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BEFORE THE WASHINGTON

UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND)
TRANSPORTATION COMMISSION,) UG-031216
Complainant,) Volume I
) Pages 1-9
v.)
PUGET SOUND ENERGY, INC.,)
Respondent.)

A prehearing conference in the above-entitled matter was held at 1:32 p.m. on Friday, February 20, 2004, at 1300 South Evergreen Park Drive, Southwest, Olympia, Washington, before Administrative Law Judge C. ROBERT WALLIS.

The parties present were as follows:

PUGET SOUND ENERGY, by Kirstin Dodge, Attorney at Law, Perkins Coie, 10885 N.E. Fourth Street, Suite 700, Bellevue, Washington 98004 (Via teleconference bridge.)

COMMISSION STAFF, by Christopher Swanson, Assistant Attorney General, 1400 S. Evergreen Park Drive, S.W., P.O. Box 40128, Olympia, Washington, 98504-1028.

Barbara L. Nelson, CCR
Court Reporter

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1 JUDGE WALLIS: Let's be on the record,
2 please. This conference will please come to order.
3 This is a prehearing conference of the Washington
4 Utilities and Transportation Commission in the matter
5 of Docket Number UG-031216, which is nominally a
6 complaint by the Commission against Puget Sound
7 Energy, Incorporated. This conference is being held
8 in Olympia, Washington, pursuant to due and proper
9 notice on February 20, 2004, before Administrative
10 Law Judge C. Robert Wallis.

11 I wonder if we might take appearances at
12 this time, please. Let's begin with the Company,
13 who's appearing on the bridge line.

14 MS. DODGE: Thank you, Your Honor. Kirstin
15 Dodge, with Perkins Coie, representing Puget Sound
16 Energy. Would you like full appearance?

17 JUDGE WALLIS: Yes, please.

18 MS. DODGE: My address is 10885 N.E. Fourth
19 Street, Suite 700, Bellevue, Washington, 98004.
20 Telephone number, 425-635-1407; fax number,
21 425-635-2407; e-mail ksdodge@perkinscoie.com.

22 JUDGE WALLIS: For Commission Staff.

23 MR. SWANSON: This is Chris Swanson,
24 Assistant Attorney General, representing Washington
25 Utilities and Transportation Commission Staff. My

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1 street address is 1400 South Evergreen Park Drive,
2 S.W., P.O. Box 40128, Olympia, Washington,
3 98504-0128. Phone number, 360-664-1220; fax number,
4 360-586-5522; e-mail is chriss3@atg.wa.gov.

5 JUDGE WALLIS: Thank you. Are there any
6 preliminary matters before we proceed today? Let the
7 record show that there's no response. I am advised,
8 as a result of some brief conversation immediately
9 prior to beginning the hearing, that the parties have
10 at least reached a settlement in principal; is that
11 correct?

12 MR. SWANSON: Yes, Commission Staff agrees
13 with that.

14 MS. DODGE: The Company also agrees.

15 JUDGE WALLIS: Very well. Could the counsel
16 here please describe the very broad outlines of the
17 settlement and the process that the parties would
18 like to follow in order to present that to the
19 Commission for decision?

20 MR. SWANSON: Certainly. My understanding,
21 and I may need to turn to Staff to make sure I get
22 this correct, is that preliminarily there was an
23 issue with differences in the way the rates were
24 structured for different customers, depending on
25 their cost, and this settlement would be agreeable

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1 both to the Company and the Staff on that issue.

2 And in terms of the procedure for handling
3 settlement, Staff at this point is open to whatever
4 procedure the Commission or Your Honor would see as
5 best. This seems to be a pretty -- a relatively
6 simple issue, so it seems there's three options. One
7 would be a paper filing with a comment period, one
8 would be in person at one of the Wednesday morning
9 open meetings, or a settlement hearing date
10 specifically for this matter.

11 JUDGE WALLIS: Ms. Dodge, do you have
12 anything to add to either of those points?

13 MS. DODGE: Just that, because this is
14 really a single issue that was in dispute, there
15 don't appear to be any intervenors or much, frankly,
16 interest or controversy around it, it may be a better
17 use of resources to have submittal on papers, with an
18 opportunity to comment. And then, as we did in the
19 PCA compliance, if the Commissioners had particular
20 questions, one way to proceed might be bench requests
21 or something to that effect, rather than a live
22 hearing.

23 JUDGE WALLIS: Very well. What is the time
24 frame in which the parties are planning to make their
25 presentation?

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1 MR. SWANSON: Commission Staff has indicated
2 they need about two or three weeks to review the
3 settlement documents that we have at this point, and
4 then I would assume there would be a period of time
5 that presiding officer, Your Honor, would need to
6 review the documents and the Commissioners would need
7 to review the documents, and then a comment period.

8 JUDGE WALLIS: Have you given any thought to
9 the package that the parties would like to present to
10 the Commission?

11 MR. SWANSON: Preliminarily, what Commission
12 Staff was looking at is a settlement document and
13 then some revised tariffs. Is that correct? And I'm
14 told -- go ahead.

15 MS. DODGE: I was just going to say, there
16 are about I think four tariff sheets at issue on the
17 gas line extension tariff, and we have preliminarily
18 drafted what would normally be a filing letter to the
19 Commission that accompanies tariff sheets, and that
20 could be reworked either into testimony or simply
21 into an explanation in the settlement as to what --
22 you know, what these changes do. And we haven't, I
23 think, gotten quite that far.

24 I do know that, given the new procedural
25 rules, I frankly just need to sit down and look at

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1 them again and remind myself what the final version
2 was, whether we need to actually turn that in to
3 testimony or whether it would be sufficient to
4 explain more in argument or in the nature of argument
5 or background what this is about.

6 JUDGE WALLIS: Could the parties jointly
7 approach that presentation and agree that it could be
8 used as evidence in this matter?

9 MS. DODGE: I believe so. We ought to be
10 able to work that out.

11 MR. SWANSON: Yes.

12 JUDGE WALLIS: Very well. In one of the
13 recent settlements, there was a lack of supporting
14 information that led to some questions later, and I
15 think the Commission's preference, which is
16 implemented in the procedural rules, is to the effect
17 that the parties should make an adequate explanation
18 of the context for the dispute and a description of
19 the settlement and how it satisfies the parties'
20 needs and the public interest. And if the parties
21 are prepared to do that, I would be comfortable in
22 recommending to the Commission that the decision be
23 made on a paper record, supplemented to the extent
24 specific questions arise from the Commissioners.

25 Would the parties be willing to present the

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1 package directly to the Commissioners for decision
2 and waive any initial order in this matter?

3 MR. SWANSON: Yes, I do want to bring up one
4 additional thing, if I may, Your Honor. Commission
5 Staff's indicated that one of the tariffs that was
6 issued, an initial page may be -- oh, okay. One of
7 the tariff pages that will be issued was not part of
8 the suspended tariffs, and so I believe that Company
9 and Staff can come to an agreement on the
10 presentation, but we did want to provide notice of
11 that to Your Honor.

12 JUDGE WALLIS: Very well. Ms. Dodge, would
13 your client waive an initial order in this matter?

14 MS. DODGE: Yes.

15 JUDGE WALLIS: Very well. What schedule
16 would the parties like to adopt for presentation of
17 the package? You indicated two or three weeks to
18 review. What additional time would be necessary to
19 prepare the package for submission to the Commission?

20 MR. SWANSON: Yeah, I believe March 12th is
21 three weeks from today. I think that that would work
22 for filing -- for a filing deadline for the whole
23 package, at least from Staff's perspective.

24 JUDGE WALLIS: Ms. Dodge, does that date
25 sound okay to you?

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1 MS. DODGE: I guess I'd like to say March
2 15th would be a little more helpful. I've got a
3 couple of other things due that day.

4 JUDGE WALLIS: Do you want to say March
5 22nd, to --

6 MS. DODGE: Give us enough time?

7 JUDGE WALLIS: -- give you flexibility, and
8 then, if you file early, there will be no penalty.

9 MS. DODGE: That would be great.

10 JUDGE WALLIS: Okay.

11 MR. SWANSON: That's fine.

12 JUDGE WALLIS: All right. Is there anything
13 else that either of the parties would like to add for
14 the record at this time?

15 MR. SWANSON: Nothing from Commission Staff.

16 MS. DODGE: Nothing from the Company.

17 JUDGE WALLIS: Very well. We have a
18 deadline for filing a settlement package of March 22.
19 The parties waive an initial order and agree to
20 submit the package directly to the Commission for its
21 review. The parties understand that if the
22 Commission has questions, there may be bench requests
23 from the Commissioners to resolve those questions,
24 and the Commission then will enter a decision on the
25 proposal at the earliest reasonable time. Does any

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1 party have anything to add to that summary?

2 MR. SWANSON: Nothing from Staff.

3 JUDGE WALLIS: Let the record show that
4 there's no affirmative response. There being nothing
5 further at this time, this conference is adjourned.

6 Thank you all very much.

7 MS. DODGE: Thank you.

8 (Proceedings adjourned at 1:43 p.m.)

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