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BEFORE THE WASHINGTON STATE  
UTILITIES AND TRANSPORTATION COMMISSION

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WASHINGTON UTILITIES AND )  
TRANSPORTATION COMMISSION, )  
Complainant, )  
vs. ) DOCKET PG-110443  
CASCADE NATURAL GAS CORPORATION, ) VOLUME I  
Respondent. ) PAGES 1 - 7  
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A preconference hearing in the above matter was held on Monday, May 16, 2011, at 1:30 p.m., at 1300 South Evergreen Park Drive Southwest, Olympia, Washington, before Administrative Law Judge ADAM TOREM.

The parties were present as follows:

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION, by Donald T. Trotter, Assistant Attorney General, OFFICE OF THE ATTORNEY GENERAL, P.O. Box 40128, Olympia, Washington 98504-0128; Telephone 360-664-1189

CASCADE NATURAL GAS, by Sheree Strom Carson, Attorney at Law, PERKINS COIE, 10885 Northeast Fourth Street, Suite 700, Bellevue, Washington 98004; Telephone 425-635-1422

Tami Lynn Vondran, CCR No. 2157  
Court Reporter

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P R O C E E D I N G S

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JUDGE TOREM: We are ready to go on the record.

This is Docket PG-110443. This is a complaint by the Washington Utilities and Transportation Commission against the Cascade Natural Gas Corporation. It's Monday afternoon, May 16, 2011. It's a little after 1:30 in the afternoon. This is Administrative Law Judge Adam Torem.

The complaint that was filed in this case was served on March 21, 2011, and the Company filed its answer April 11th. There are 11 causes of actions set out and 364 enumerated alleged violations with the caveat that there may be some additional violations depending on if they were continuing in nature, that sort of thing. So that's the record in front of us today.

We've convened at the Commission's headquarters in Room 206. And I understand we're going to take appearances today, see if there's anyone on the bridge line or present in Olympia wanting to intervene in the case, discuss the need for discovery and protective orders, and then perhaps set a procedure schedule that gives the parties time to engage in settlement negotiations and see if we come back later this summer with a proposal for a hearing on any proposed settlement or simply an order being issued on the pleadings as they stand.

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1                   So let me take appearances first from Commission  
2 Staff.

3                   MR. TROTTER: For Commission Staff my name is  
4 Donald T. Trotter, Assistant Attorney General.

5                   JUDGE TOREM: And for the Company?

6                   MS. CARSON: Representing Cascade Natural Gas,  
7 Sheree Strom Carson with Perkins Coie.

8                   JUDGE TOREM: All right. Thank you both.

9                   Is there anyone present here in Olympia today that  
10 wants to intervene in the case?

11                   I don't see anybody except the parties and their  
12 clients.

13                   Is there anyone on the bridge line wishing to  
14 intervene in this case?

15                   Mr. Trotter, to the best of my knowledge the  
16 Commission hasn't received any written petitions, are you  
17 aware of any?

18                   MR. TROTTER: I am not aware of any.

19                   JUDGE TOREM: All right. So there is no  
20 intervener present.

21                   Let's shift then to discovery.

22                   Mr. Trotter, I understand there may be a  
23 settlement conference that may begin this afternoon between  
24 the parties. Is there any need for formal discovery to be  
25 invoked?

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1 MR. TROTTER: Not at this time, Your Honor.

2 JUDGE TOREM: Ms. Carson?

3 MS. CARSON: No, not at this time.

4 JUDGE TOREM: And we discussed a need for a  
5 protective order, and I believe the parties  
6 indicated--before we went on the record--that that would be  
7 the same case, there would be no need for a protective order  
8 at this time, but perhaps the parties may seek one later  
9 depending on what's contained in any proposed settlement.

10 MS. CARSON: That's correct, Your Honor.

11 JUDGE TOREM: All right. Mr. Trotter, if you can  
12 summarize quickly, for the record, the procedural posture of  
13 the case and what Commission Staff's intent is?

14 MR. TROTTER: Yes, Your Honor. The Commission  
15 issued a complaint as you noted. And last week the Staff  
16 made a proposal to the Company of a framework for a  
17 settlement. And the Company, I think, is willing to engage  
18 constructively on that proposal. So we're requesting that  
19 the Commission not set a litigation schedule for the case at  
20 this time, but rather set a date for another prehearing  
21 conference. I believe we talked off the record August 2nd.  
22 At that time if a settlement agreement is not filed then  
23 most likely we would hold that hearing for scheduling the  
24 litigation at that point.

25 JUDGE TOREM: Ms. Carson, does that work for you

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1 and your client as well?

2 MS. CARSON: Yes, that does.

3 JUDGE TOREM: And is there a preference for  
4 morning or afternoon on that August 2nd date?

5 MR. TROTTER: Morning.

6 MS. CARSON: That's fine.

7 JUDGE TOREM: So we'll do it on Tuesday,  
8 August 2nd at 9:30. Was there any other business that we  
9 can take care of today then? And we'll set that date and  
10 let the parties get to their settlement negotiations.

11 Mr. Trotter?

12 MR. TROTTER: I have nothing.

13 MS. CARSON: No, not for Cascade.

14 JUDGE TOREM: All right. Then I'll simply issue a  
15 notice setting a second prehearing conference for Tuesday,  
16 August 2nd at 9:30, and that will be it. I will wait to  
17 hear from the parties. If there's a settlement ahead of  
18 that date for some reason, please let me know and we'll move  
19 it up on the calendar or set a date for a settlement hearing  
20 if that's what the parties would request.

21 But let me know if there's something to propose,  
22 if you would like it heard in front of the Commissioners or  
23 if it should be something simply set for on the pleadings  
24 and an order would come out. I presume a final order  
25 instead of an initial order and then a notice of finality.

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1 But if there's going to be a waiver of the initial order put  
2 that in the request as well.

3 Any other questions?

4 All right. We're adjourned. One of the shortest  
5 ones ever.

6 MR. TROTTER: Thank you.

7 MS. CARSON: Thank you.

8 \* \* \* \* \*

9 (Off the record at 1:36 p.m.)

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C E R T I F I C A T E

I, TAMI LYNN VONDRAN, a Certified Court Reporter,  
do hereby certify that I reported in machine shorthand the  
foregoing proceedings in the above-entitled cause; that the  
foregoing transcript was prepared under my personal  
supervision and constitutes a true record of the testimony  
of the said witness.

I further certify that I am not an attorney or  
counsel of any parties, nor a relative or employee of any  
attorney or counsel connected with the action, nor  
financially interested in the action.

DATED at Edgewood, Washington this 30th day of  
May, 2011.

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Tami Lynn Vondran, CCR  
Certified Court Reporter  
License No. 2157