

00070

1 BEFORE THE WASHINGTON UTILITIES AND
2 TRANSPORTATION COMMISSION
3 THE WASHINGTON UTILITIES AND)
4 TRANSPORTATION COMMISSION,)
5 Complainant,) Docket No. UE-001521
6) VOLUME 2
7) Pages 70 - 79
8) vs.)
9) PUGET SOUND ENERGY,)
10) Respondent.)
11)
12 _____)

9 A hearing in the above matter was held on
10 December 14, 2000, at 3:00 p.m., at 1300 South Evergreen
11 Park Drive Southwest, Olympia, Washington, before
12 Administrative Law Judge DENNIS MOSS, Chairwoman MARILYN
13 SHOWALTER, and Commissioner RICHARD HEMSTAD.

14 The parties were present as follows:

15 THE COMMISSION, by ROBERT D. CEDARBAUM,
16 Assistant Attorney General, 1400 South Evergreen Park
17 Drive Southwest, Olympia, Washington 98504-0128.

18 PUGET SOUND ENERGY, INC., by KIRSTIN S. DODGE,
19 Attorney at Law, Perkins Coie, LLP, 411 - 108th Avenue
20 Northeast, Suite 1800, Bellevue, Washington 98004.

21 GEORGIA-PACIFIC WEST, INC., by MELINDA
22 DAVISON, Attorney at Law, 1300 Southwest Fifth Avenue,
23 Suite 2915, Portland, Oregon 97201.

24 BELLINGHAM COLD STORAGE COMPANY, by JOHN
25 CAMERON, Attorney at Law, 1300 Southwest Fifth Avenue,
Suite 2300, Portland, Oregon 97201.

 THE PUBLIC, by SIMON J. FFITCH, Assistant
23 Attorney General, 900 Fourth Avenue, Suite 2000,
24 Seattle, Washington 98164-1012.

25 Joan E. Kinn, CCR, RPR
Court Reporter

00071

1 P R O C E E D I N G S
2 JUDGE MOSS: Good afternoon, everyone. My
3 name is Dennis Moss. I am an Administrative Law Judge
4 with the Washington Utilities and Transportation
5 Commission. We have two matters of business before us

6 this afternoon, separate dockets, and we will take those
7 up in turn and have separate records with respect to the
8 two proceedings. While I am assisting the Commission
9 this afternoon in my role as Administrative Law Judge,
10 of course, as is obvious to everyone present, but
11 perhaps not obvious to those on the teleconference
12 bridge line, the commissioners are presiding, and we
13 have Chairwoman Showalter and Commissioner Hemstad on
14 the Bench.

15 We are convened first in the matter styled
16 Washington Utilities and Transportation Commission
17 against Puget Sound Energy, Docket Number UE-001521.
18 Our basic agenda today will be to take appearances from
19 the parties. We will then receive a settlement filing
20 into the record along with Staff's response to that. I
21 don't believe there are any other papers relevant to
22 that. And then we will have an opportunity for
23 questions from the Bench, an opportunity for
24 deliberation and a decision or the Commission's
25 determination to take the matter under advisement and

00072

1 then conclude with any other business in that
2 proceeding. I would anticipate that the proceeding will
3 not take a terribly long time.

4 So let's begin by taking appearances, and I
5 will start with the Respondent, Puget Sound Energy,
6 Ms. Dodge.

7 MS. DODGE: Good afternoon, Kirstin Dodge
8 with Perkins Coie, LLP, appearing for Puget Sound
9 Energy. I would note just an administrative correction
10 for the record that in the initial first order on the
11 prehearing conference Mark Quehrn and I were listed as
12 being attorneys with Lane Powell Spears Lubersky. In
13 fact, we are with Perkins Coie.

14 JUDGE MOSS: I apologize for that. I'm not
15 quite sure how that particular oversight crept into that
16 order, but we will correct that.

17 CHAIRWOMAN SHOWALTER: Ms. Dodge, when you
18 talk, can you pull the microphone closer to you.

19 JUDGE MOSS: And again, we have had
20 proceedings in this recently. We have taken
21 appearances. Unless your appearance is new, it will be
22 sufficient to do as Ms. Dodge did and indicate your name
23 and whom you represent.

24 I believe we do have some interveners
25 present, go ahead.

00073

1 MR. CAMERON: Good afternoon, Your Honor. My
2 name is John Cameron. I am with the law firm of Davis
3 Wright Tremaine. I entered my appearance previously in
4 this matter, and I am here representing Bellingham Cold
5 Storage, which is an intervener in this case.

6 JUDGE MOSS: Thank you.

7 Go ahead.

8 MS. DAVISON: Thank you, Your Honor. My name

9 is Melinda Davison, and I'm here representing
10 Georgia-Pacific West.

11 JUDGE MOSS: Thank you.

12 Mr. ffitch.

13 MR. FFITCH: Your Honor, Simon ffitch,
14 Assistant Attorney General with the Public Counsel
15 Office.

16 JUDGE MOSS: Mr. Cedarbaum.

17 MR. CEDARBAUM: Robert Cedarbaum, Assistant
18 Attorney General representing Commission Staff.

19 JUDGE MOSS: Thank you very much. At this
20 time then, we do have the settlement has been filed, and
21 so we have copies of that before us.

22 Ms. Dodge, I wonder if it would be you who
23 has the honor of presenting this to the Commission and
24 telling us briefly what it contains.

25 MS. DODGE: I would be happy to. This

00074

1 settlement agreement has been hammered out over the last
2 several months between Bellingham Cold Storage,
3 Georgia-Pacific West, and Puget Sound Energy concerning
4 the shall we say gap period that was placed into
5 question by proceedings earlier this fall concerning
6 whether there is potentially any refund due to these
7 customers for the time period between June 1st, 1998,
8 and July 12, 2000, at which point the Commission
9 approved on a going forward basis a new price that the
10 parties had agreed to with their special contracts.

11 The parties have agreed to settle the matter
12 for specific sums merely as a complete settlement of
13 this dispute. We believe that it is appropriate for the
14 Commission to approve it, and we ask that the Commission
15 do so.

16 JUDGE MOSS: And I note for the record that
17 along with Puget Sound Energy, Bellingham Cold Storage
18 and Georgia-Pacific are signatories to the settlement
19 agreement.

20 Do either of you wish to comment on the
21 settlement agreement?

22 MR. CAMERON: I would just note that
23 paragraphs 15 and 16 are the paragraphs that
24 specifically relate to the time periods that we talked
25 about at some length at our first prehearing conference

00075

1 in this case. The first period is up to November 1,
2 1999, and the second period begins on November 1, 1999,
3 and extends through and including July 12, 2000. We
4 resolved all matters with regard to both of those
5 periods. And we would ask you to approve the settlement
6 that's provided for in the agreement.

7 However, if the Staff's comments give you any
8 reservation with regard to that, we have covered that
9 possibility by asking you to at least dismiss the case
10 with prejudice. Either resolution of the case would be
11 satisfactory from our standpoint. I think it's probably

12 preferable from our standpoint that you approve it, but
13 if for any reason you don't, dismissal would be fine.

14 JUDGE MOSS: Thank you.

15 Any comment, Ms. Davison?

16 MS. DAVISON: No, Your Honor.

17 JUDGE MOSS: Staff had filed a response
18 paper.

19 Do you wish to say anything on the record,
20 Mr. Cedarbaum?

21 MR. CEDARBAUM: No, Your Honor. If the
22 letter that we filed of December 11 is in the file and
23 the commissioners have had it and reviewed it, I don't
24 think I need to repeat that.

25 I would just add in response to Mr. Cameron

00076

1 that if there is benefit from the company and customers'
2 perspective to have a finality of the Commission
3 actually accepting or adopting the stipulation, we don't
4 object to that. But we had some discussion about
5 whether that should be done amongst ourselves off the
6 record. But we don't think it's worth disputing if that
7 would make it easier from the Commission's point of view
8 and the company and customers' point of view.

9 JUDGE MOSS: The normal course of business
10 would be for the Commission to approve and adopt the
11 settlement agreement as a resolution of the issues in
12 the case, and no one has an objection to that process
13 from what I hear. So at this point then I would turn to
14 the commissioners and ask if they have any questions of
15 the parties. The matter has been fully presented
16 through the papers, but there may be some questions, and
17 this would be the opportunity for that.

18 CHAIRWOMAN SHOWALTER: I just have one
19 question. I want to be clear that if we approve this
20 settlement agreement, that means that the parties here
21 are all settled up through July 12, 2000; am I correct
22 on that?

23 MR. CAMERON: Yes, ma'am.

24 CHAIRWOMAN SHOWALTER: All right.

25 COMMISSIONER HEMSTAD: I don't have any

00077

1 questions, and I'm prepared to approve the settlement,
2 and I am delighted that it has been so amicably
3 resolved.

4 CHAIRWOMAN SHOWALTER: Yes, well, we will
5 have to have a brief deliberation here, but I concur
6 with Commissioner Hemstad. I think it's a good way to
7 start out this afternoon that these parties were able to
8 resolve their differences over one particular dispute.
9 And I hope that the speed with which this was settled, I
10 realize it took a little time, but I hope that the
11 parties can bring that same attitude to the next dispute
12 of the afternoon, so appreciate the parties finding a
13 way through this.

14 MR. CEDARBAUM: Can I just add one thing,

15 which I don't think will disrupt what you just said.
16 It's just I overlooked it before. In our letter, and I
17 think this is reflected in the settlement as well, we
18 did want to make sure that the order that you issue is
19 clear about the non-precedential nature of the adoption
20 of the settlement, because there are some issues from
21 Staff's perspective that we thought deserved litigation
22 if there was going to be a conflict. I just didn't want
23 that to be overlooked, so we would ask that your order
24 be clear on that point.

25 JUDGE MOSS: And I will say too that as I

00078

1 mentioned before, the normal course of events here and
2 the direction from the Bench certainly seems to be in
3 the direction of approval and adoption of the
4 settlement. And the settlement agreement itself has
5 such a paragraph in it, safe harbor provision sometimes
6 it's called, so I think you're well covered on that
7 front, and the Commission has considered your comments
8 in that regard.

9 MR. CEDARBAUM: Thank you.

10 (Discussion off the record.)

11 JUDGE MOSS: All right, the commissioners
12 have had an opportunity to consider this, of course, on
13 the basis of the filings that were previously made and,
14 of course, have considered the comments that have been
15 offered this afternoon, and the Commission, I will
16 announce for the commissioners, that the settlement
17 agreement will be approved and adopted as filed, and
18 there will be a written order to memorialize that fact
19 to come out in due course.

20 All right, thank you very much. And with
21 that, are there any other business in Docket Number
22 UE-001521?

23 Seeing and hearing no indication that there
24 is any further business, then that will bring that
25 proceeding to a conclusion. Thank you all very much for

00079

1 your professional conduct and for the speedy resolution
2 of the matter.

3 With that, we're off the record.

4 (Hearing adjourned at 3:15 p.m.)

5
6
7
8
9
10
11
12
13
14
15
16
17

18
19
20
21
22
23
24
25