seattle, Washington 98104
13 (206) 389-2055
ann.paisner@atg.wa.gov

14

15 FOR CASCADE NATURAL GAS:

16 JOCELYN PEASE
McDowell Rackner & Gibson PC
17 419 SW 11th Avenue, Suite 400
Portland, Oregon 97205
18 (503) 595-3925
jocelyn@mrg-law.com

19

20 FOR THE ENERGY PROJECT:

21 SIMON FFITCH
Attorney at Law
22 321 High School Road NE, Suite D3
Box No. 383
23 Bainbridge Island, Washington 98110
(206) 669-8197
24 simon@ffitchlaw.com

25

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A P P E A R A N C E S (Cont.)

FOR AWEC:

CHAD STOKES
Cable Huston LLP
1455 SW Broadway, Suite 1500
Portland, Oregon 97201
(503) 224-3092
cstokes@cablehuston.com

ALSO PRESENT:

BETTY ERDAHL
MIKE PARVINEN

* * * * *

1 LACEY, WASHINGTON; JULY 8, 2020

2 1:00 P.M.

3 --oOo--

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

5

6 JUDGE HOWARD: Good afternoon, everyone.

7 Let's be on the record. We're here today for a
8 prehearing conference in Docket UG-200568, which is
9 captioned Washington Utilities and Transportation
10 Commission versus Cascade Natural Gas Corporation.

11 My name is Michael Howard. I am an
12 administrative law judge with the Washington Utilities
13 and Transportation Commission, and I will be
14 copresiding -- excuse me -- in this matter along with
15 the Commissioners.

16 Let's start by taking appearances and
17 addressing the petitions for intervention.

18 So can we have, to start, an appearance for
19 Cascade?

20 MS. PEASE: Yes, for Cascade, this is
21 Jocelyn Pease with McDowell Rackner Gibson.

22 JUDGE HOWARD: Thank you, Ms. Pease.

23 And I was looking at the docket and it looks
24 like we might be missing a separate notice of appearance
25 for your firm. Would you mind filing that later today?

1 MS. PEASE: Yes, we will file that.

2 JUDGE HOWARD: Great, thank you.

3 Could we have an appearance for Staff?

4 MR. CALLAGHAN: Thank you, Your Honor. This
5 is Assistant Attorney General Nash Callaghan. I'm
6 appearing on behalf of Commission Staff. Staff member
7 Betty Erdahl is also with me.

8 JUDGE HOWARD: Okay. Could we have an
9 appearance for Public Counsel?

10 MS. PAISNER: Yes, good afternoon. This is
11 Ann Paisner of the Public Counsel Unit of the Washington
12 State Office of the Attorney General. Also on the line
13 with me today is Stephanie Chase, one of our regulatory
14 analysts.

15 JUDGE HOWARD: Thank you.

16 Could we have an appearance for Alliance of
17 Western Energy Consumers?

18 MR. STOKES: Good afternoon. This is Chad
19 Stokes from Cable Huston representing the Alliance of
20 Western Energy Consumers.

21 JUDGE HOWARD: Great, thank you.

22 And could we have an appearance for The
23 Energy Project?

24 MR. FFITCH: This is Simon ffitch, appearing
25 on behalf of The Energy Project.

1 JUDGE HOWARD: Thanks.

2 So that brings us to petitions for
3 intervention. Are there any petitions for intervention
4 other than the ones that have been filed in the case so
5 far? Okay. Hearing none, let's proceed.

6 We received two petitions to intervene; one
7 on behalf of AWEC and one on behalf of The Energy
8 Project. I did not see any written objections for these
9 petitions, are there any objection that would like to be
10 raised today? Hearing no objections, those petitions
11 will be granted in the prehearing conference order.

12 To move on to some procedural issues, the
13 Commission has already entered a protective order in
14 Order 02 for electronic filing and service. I'd like to
15 just remind the parties that the Commission requires
16 electronic filing of documents for formal filings. We
17 are suspending the requirements for paper copies filed
18 documents in light of the Covid-19 pandemic, and this
19 will be memorialized in the preparing conference order.

20 Also, the Commission's rules provide for
21 electronic service of documents. The Commission will
22 serve the parties electronically and the parties will
23 serve each other electronically.

24 If any party has not yet designated a lead
25 representative for service, please do so via an email to

1 me as soon as possible. My email is
2 michael.howard@utc.wa.gov.

3 Also, if anyone would like to add names and
4 email addresses of other representatives or support
5 staff who should receive electronic courtesy copies of
6 all documents filed, please email that to us as well.

7 Touching on the issue of data requests, I'm
8 aware that parties often request that any data requests
9 and responses are shared with every other party. It
10 would make this easier on the parties by including such
11 requirement in the prehearing conference order. Is
12 there any objection to my including that requirement?
13 Okay. Hearing no objections, I will plan on including
14 that in the prehearing conference order.

15 So on the issue of a procedural schedule,
16 have the parties had an opportunity to discuss this?

17 MS. PEASE: Judge Howard, this is Jocelyn
18 Pease of Cascade. We have been working with the other
19 parties on a procedural schedule, and I think we have --
20 are pretty close to an agreement, but we'll need some
21 time to sort out a few additional details. If we could
22 go off the record and -- and work on that with parties,
23 I think that would be helpful.

24 JUDGE HOWARD: Okay. That -- that sounds
25 like a good plan. I would -- we'll probably take a

1 recess here in just a moment off the record. I'll let
2 the parties know that the Commission right now, the
3 preferred hearing dates for the Commission would be
4 February 23rd, 24th, or 25th, and then the Commission
5 would be fine with having rebuttal testimony submitted
6 on January 8th. So if the parties could keep those
7 dates, particularly the hearing dates, in mind and let
8 me know if those work, I'd appreciate it.

9 So, Mr. Callaghan, would you please send me
10 a Skype message when the parties have reached an
11 agreement or have concluded their discussion?

12 MR. CALLAGHAN: Yes, Your Honor.

13 JUDGE HOWARD: Okay, great. Let's -- let's
14 go off the record, and I will put the call on hold from
15 my end so I won't be participating. Thank you.

16 (A break was taken from
17 1:06 p.m. to 1:38 p.m.)

18 JUDGE HOWARD: Let's go back on the record.
19 Counsel for Staff has indicated that the parties have
20 agreed to a procedural schedule, and the parties
21 submitted that to me. I will read some of the -- I will
22 read the procedural schedule now.

23 We have, of course, the initial filing of
24 the case on June 19th, 2020, and the current prehearing
25 conference date; the next date in the schedule would be

1 Cascade supplemental testimony, July 24th, 2020; after
2 that, customer notice report, September 4th; then
3 Cascade circulates joint issues list, October 2nd; and
4 then nonCompany parties' presettlement meeting, October
5 5th; settlement conference No. 1, October 6th; Staff,
6 Public Counsel, and intervenor response testimony and
7 exhibits, November 19th; nonCompany parties'
8 presettlement meeting, November 30th; settlement
9 conference No. 2, December 1st; then Company rebuttal
10 testimony and exhibits, Staff, Public Counsel, and
11 intervenor cross-answering testimony and exhibits, and
12 the parties indicate there's a strong preference for
13 January 15th, 2021, but the parties can accommodate
14 January 8th, 2021, if required.

15 On that issue, I will check with the
16 Commission Staff and the advisors and the Commissioners
17 and see what works and take that under advisement. I
18 anticipate that January 8th is going to be the date that
19 we end up including in the prehearing order.

20 Public comment hearings, the parties give a
21 date of January 26th; then Cascade files joint issues
22 list on January 29th; discovery deadline, January 29th;
23 cross-examination, exhibits, witness lists, and time
24 estimates, February 17th, 2021; evidentiary hearing,
25 February 24th and 25th, 2021; posthearing briefs and

1 updated issues list on March 22nd; the senior suspension
2 date given by the parties as May 19th.

3 I will confirm that those dates work with
4 the Commission. As I indicated, January 8th is likely
5 going to be the date we would choose for rebuttal
6 testimony and cross-answering testimony, but otherwise,
7 these dates would appear to work for the Commission, and
8 I'll include them in the prehearing conference order.

9 We only have a couple more issues for the
10 prehearing conference today, that we did note the public
11 comment hearing on the schedule. The WAC provision
12 480-90-197 requires a prehearing conference to address
13 the time and location and the amount of notice the
14 Company is required to give for the public comment
15 hearing. And in Cascade's last general rate case, the
16 Commission held a public comment hearing at its
17 headquarters.

18 Due to the Covid-19 pandemic, I anticipate
19 that we would hold a virtual public comment hearing in
20 this case, but if we allow in-person attendance, it
21 would be at the Commission's offices. Does that sound
22 appropriate to Public Counsel?

23 MS. PEASE: Yeah, this is Jocelyn --

24 MS. PAISNER: This is Ann from Public --
25 sorry. This is Ann from Public Counsel. I just wanted

1 to say that we -- we have no objection to that.

2 MS. PEASE: And this is Jocelyn for Cascade.
3 My apologies. I was uncertain as to whether you were
4 addressing that question to counsel or to Public
5 Counsel.

6 JUDGE HOWARD: Oh, I apologize. I was --
7 Do any other parties have concerns with
8 those comments about public comment hearing? Okay.

9 MS. PEASE: This is Jocelyn for --

10 JUDGE HOWARD: I'm sorry, go ahead. I'm
11 sorry.

12 MS. PEASE: This is Jocelyn for Cas- --
13 Jocelyn Pease for Cascade. I just wanted to say we did
14 not have any concerns with that proposal.

15 JUDGE HOWARD: Okay. Thank you.

16 And we will note -- I'm sorry, was someone
17 trying to speak there?

18 MS. PAISNER: Yes, this is Ann from Public
19 Counsel. I just wanted to clarify participation in the
20 public comment hearing. I just -- I guess I wanted to
21 clarify here if it would be a remote public comment
22 hearing or if it would be held at the UTC headquarters?

23 JUDGE HOWARD: It is -- it is tough to -- to
24 answer that question definitively, but I -- I anticipate
25 it would be -- it -- it might be virtual. I think -- I

1 think we -- the Commission will have to -- have to let
2 the parties know once we get a bit closer to that date,
3 but we will include the requirement that the customers
4 receive at least 30 days' notice either way and that the
5 notices will include the information required by the
6 WAC. Would that be appropriate or would that --

7 MS. PAISNER: This is Ann for Public --

8 JUDGE HOWARD: Sorry, go ahead.

9 MS. PAISNER: This is Ann for Public
10 Counsel. I -- I did want to express concerns of
11 individuals in the service territory having to travel a
12 distance under the current Covid circumstances and
13 express a possible preference for having remote options
14 available so that this wouldn't be the only option for
15 people. I think that's really all we wanted to
16 communicate on that issue.

17 JUDGE HOWARD: Certainly. And I think we
18 would -- the Commission would have a virtual kind of
19 option available in any case. I think the question is
20 whether we would allow the possibility of in-person
21 attendance just due to the public health concerns. And
22 so we will -- we will take that into consideration. We
23 will have to determine that when we get a bit closer to
24 that actual date.

25 Unless there's any other discussion on the

1 public comment hearing, on the issue of errata sheets,
2 under WAC 480-07-461(b), the deadline for filing errata
3 sheets to exhibits may be established in the prehearing
4 conference order. Does anyone have an objection to
5 setting a deadline a week prior to the evidentiary
6 hearing? Okay. Hearing none, I will anticipate
7 including that in the order.

8 Is there anything else that we should
9 address today before we adjourn?

10 MR. CALLAGHAN: Your Honor, this is Nash
11 Callaghan. I just wanted to bring to your attention, at
12 the bottom of the proposed schedule sheet, Staff raised
13 with the parties the possibility of adding in the
14 prehearing conference order requirements for data
15 requests. And essentially, the requirements would be
16 that the requestor in the email sending the DRs would
17 list out the data request numbers and their subject
18 matter, and then it would be cover letters, they would
19 group the DRs by their subject matter. And this would
20 help everyone really in terms of the amount of time that
21 they are sifting through data requests. Parties who are
22 only assigned to certain topics could quickly find data
23 requests that are relevant to their topic.

24 So Staff has been thinking about ways to
25 make this data request process more efficient, and we

1 were hoping to try this out.

2 JUDGE HOWARD: Did -- does Cascade have any
3 concerns on that issue or is that -- is that an issue
4 that the parties are willing to agree to?

5 MS. PEASE: This is Jocelyn for Cas- --
6 Jocelyn Pease for Cascade. Cascade has agreed to that
7 proposal.

8 MS. PAISNER: This is Ann from Public
9 Counsel. We have no objection to this approach.

10 JUDGE HOWARD: Okay. Does AWEC have any
11 objection to this?

12 MR. STOKES: No, Your Honor.

13 JUDGE HOWARD: Okay. Does The Energy
14 Project have any objection?

15 MR. FFITCH: No, Your Honor.

16 JUDGE HOWARD: All right. Well, given the
17 parties have stipulated to this, I would anticipate
18 including that in the prehearing conference order.

19 So thank you, Mr. Callaghan, for bringing
20 that to my attention.

21 Was there anything --

22 MR. CALLAGHAN: Your Honor?

23 JUDGE HOWARD: Yes?

24 MR. CALLAGHAN: My apologies. I did have
25 one -- one last matter that I wanted to bring up. So

1 the schedule includes the supplemental testimony filing,
2 and I think it would be -- it would be good for all
3 parties if the prehearing conference order specified
4 what the scope of that supplemental testimony is. When
5 we went off the record, the parties discussed
6 supplemental testimony to address specific issues, and I
7 just wanted to make sure that those specific issues are
8 outlined in the order, if all the parties are in
9 agreement with that.

10 JUDGE HOWARD: Well, Ms. -- Ms. Pease, would
11 you have a response and could you -- does the Company
12 agree to this and -- and if so, what would be the
13 issues?

14 MS. PEASE: Judge Howard, this is Jocelyn
15 Pease for Cascade. This is -- we had discussed the
16 scope of the issues with the parties when we went off
17 the record but had not discussed specifically outlining
18 that in the -- in the prehearing conference order. So I
19 would want to be able to confirm with the Company
20 representatives whether the Company -- whether Cascade
21 is comfortable with that approach. And I do -- I do
22 have Mike Parvinen here on the line with me, I believe,
23 as well.

24 JUDGE HOWARD: Would -- would it be helpful
25 to take a five-minute recess so you could confer with

1 your client on this issue? Would that -- would that be
2 enough time to consider it or is it something that we
3 should table?

4 MS. PEASE: I think a brief recess would be
5 fine.

6 JUDGE HOWARD: Okay. We will go off the
7 record again and going off the record now.

8 (A break was taken from
9 1:50 p.m. to 2:13 p.m.)

10 JUDGE HOWARD: Let's go back on the record.
11 The parties conferred on the scope of the supplemental
12 testimony and they submitted a revised proposed
13 procedural schedule. So for the Cascade supplemental
14 testimony due on July 24th, the new proposed schedule
15 has a footnote indicating the supplemental testimony
16 will be limited to restating rate base from end of
17 period to average of monthly averages, updating volumes
18 and proposed revenues to reflect certain large customers
19 changing rate schedules, and to correct a metering error
20 and updating the Company baseline to reflect these
21 changes as appropriate. And the parties, when we were
22 off the record, indicated that was -- there was
23 agreement on that limitation on the scope of the
24 supplemental testimony.

25 Were there any other concerns or issues

1 anyone would like to raise before we adjourn today?

2 MR. CALLAGHAN: Nothing from Staff, Your
3 Honor.

4 JUDGE HOWARD: All right.

5 MS. PEASE: And nothing from the Company.

6 JUDGE HOWARD: Great. All right.

7 MR. STOKES: Nothing from AWEC.

8 JUDGE HOWARD: Anything from Energy Project?

9 MR. FFITCH: No. Thank you, Your Honor.

10 JUDGE HOWARD: Okay. Well, thank you
11 everyone for participating and we are adjourned. Thank
12 you.

13 (Adjourned at 2:14 p.m.)

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C E R T I F I C A T E

STATE OF WASHINGTON
COUNTY OF THURSTON

I, Tayler Garlinghouse, a Certified Shorthand Reporter in and for the State of Washington, do hereby certify that the foregoing transcript is true and correct to the best of my knowledge, skill and ability.

Tayler Garlinghouse

Tayler Garlinghouse, CCR 3358



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