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

2 JUDGE MACE: Let's be on the record in Docket
3 Nos. UG-020218 and UG-020575. We are here today for
4 the first prehearing conference in these dockets.
5 These are two complaints filed by the Washington
6 Utilities and Transportation Commission against Avista
7 Corporation, d/b/a Avista Utilities, related to Staff's
8 allegations that the Company committed eleven
9 violations of federal and state pipeline safety
10 regulations as a result of the 2001 and 2002 standard
11 intrastate pipeline inspections of Avista's natural gas
12 utilities. On December 13th, 2002, the Commission
13 entered an order of consolidation consolidating these
14 two dockets and noticing a prehearing conference for
15 today, January 14th, 2003.

16 My name is Theodora Mace, and I'm the
17 presiding administrative law judge in this proceeding.
18 We are convened in a hearing room at the Commission's
19 offices in Olympia, Washington. I would like to have
20 the parties now enter their appearances. I'll begin
21 with Staff, and I would like to have the long form of
22 appearance at this point. Let me indicate for the
23 record that Avista is present at the hearing today via
24 conference bridge.

25 MR. TROTTER: My name is Donald T. Trotter,

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1 assistant attorney general. I'm appearing for the
2 Commission through its staff. My address is 1400 South
3 Evergreen Park Drive Southwest, P.O. Box 40128,
4 Olympia, Washington, 98504-0128. My telephone number
5 is (360)664-1189, and my e-mail is
6 dtrotter@wutc.wa.gov.

7 JUDGE MACE: Thank you. Mr. Meyer?

8 MR. MEYER: My name is David Meyer, senior
9 vice president and general counsel of Avista
10 Corporation. My address is East 1411 Mission Avenue,
11 Spokane, Washington, 99220. Telephone number is (509)
12 495-4316, and e-mail is dmeyer@avistacorp.com.

13 JUDGE MACE: Do you have a fax number,
14 Mr. Meyer?

15 MR. MEYER: (509) 495-4361.

16 JUDGE MACE: Is there anyone else who seeks
17 to enter an appearance at this proceeding today?
18 Anyone on the conference bridge? If not, then let me
19 just indicate I believe there are others on the
20 conference bridge who are affiliated with Avista. I
21 understand there is Mr. Kelly Norwood and Mike
22 Faulkenberry and then Linda Berger.

23 The next item I would like to address, since
24 we have no other parties to this proceeding who have
25 entered appearances today, is discovery. I would like

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1 to ask the parties whether they will seek to conduct
2 discovery in this proceeding. Mr. Trotter?

3 MR. TROTTER: Just a small digression, Your
4 Honor. You did ask if anyone wished to enter an
5 appearance. I think that's broad enough to cover
6 intervention, but I would ask that you specifically
7 call out for anyone who is interested in intervening in
8 this matter just so the record will be perfectly clear
9 on that point.

10 JUDGE MACE: Is there anyone on the
11 conference bridge or in the hearing room who seeks to
12 enter their intervention in this proceeding? I hear no
13 response. I'll indicate for the record that it appears
14 that there are no individuals who seek to intervene in
15 this proceeding.

16 MR. TROTTER: With respect to discovery
17 rules, we would like to invoke the discovery rule, WAC
18 480-09-480. Frankly, I'm not sure that the criteria
19 are met. The one that would apply would be whether
20 this proceeding is precedential in nature. I think it
21 might be, but I'm not sure it is at this point, so I
22 would either ask the rule be invoked because it might
23 be precedential in nature, or by stipulation, and I
24 would certainly be able to stipulate to that and ask
25 that the Company would also. I think the discovery

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1 rule just helps move the process along. I don't think
2 we have a large amount of discovery, but I think if we
3 can do it in the data request format, it's going to be
4 much more efficient than subpoenas.

5 JUDGE MACE: Mr. Meyer?

6 MR. MEYER: We would so stipulate.

7 JUDGE MACE: Based on your representation, it
8 seems like it would be appropriate for me to indicate
9 the discovery rule should be made available in this
10 proceeding and that the discovery process, outlined in
11 WAC 480-09-480, will be available to the parties.

12 I urge the parties that if there are any
13 problems with regard to discovery in this proceeding
14 that they would first consult with each other to see if
15 the matter can be resolved, and if not, to notify me
16 immediately so we can resolve the problem. The next
17 item I would like to address is the question of whether
18 the parties desire a protective order. Mr. Trotter?

19 MR. TROTTER: At this point, I don't believe
20 Staff sees a need for one. I'll defer to the Company
21 if they have a need for one.

22 JUDGE MACE: Mr. Meyer?

23 MR. MEYER: Not at this point. We'll get
24 back to you in due course if a situation arises. I
25 can't envision one just offhand.

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1 JUDGE MACE: I'm sure the parties will advise
2 me if they come to the point of realizing they need a
3 protective order.

4 With regard to the issues, it appears to me,
5 at least preliminarily, that they are fairly set out in
6 the order of consolidation, and unless the parties have
7 something additional they want to discuss with regard
8 to the issues in this proceeding, I would then turn to
9 the question of the schedule of the proceeding.
10 Anything further about the issues in this proceeding
11 that the parties want to address?

12 MR. MEYER: Not at this end, Your Honor.

13 MR. TROTTER: No, Your Honor.

14 JUDGE MACE: Then let's turn to the question
15 of the scheduling of the proceedings. Prior to going
16 on the record, Staff handed me a proposed schedule, and
17 I believe the Company has a copy of the schedule as
18 well. That schedule calls for -- well, strike that.
19 Let's go off the record for a moment to discuss the
20 question of the schedule. Off the record.

21 (Discussion off the record.)

22 JUDGE MACE: Let's be back on the record.
23 I've had a chance to check briefly with our scheduling
24 person, and the March 12th date that's in your proposed
25 schedule is going to be a problem if the commissioners

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1 want to preside at the settlement hearing. So what I
2 would propose is that I advise you in the prehearing
3 conference order of a date that would -- let me go back
4 for a minute. Let me, number one, check to make sure
5 after this hearing is over that the commissioners do
6 want to preside. If they do, then I need to find a
7 date later on in March when they would be available.
8 If they don't, then March 12th may be all right, but
9 I'm hoping that the parties would be somewhat flexible,
10 and if I need to, I might have to move that date later
11 into the month. Would that a problem?

12 MR. MEYER: Not for Avista.

13 MR. TROTTER: Neither for Staff.

14 JUDGE MACE: Let me recite for the record the
15 following schedule. The parties have indicated that
16 they may file a settlement agreement on or before
17 February 24th, 2003, and they would propose that a
18 settlement hearing take place on March 12th, 2003, if
19 they file such a settlement agreement. I have just
20 advised the parties that I need to check that date. I
21 need to determine whether the commissioners intend to
22 preside at a settlement hearing and determine what an
23 appropriate date would be depending on the
24 commissioners' decision about that.

25 The parties indicate that if no settlement is

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1 filed by February 24th that Staff would then file
2 testimony and exhibits on April 18th. The Company
3 would file testimony and exhibits on May 30th. Staff
4 would file rebuttal testimony on June 20th. There
5 would be a prehearing conference on June 27th, and
6 hearing would take place on July 1st and 2nd. I note
7 that there is no schedule for briefs in here, but we
8 can determine what the briefing schedule would be if we
9 get to the point where we realize there will be a
10 hearing or we can determine it at the close of the
11 hearing.

12 I think this schedule is reasonable with the
13 qualifications that I mentioned about the March 12th
14 date. Is there anything else that we need to address on
15 the record at this point?

16 MR. TROTTER: I can't think of anything, Your
17 Honor.

18 JUDGE MACE: Mr. Meyer?

19 MR. MEYER: Nor can I.

20 JUDGE MACE: Then we are adjourned either
21 until sometime in March or late June. Thank you.

22 MR. MEYER: Thank you again for accommodating
23 us.

24 (Prehearing conference concluded at 9:52 a.m.)

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