

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION
COMMISSION**

COST MANAGEMENT SERVICES,
INC.,

Complainant,

v.

CASCADE NATURAL GAS
CORPORATION,

Respondent.

Docket No. UG-061256

RESPONDENT'S RESPONSE TO MOTION
OF COST MANAGEMENT SERVICES,
INC. TO LODGE AFFIDAVIT OF
DOUGLAS BETZOLD CONCERNING
CONFIDENTIAL INFORMATION
COVERED BY PROTECTIVE ORDERS

1. Respondent Cascade Natural Gas Corporation ("Cascade") respectfully submits this Response to the Motion of Cost Management Services, Inc. to Lodge Affidavit of Douglas Betzold Concerning Confidential Information Covered by Protective Orders ("CMS Motion").
2. Cascade responded to CMS's Motion for Leave to File Amended Complaint on April 16, 2007. In its response, Cascade discussed CMS's violations of the Protective Order in connection with CMS's filing that motion on April 9, 2007. These recent violations included (1) filing a .pdf version of the confidential Affidavit of Donald W. Schoenbeck which included a completely unredacted confidential customer contract, knowing that would be posted on the Commission's website; (2) filing a purportedly redacted Word version of that same confidential affidavit in an ineffectively redacted manner that provided any reader access to the substantial amount of confidential information included therein, knowing that would be posted on the Commission's website; (3) filing a purportedly redacted Word version of the proposed confidential amended complaint in an ineffectively redacted manner

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TO LODGE AFFIDAVIT – 1

that provided any reader access to the substantial amount of confidential information included therein, knowing that would be posted on the Commission's website; and (4) serving all of these documents directly upon Douglas Betzold, President of CMS, who is not qualified to receive any confidential information under the Protective Order.

3. In response to this showing, CMS seeks leave to lodge the Affidavit of Douglas Betzold. CMS claims that this affidavit is required to correct Cascade's alleged "mischaracterizations" and "speculation" about the "error" by which the confidential exhibit to Mr. Schoenbeck's affidavit was "mistakenly filed in unredacted form." CMS Motion at 1. CMS, however, fails to identify any mischaracterizations or speculation made in Cascade's filing. Cascade simply reported the facts regarding CMS's violations of the Protective Order, and asked for relief that would prevent future violations of this kind and further harm in this docket.

4. CMS's response is noteworthy for what it omits, and it actually raises more questions than it answers. CMS's response is striking in that it addresses only one of the several violations Cascade identified. While CMS discusses the unredacted attachment to the .pdf version of the affidavit, both the CMS Motion and Mr. Betzold's affidavit completely fail to address the filing and service of the ineffectively redacted Word versions of the affidavit and proposed amended complaint, both of which are very troubling because they included a substantial amount of confidential information that was ineffectively redacted. Mr. Betzold states that his attorney advised him that the .pdf version of the affidavit was filed in unredacted form; however, he does not state that he received any similar advice with respect to the other two documents. Thus, Mr. Betzold's affidavit leaves us to wonder what access he had to those documents. He also fails to address whether any other CMS employees

accessed the confidential information either from the Commission's website or from the versions provided to CMS through service.

5. Mr. Betzold states that he was advised not to access the unredacted confidential documents that were posted to the Commission's website; however, he does not state that he received any similar advice with respect to the versions that were electronically provided directly to him through service. Indeed, Mr. Betzold admits that he reviewed a "redacted" draft of the proposed amended complaint prior to April 9. Presumably, this was a Word version of the document which would have suffered from the same ineffective redaction as the filed version. Mr. Betzold's affidavit leaves us wondering as to the nature of his review of this information.


6. It is also striking that CMS's response still fails to discuss how or why CMS filed and served all of this confidential information in unredacted form. CMS's refusal to acknowledge responsibility for these egregious violations of the Protective Order should leave the Commission unsatisfied that similar violations will not occur in the future. CMS's casual handling of confidential information, and its cavalier and dismissive response to the revelation of these serious violations, certainly leaves Cascade unassured that future serious violations will not occur. CMS has already stated that, if this docket remains open, it intends to pursue additional discovery. CMS Motion for Clarification at 11. CMS will undoubtedly seek to delve into issues relating to Cascade's costs and pricing policies as well as its contractual relationships with non-core customers. All of this information is extremely confidential and competitively sensitive. CMS has proven that it cannot be trusted to handle such information in an appropriate manner. Accordingly, for the reasons previously

presented, the Commission should close this docket to avoid further risk and damage to Cascade and its customers.

DATED: April 26, 2007

Respectfully submitted,

PERKINS COIE LLP

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served this **RESPONDENT'S RESPONSE TO MOTION OF COST MANAGEMENT SERVICES, INC. TO LODGE AFFIDAVIT OF DOUGLAS BETZOLD CONCERNING CONFIDENTIAL INFORMATION COVERED BY PROTECTIVE ORDERS** upon all parties of record in this proceeding by causing a copy to be sent by electronic mail and U.S. mail to:

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Dated this 26th day of April, 2007.

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