

**BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of)	DOCKET NO. UE-031389
)	
PUGET SOUND ENERGY, INC.)	ORDER NO. 02
)	
)	PREHEARING CONFERENCE
For approval of its 2003 Power Cost)	ORDER; NOTICE OF
Adjustment Mechanism Report)	PREHEARING CONFERENCE
)	(Set for December 11, 2003)
.....)	

1 **Proceeding:** Docket No. UE-031389 is a petition by Puget Sound Energy (also referred to as PSE in this order) for Commission approval and acceptance of its 2003 Report of the effect of its power cost adjustment mechanism (also referred to as a PCA). The PCA was approved in the Company’s rate increase docket UE-011570.

2 **Conference:** The Commission convened a prehearing conference in this docket at Olympia, Washington on September 29, 2003 before Administrative Law Judge C. Robert Wallis.

3 **Appearances.** The following parties entered appearances: Puget Sound Energy, by Kirsten Dodge, attorney, Bellevue; Commission Staff, by Robert Cedarbaum, assistant attorney general, Olympia; Public Counsel Division of the Attorney General Office, by Simon ffitich, assistant attorney general, Olympia; Industrial Customers of Northwest Utilities (also referred to as ICNU), by Irion Sanger, attorney, Portland, Oregon; Microsoft, by Harvard Spigal, attorney, Portland, Oregon; and the Federal Executive Agencies, by Norman Furuta, attorney, Daly City, California. Contact information provided at the conference for the parties’ representatives is attached as Appendix A to this order.

4 **Petitions for Intervention.** The Commission received a written petition for intervention from ICNU. Microsoft and the Federal Executive Agencies petitioned for intervention orally at the conference. No party objected to any of the petitions for intervention, which were granted.

- 5 **Protective Order.** The Commission entered a protective order in this docket pursuant to RCW 34.05.446 and RCW 80.04.095, to protect the confidentiality of proprietary information. At the prehearing conference, PSE asked that additional protective language be added to protect highly sensitive competitive information about its power transactions from disclosure. Some, but not all participants in the conference had received and reviewed the proposed changes prior to the conference. Parties asked time to work out a consensus proposal; the deadline for filing a proposed amended protective order is October 10, 2003. A consensus proposal may be submitted earlier. If no agreed protective order amendment is filed by the close of business on October 10, or if PSE earlier files a statement that an impasse has been reached, PSE may file a formal motion to amend the protective order. If such a motion is filed, other parties will have seven calendar days to answer and PSE will have four calendar days to reply.
- 6 **Discovery.** The Commission determined in the notice of hearing that the proceeding qualifies under WAC 480-09-480 as a proceeding in which inquiries may be made to the extent provided in the rule. The discovery rule has been invoked.
- 7 **Issues.** The parties discussed the issues that they believe to be involved, and agreed that the issues in the proceeding, broadly stated, are (a) whether PSE complied in operation of the power cost adjustment with terms of the order, and (b) whether PSE's actions in its power cost transactions were prudent.
- 8 **Hearing schedule.** The parties are optimistic that settlement negotiations will result in a consensus agreement. They asked that a prehearing conference be set for December 11, 2003, to receive a status report of the negotiations and to determine a hearing schedule in the absence of an agreement. They asked leave to notify the Commission in early December that a consensus has been reached, and to use the time on December 11, 2003, for presentation of a proposed settlement agreement to the Commission. That leave is granted, provided that parties must notify the Commission no later than December 3 that a settlement is possible, and must file a proposed settlement agreement no later than 4:00 p.m. on December 5, to allow its consideration on December 11 by the Commission.

- 9 **Notice of Prehearing Conference.** The Commission hereby notifies the parties that it will convene a prehearing conference in this matter, to address hearing schedule and such other issues as the parties or the Commission may raise. The conference will be held at **9:30 a.m, Thursday, December 11, 2003**, in Room 206 of the Commission's Hearing Room, Second Floor, Chandler Plaza Building, 1300 S. Evergreen Park Drive S. W., Olympia, Washington.
- 10 **Document preparation and process issues.** Parties must file an original and fourteen (12) copies of each document filed with the Commission. Appendix B states relevant Commission rules and other directions for the preparation and submission of evidence and for other process in this docket. Parties must comply with these provisions.
- 11 **Alternate dispute resolution.** The Commission supports the informal settlement of matters before it. The Commission does have limited ability to provide dispute resolution services; if a party wishes to explore those services, the party's representative may call the Director, Administrative Law Division, at (360) 664-1142.

Dated at Olympia, Washington, and effective this 1st day of October, 2003.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

C. ROBERT WALLIS
Administrative Law Judge

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.

APPENDIX B

I. Requirements for ALL paper copies of testimony, exhibits, and briefs

The following requirements are restated from and clarify the Commission's rules relating to adjudications.

A. All paper copies of briefs, prefiled testimony, and original text in exhibits must be

- On 8-1/2x11 paper, punched for insertion in a 3-ring binder,
- Punched with OVERSIZED HOLES to allow easy handling.
- Double-spaced
- 12-point or larger text and footnotes, Times New Roman or equivalent serif font.
- Minimum one-inch margins from all edges.

Other exhibit materials need not be double-spaced or 12-point type, but must be printed or copied for optimum legibility.

B. All electronic and paper copies must be

- SEQUENTIALLY NUMBERED (all pages). **THIS INCLUDES EXHIBITS.** It is not reasonable to expect other counsel or the bench to keep track of where we are among several hundred (or sometimes even just several) unnumbered pages.
- DATED ON THE FIRST PAGE OF EACH ITEM and on the label of every diskette. If the item is a revision of a document previously submitted, it must be clearly labeled (REVISED), with the same title, and with the date it is filed

clearly shown. Electronic files must be designated R for revision, when applicable, with an ordinal number showing the revision number.

II. Identifying exhibit numbers; Exhibits on cross examination.

A. **Identifying exhibits.** It is essential to mark documents so you, opposing counsel, and the Commission can find them. We ask you to comply with this clarification of prior practice, based on recent experience:

- **Use the witness's initials and add an ordinal number for each exhibit.** Identify testimony with a T and confidential exhibits with a C. Example: Witness Jane Quintessentia Public. Her original testimony would be JQP-1T or JQP-1TC, her first attached exhibit would be JQP-2, etc. NEVER identify the attachments merely with a single ordinal number, as that will provide the maximum confusion to everyone, including your witness.

B. Prepare a list of your exhibits with their title and (JQP) designation in digital form and in a format specified by the Commission. Send it to the presiding officer before the appropriate prehearing conference. That will simplify identification and ease administrative burdens.

NOTE: Be prepared to submit all of your possible exhibits on cross examination several days prior to the hearing. We will attempt to schedule a prehearing conference to deal with the exhibits as close as possible to the hearing itself, but we have administrative needs that require prefilings.