

0001

1 BEFORE THE WASHINGTON UTILITIES AND
2 TRANSPORTATION COMMISSION
3 WASHINGTON UTILITIES AND)
TRANSPORTATION COMMISSION,) DOCKET NO. UW-021667
4)
 Complainant,) Volume I
5) Pages 1 to 9
 vs.)
6)
THOMAS WATER SERVICE, INC.,)
7)
 Respondent.)
8 _____)

9

10 A hearing in the above matter was held on
11 April 11, 2003, from 9:30 a.m to 9:45 a.m., at 1300
12 South Evergreen Park Drive Southwest, Room 206, Olympia,
13 Washington, before Administrative Law Judge KAREN
14 CAILLE.

15 The parties were present as follows:

16 THE COMMISSION, by MARY M. TENNYSON, Senior
Assistant Attorney General, 1400 South Evergreen Park
17 Drive Southwest, Post Office Box 40128, Olympia,
Washington, 98504-0128, Telephone (360) 664-1220, Fax
18 (360) 586-5522, E-Mail mtennyson@wutc.wa.gov.

19 THOMAS WATER SERVICE, INC., by RICHARD A.
FINNIGAN, Attorney at Law, 2405 Evergreen Park Drive
20 Southwest, Suite B-1, Olympia, Washington 98502, (360)
956-7001, Fax (360) 753-6862, E-mail rickfinn@ywave.com.

21

22

23

24

Joan E. Kinn, CCR, RPR
25 Court Reporter

0002

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

2 JUDGE CAILLE: We are here today for the
3 first pre-hearing conference in Docket Number UW-021667.
4 This is entitled Washington Utilities and Transportation
5 Commission versus Thomas Water Service Incorporated, and
6 this is a general rate filing by Thomas Water requesting
7 an annual increase in revenues of approximately \$49,000
8 or 100%.

9 My name is Karen Caille, and I am the
10 presiding Administrative Law Judge assigned to this
11 proceeding. Today is April 11, 2003, and we are
12 convened in a hearing room in the Commission's offices
13 in Olympia, Washington. The folks here today are pretty
14 familiar with our pre-hearing conference procedure, so I
15 am just going to jump in and ask you to please give me
16 your appearances.

17 Mr. Finnigan.

18 MR. FINNIGAN: Thank you. Richard Finnigan
19 on behalf of Thomas Water Service, Inc. My mailing
20 address is 2405 Evergreen Park Drive Southwest, Suite
21 B-1, Olympia, Washington 98502. The phone is (360)
22 956-7001, the fax is (360) 753-6862, E-mail is
23 rickfinn@ywave.com.

24 JUDGE CAILLE: Thank you.

25 Ms. Tennyson.

0003

1 MS. TENNYSON: Thank you. My name is Mary M.
2 Tennyson. I'm a Senior Assistant Attorney General
3 representing Commission Staff. Mailing address is P.O.
4 Box 40128, Olympia, Washington 98504-0128. Street
5 address is 1400 South Evergreen Park Drive Southwest,
6 same city and zip code. My telephone number is (360)
7 664-1220, fax number (360) 586-5522. My E-mail address
8 is mtennyso@wutc.wa.gov.

9 JUDGE CAILLE: Thank you.

10 Let the record reflect there are no other
11 appearances. Judging from the room, I don't believe
12 there are any petitions to intervene either, and I
13 haven't received any written petitions to intervene.

14 Are there any preliminary motions?

15 MR. FINNIGAN: Well, we would ask that the
16 standard protective order be issued, and I assume we are
17 invoking the discovery rule.

18 JUDGE CAILLE: Yes. So the discovery rule,
19 which is 480-09-480 will be available to you. I will
20 take that as a motion, that is granted.

21 The company has also moved for a protective
22 order. Is there any objection?

23 MS. TENNYSON: No, there is not.

24 JUDGE CAILLE: Then the standard protective
25 order will be prepared for the signature of the

0004

1 commissioners.

2 The next topic would be issues. Of course,
3 the ultimate issues are whether the increase is fair,
4 just, and reasonable and whether the existing rates are
5 fair, just, and reasonable. I don't know if there is
6 rate design issues in this or not, but maybe we could
7 just kind of talk about what the issues are or what we
8 think the issues are going to be just to kind of give a
9 scope or a context to things.

10 MR. FINNIGAN: As far as we're aware, it's a
11 standard rate case set of issues on appropriateness of
12 adjustments that are proposed.

13 JUDGE CAILLE: Okay.

14 MR. FINNIGAN: And the appropriate return to
15 be applied. I don't believe there's a major issue on
16 rate design, but it would be something that would sort
17 of fall out at the end.

18 It's our understanding the Staff may raise
19 two issues. One is related to prudence of particular
20 expenditures, and the other may be related to a transfer
21 of water rights. But at this stage, they have indicated
22 to us that those are potential issues, and we would have
23 to wait to see if they actually raise them or not.

24 JUDGE CAILLE: Is there anything further from
25 the Staff?

0005

1 MS. TENNYSON: No, I think Mr. Finnigan has
2 stated it accurately.

3 JUDGE CAILLE: Okay.

4 MS. TENNYSON: I would note we did have
5 substantial public comments prior to the suspension.

6 JUDGE CAILLE: That's why I was asking about
7 the issues, because I did read those last night, and it
8 just seems like there may be some issues there.

9 MS. TENNYSON: There are lots of issues
10 customers raised, but because of the amount of customer
11 comment we should probably consider setting a public
12 hearing in conjunction with the hearings, which is
13 something we did not discuss off the record.

14 JUDGE CAILLE: Okay.

15 MS. TENNYSON: Just to give an opportunity
16 for public comment.

17 JUDGE CAILLE: So I don't know where Penny
18 went.

19 MS. TENNYSON: Well, we normally don't have
20 -- Public Counsel doesn't participate in water company
21 cases, and they would normally sort of structure the
22 presentation on behalf of the public. Since they don't
23 participate in water rate cases normally, we would
24 propose there be a time set with notice sent out to
25 customers on the system and that to date the written

0006

1 comments would be presented just in a -- with
2 numbered --

3 JUDGE CAILLE: As an exhibit.

4 MS. TENNYSON: Yes, as an illustrative
5 exhibit.

6 JUDGE CAILLE: This is -- where is this water
7 company?

8 MS. TENNYSON: In Arlington.

9 JUDGE CAILLE: Arlington, so we would
10 probably have it in Arlington or near Arlington.

11 MS. TENNYSON: Yes, somewhere in Snohomish
12 County.

13 I do believe many of the issues that are
14 raised by the public comment are not necessarily issues
15 that --

16 JUDGE CAILLE: Issues for a rate case.

17 MS. TENNYSON: Issues for a rate case, no,
18 but they're certainly entitled to express their views.

19 JUDGE CAILLE: Okay. I think what I will do
20 is connect with Ms. Hansen, Penny Hansen, and why don't
21 we -- is there any date that you would propose? Do you
22 have anything to propose right now? I'm wondering what
23 would be the best for -- do we try to contact customers?

24 MS. TENNYSON: No, we usually try to set it
25 at around the time of the actual hearing.

0007

1 JUDGE CAILLE: Okay.

2 MS. TENNYSON: So, you know, we could have it
3 if we have our hearing on August 4th and 5th as we have
4 discussed, we could have the hearing the evening of
5 August 5th or sometime August 6th, right around that
6 time frame.

7 JUDGE CAILLE: That brings us to scheduling,
8 and the parties have agreed to a schedule they shared
9 with me prior to going on the record this morning.

10 And, Ms. Tennyson, if you would be so kind as
11 to read that into the record for me.

12 MS. TENNYSON: Thank you. The parties
13 propose that the company's direct testimony be filed on
14 May 9th, 2003, that the Staff's testimony be filed on
15 June 20th, 2003, that the company's rebuttal be filed on
16 July 11th, 2003, and that the hearing be held in Olympia
17 on August 4th and 5th, 2003.

18 JUDGE CAILLE: Okay. And we decided that we
19 would determine a briefing schedule once we get to the
20 hearing stage.

21 MS. TENNYSON: That's correct.

22 JUDGE CAILLE: And also we will incorporate
23 into this schedule a public hearing, hopefully close in
24 time to the evidentiary hearings.

25 MS. TENNYSON: Yes.

0008

1 JUDGE CAILLE: I think this might be a record
2 for me, I don't know, especially for a rate case. Is
3 there anything else you folks want to talk about this
4 morning? Is there any other business?

5 MR. FINNIGAN: Not from my perspective.

6 JUDGE CAILLE: Okay. I neglected to check to
7 see how many people are on the distribution list, so I
8 will put that in the pre-hearing conference order, the
9 number of copies you would need to file for any filings
10 of substance.

11 MS. TENNYSON: One matter that I think in
12 terms of setting a date for public hearing, the parties
13 are discussing settlement.

14 JUDGE CAILLE: Okay.

15 MS. TENNYSON: And we may not want to set a
16 date for public hearing right away in order to raise
17 expectations we will have a hearing in August if we have
18 a settlement earlier than that.

19 JUDGE CAILLE: Okay.

20 MS. TENNYSON: So we may want to actually
21 hold off on setting a date for a public hearing.

22 JUDGE CAILLE: Announcing it.

23 MS. TENNYSON: Right.

24 JUDGE CAILLE: Okay. Do you folks have a
25 schedule in mind for a date where you will know whether

0009

1 you're going to have a settlement or not?

2 MS. TENNYSON: We just actually seriously
3 started discussions of it yesterday, and the primary
4 decision maker for the company is out of the country.
5 So, you know, it may be very early, hopefully it would
6 be before the company would file their direct testimony.

7 MR. FINNIGAN: Right, that would be our
8 expectation, that we will try and settle it sometime
9 this month.

10 JUDGE CAILLE: Great. All right, I'm not
11 going to read what I usually read at the end because
12 everybody here knows all that. I urge you to do your
13 best at settling, and I appreciate your efforts, and
14 please let us know how things are going so I can keep
15 the Commission apprised.

16 And if there's nothing further, this meeting
17 is adjourned.

18 (Hearing adjourned at 9:45 a.m.)

19

20

21

22

23

24

25