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BEFORE THE WASHINGTON

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UTILITIES AND TRANSPORTATION COMMISSION

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WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

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Complainant,

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DOCKETS UE-140188 and

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v.

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(Consolidated)

)

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AVISTA CORPORATION, d/b/a

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AVISTA UTILITIES,

)

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Respondent.

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11

PREHEARING CONFERENCE, VOLUME I

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Pages 1 - 23

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ADMINISTRATIVE LAW JUDGE MARGUERITE E. FRIEDLANDER

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10:01 A.M.

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MARCH 7, 2014

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Washington Utilities and Transportation Commission

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A P P E A R A N C E S (Continued)

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1 OLYMPIA, WASHINGTON; MARCH 7, 2014

2 10:01 A.M.

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5 JUDGE FRIEDLANDER: Good morning. It is
6 March 7th, 2014, and this is the time and place set
7 for a prehearing conference in the Avista general rate
8 case, Dockets UE-140188 and UG-140189 consolidated.

9 Yesterday I received a proposed procedural
10 schedule from the parties. We will get into that in a
11 minute, but first I would like to take appearances,
12 beginning with Mr. Meyer.

13 MR. MEYER: Thank you.

14 Would you like the full appearance or the
15 shortened version?

16 JUDGE FRIEDLANDER: Let's go ahead with
17 the full appearance and I can double-check my
18 addresses and contact information for the parties.

19 MR. MEYER: All right. Thank you, Your
20 Honor.

21 David Meyer, Avista Corporation. The address
22 is East 1411 Mission Avenue, Spokane, Washington
23 99220. The e-mail address is
24 david.meyer@avistacorp.com. My phone number is
25 (509) 495-4316.

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1 Is that everything you need?

2 JUDGE FRIEDLANDER: That's it.

3 Thank you.

4 MR. MEYER: Thank you.

5 JUDGE FRIEDLANDER: Mr. Trotter.

6 MR. TROTTER: Thank you, Your Honor.

7 Donald T. Trotter and Brett P. Shearer,
8 Assistant Attorneys General for UTC Staff, 1400 South
9 Evergreen North Drive Southwest, PO Box 40128,
10 Olympia, Washington 98504-0128. My e-mail is
11 dtrotter@utc.wa.gov and my phone is (360) 664-1189.

12 JUDGE FRIEDLANDER: Great, thank you.

13 Ms. Gafken.

14 MS. GAFKEN: Good morning. Lisa Gafken,
15 Assistant Attorney General for the Public Counsel
16 Section of the Attorney General's Office. My address
17 is 800 Fifth Avenue, Suite 2000, Mail Stop TB 14,
18 Seattle, Washington 98104. My e-mail address is lisa,
19 L-I-S-A, dot gafken, G-A-F, as in Frank, K-E-N, dot
20 wa -- I'm sorry, dot atg -- let me start that over
21 again. It's lisa.gafken@atg.wa.gov. My telephone
22 number is (206) 464-6595.

23 JUDGE FRIEDLANDER: Thank you.

24 Mr. Weber?

25 MR. WEBER: Joshua Weber with Davison

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1 Van Cleve, PC. My address is Suite 400, 333 Southwest
2 Taylor, Portland, Oregon 97204, telephone
3 (503) 241-7242, e-mail jdwdvclaw.com, on behalf of
4 Industrial Customers of Northwest Utilities.

5 JUDGE FRIEDLANDER: Thank you.

6 And appearing today on behalf of the Northwest
7 Industrial Gas Users.

8 MR. BROOKS: Good morning. My name is
9 Tommy Brooks with Cable Huston on behalf of the
10 Northwest Industrial Gas Users. Also appearing on
11 this docket is Chad Stokes. Our address is 1001
12 Southwest Fifth Avenue, Suite 2000, Portland, Oregon
13 97204. Our phone number is (503) 224-3092. My e-mail
14 address is tbrooks@cablehuston.com and Chad's is
15 cstokes@cablehuston.com.

16 JUDGE FRIEDLANDER: Great, thank you.

17 And, Mr. Roseman?

18 MR. ROSEMAN: Thank you, Your Honor.

19 My name is Ronald Roseman, I'm an attorney.
20 My address is 2011 Fourteenth Avenue East, Seattle,
21 Washington 98112. My telephone is (206) 324-8792. My
22 e-mail address is ronald, R-O-N-A-L-D, roseman,
23 R-O-S-E-M-A-N, @comcast.net. I am appearing on behalf
24 The Energy Project.

25 JUDGE FRIEDLANDER: Thank you.

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1 Is there anyone else today who would like to
2 make an appearance?

3 All right. Hearing nothing let's move on to
4 the petitions to intervene. We have three, I believe.

5 Mr. Weber, if you would like to start us off.

6 MR. WEBER: I believe we filed a written
7 petition to intervene on behalf of Industrial
8 Customers of Northwest Utilities.

9 JUDGE FRIEDLANDER: That's fine.

10 Is there anyone who would like to oppose the
11 petition to intervene of ICNU?

12 MR. MEYER: No objection, Your Honor.

13 JUDGE FRIEDLANDER: All right,
14 thank you.

15 Staff?

16 MR. TROTTER: No, Your Honor, we don't
17 object to any of the three petitions I believe that
18 were filed, the one by the Gas Users, the Energy
19 Project and ICNU.

20 JUDGE FRIEDLANDER: Thank you.

21 And Public Counsel?

22 MS. GAFKEN: Public Counsel likewise
23 does not object to any of the three motions to
24 intervene.

25 JUDGE FRIEDLANDER: All right, thank

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1 you.

2 And I guess since we are doing all three,
3 Mr. Meyer, does Avista have any objection to The
4 Energy Project or the Northwest Industrial Gas Users?

5 MR. MEYER: No.

6 JUDGE FRIEDLANDER: All right. Thank
7 you. I will grant all three of those petitions and we
8 will move on to the schedule.

9 Would someone like to walk me through the
10 procedural schedule proposed by the parties?

11 MR. MEYER: Well, I will be happy to. I
12 have some extra copies of this for those who do not
13 have it.

14 (Pause in the proceedings.)

15 MR. MEYER: The schedule was circulated
16 this past week. I appreciate the efforts of all
17 parties to come to consensus on this. It was really
18 driven in large part by available hearing dates, as we
19 understood it, on the Commissioners' calendar. We
20 determined that September 22nd, 23rd and 29th were
21 available, so we worked essentially backwards from
22 those dates. Other dates were considered that might
23 have been available on the Commission's calendar, but
24 there were other scheduling conflicts that would make
25 it very difficult for the Company.

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1 With that in mind, what we tried to do was
2 pattern this after -- or at least the sequence after
3 what is typically seen in the procedural schedule,
4 with the usual intervals between cross-answering
5 testimony and rebuttal. We also built into it
6 settlement conferences and built into it issue lists,
7 because I think that has been the preference of the
8 Commission to see that.

9 So with that there appears to be consensus.
10 The only party we have not heard from is actually not
11 a party, and that was the NWUC. They have not
12 intervened. With that I believe the parties have
13 consensus around this schedule.

14 JUDGE FRIEDLANDER: Thank you.

15 Is there anything the parties would like to
16 add?

17 Ms. Gafken?

18 MS. GAFKEN: Yes. The only thing that I
19 would add, in terms of the public comment hearings, we
20 did note on the agreed schedule that we are
21 recommending the week of August 25th. Public Counsel
22 would make a further recommendation that there be two
23 hearings: One in Spokane and one in Spokane Valley.

24 JUDGE FRIEDLANDER: Right. And I
25 understand that's typically what we have done in prior

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1 general rate cases.

2 MS. GAFKEN: That's also my
3 understanding.

4 JUDGE FRIEDLANDER: So no one is
5 recommending Pullman?

6 All right. So I would also add that I see
7 there is a bit of a gap in between the second day and
8 the potential third day of the evidentiary hearing. I
9 understand that's because of some conflicts that may
10 exist in the Commission's calendar, however, I am
11 seeing right now, pulling up the Commissioners'
12 calendars for September 24th. I know Rosh Hashanah is
13 the end of that week, but I don't think it is on the
14 24th. We could potentially do the afternoon of the
15 24th, to avoid an extended gap between the second and
16 third day. There is an open meeting in the morning,
17 so we would have to commence immediately following the
18 open meeting, but I am fine with going the afternoon
19 of the 24th as well.

20 MR. MEYER: That would be acceptable to
21 the Company.

22 JUDGE FRIEDLANDER: And I think that
23 would probably facilitate more agreeable travel
24 schedules.

25 MR. MEYER: Surely.

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1 MR. TROTTER: Your Honor --

2 JUDGE FRIEDLANDER: Sure.

3 MR. TROTTER: -- I'm certainly not an
4 expert on religious holidays. Kippy Walker told me
5 that the 24th was a religious holiday.

6 JUDGE FRIEDLANDER: Right.

7 MR. TROTTER: I didn't confirm that. If
8 it is not, then that afternoon is fine.

9 JUDGE FRIEDLANDER: Sure, sure. I think
10 she was probably going -- she was going on my
11 knowledge at the time. I believe that it is the --
12 long story short, it is the evening of Wednesday when
13 the holiday starts, so we would be fine in the
14 afternoon of the 24th.

15 It looks, as I said before that -- it looks --
16 it is clear on the Commissioners' calendars as well.
17 I would double-check with them, but I think we can
18 plan on the afternoon of the 24th, as opposed to the
19 29th.

20 MR. MEYER: Yes. Might we also keep the
21 29th, just in case we need it?

22 JUDGE FRIEDLANDER: Certainly.

23 MR. MEYER: I am hoping we don't.

24 JUDGE FRIEDLANDER: Certainly.

25 MR. MEYER: I think our -- I assume our

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1 collective preference is to try and wrap it up during
2 those three days, but if need be keep the 29th at
3 least in abeyance there.

4 JUDGE FRIEDLANDER: Certainly. I have
5 no problem with that. I will keep that as a hold in
6 any event.

7 MR. MEYER: Okay.

8 JUDGE FRIEDLANDER: All right. And just
9 so I am clear on the response time for the discovery
10 requests, it will be the typical ten business days up
11 until the 22nd of July; is that correct?

12 MR. MEYER: Yes. And then it turns to
13 seven business days, then after the rebuttal it turns
14 to five business days.

15 JUDGE FRIEDLANDER: Okay, that's fine.
16 And discovery cutoff is I believe September 8th?

17 MR. MEYER: Yes.

18 JUDGE FRIEDLANDER: Okay, okay.

19 Then you have here the joint issues lists.
20 This is fine. I know the Commissioners will want to
21 have those -- will want to have us continue that
22 practice in this case.

23 Does anyone have any questions about what's
24 expected for the issues list?

25 Okay, moving on.

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1 Do the parties consent to electronic service
2 amongst themselves? This is also a new -- I guess a
3 pilot project that we are trying to out to avoid
4 excessive paper usage. Is everyone fine with that?

5 MR. MEYER: We do, just -- I just want
6 to clarify, really for everyone's benefit --

7 JUDGE FRIEDLANDER: Sure.

8 MR. MEYER: -- what that in fact means,
9 in terms of service followed up by hard copy. What is
10 the expectation there?

11 JUDGE FRIEDLANDER: Right. Well, my
12 understanding is what we are trying to do would be to
13 avoid paper copies circulating amongst the parties, so
14 that if everyone agrees to electronic service, that
15 would eliminate the hard copy service, so there
16 wouldn't be that hard copy coming through the mail.

17 If that's not acceptable, that's fine, but we
18 are trying to conserve resources.

19 MR. MEYER: I don't have any problem
20 with that.

21 JUDGE FRIEDLANDER: Okay.

22 MR. MEYER: I just want to be clear on
23 that so when we respond to DRs, for example, that
24 would be electronic only.

25 JUDGE FRIEDLANDER: That's my

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1 understanding as well.

2 MR. MEYER: So we have the same
3 expectation, okay.

4 JUDGE FRIEDLANDER: That's my
5 understanding as well.

6 Yes, Mr. Roseman.

7 MR. ROSEMAN: I guess that wasn't my
8 expectation. So all -- so you are -- excuse us for
9 this.

10 JUDGE FRIEDLANDER: No, no, that's fine.
11 I appreciate the clarification.

12 MR. ROSEMAN: So, David, so all DRs will
13 only come in an electronic digital format?

14 MR. MEYER: That's right, unless there
15 are some that can't be converted to electronic,
16 digital sending. I don't know what those would be.

17 MR. ROSEMAN: So when we would choose to
18 introduce, use them at the hearing --

19 MR. MEYER: You would have to make a
20 hard copy.

21 MR. ROSEMAN: -- we would then print out
22 our own hard copy?

23 MR. MEYER: Yes.

24 MR. ROSEMAN: Okay.

25 And then there is one other question that I

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1 didn't -- and I remember this from, I think, Greg
2 Kopta. I could be wrong about this, I'm not as close
3 to this. I thought he said on this -- and I certainly
4 support this digital approach, but I thought he said
5 that even though we serve all the parties in a digital
6 format, the record center requires one hard copy. Is
7 that still correct?

8 JUDGE FRIEDLANDER: Yes, it is.

9 MR. ROSEMAN: Okay.

10 JUDGE FRIEDLANDER: That's correct.

11 This is just service amongst the parties and it is
12 completely voluntary. You don't have to waive your
13 right to personal service by mail.

14 MR. TROTTER: Your Honor, when you say
15 all the parties, you mean all the parties except for
16 the Commission?

17 JUDGE FRIEDLANDER: Right. Yes, right.
18 I mean this would be -- you would still file copies of
19 whatever documents get filed with the Commission. In
20 other words, this is service of process amongst the
21 parties, it's not on the Commission.

22 MR. TROTTER: So you are just talking
23 about documents that would not normally be filed in
24 the records center.

25 JUDGE FRIEDLANDER: Exactly. We don't

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1 receive DRs, for example. We don't receive responses
2 to DRs until they are filed as evidence, exhibits.

3 MR. ROSEMAN: But does this preclude --
4 I'm sorry in my confusion on this subject, but -- so
5 traditionally, let's say, the prehearing order says
6 that we are supposed to file an original and 15
7 copies. I don't know what it is now. We would still
8 have to file an original with the records center, but
9 not the 15 copies?

10 JUDGE FRIEDLANDER: No, you would still
11 have to file the original and 15 copies. That's for
12 internal distribution.

13 MR. ROSEMAN: Okay.

14 JUDGE FRIEDLANDER: Actually, it's not
15 15, it will be seven, but I was going to get to that.

16 MR. ROSEMAN: I just wanted to be
17 sure --

18 JUDGE FRIEDLANDER: I agree.

19 MR. ROSEMAN: -- that I --

20 JUDGE FRIEDLANDER: I want everybody to
21 understand fully. This is a new process, it's a
22 new -- like I said, it's a new pilot I think that we
23 are attempting to see how it goes. If we can save a
24 few trees, so much the better. Yes, my understanding
25 is this has been done in a previous rate case by Judge

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1 Moss and it worked out well. If the parties are
2 amenable to that, then I would fully support that. I
3 will include something in the prehearing conference
4 order to that effect.

5 I assume the Northwest Industrial Gas Users --

6 MR. BROOKS: We will waive paper
7 service, yes.

8 JUDGE FRIEDLANDER: Great, great.

9 And ICNU as well?

10 MR. WEBER: Yes. Our only question is
11 what about confidential materials that typically
12 aren't sent electronically?

13 JUDGE FRIEDLANDER: Well, not being an
14 IS person, I'm not sure how that would work. I think
15 you probably all could arrange that amongst
16 yourselves. Maybe a dedicated e-mail address that
17 would be for -- solely for confidential information,
18 or if the parties wanted, only confidential and highly
19 confidential could be served by paper. It's
20 completely up to you.

21 MR. MEYER: We already do it that way.

22 MR. WEBER: Okay, great.

23 JUDGE FRIEDLANDER: Okay.

24 MR. TROTTER: Your Honor.

25 JUDGE FRIEDLANDER: Yes.

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1 MR. TROTTER: Staff is not at this point
2 willing to accept that with respect to data requests.

3 JUDGE FRIEDLANDER: Okay.

4 MR. TROTTER: We will continue to
5 evaluate it and see what works.

6 JUDGE FRIEDLANDER: That's fine, that's
7 fine.

8 And Public Counsel?

9 MS. GAFKEN: Public Counsel also isn't
10 set up right now to take solely electronic service. I
11 don't want to duplicate everything that we said in the
12 other docket --

13 JUDGE FRIEDLANDER: Sure, sure.

14 MS. GAFKEN: The AG's Office is working
15 towards more electronic capabilities in terms of
16 archiving and that sort of thing, but those things
17 aren't in place yet. So at this point we still need
18 the paper, unfortunately.

19 JUDGE FRIEDLANDER: Okay. That's fine,
20 that's fine.

21 And, Mr. Roseman?

22 MR. ROSEMAN: We will give this a try,
23 yes.

24 JUDGE FRIEDLANDER: As I said, it's
25 completely voluntary. If you need to go back and

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1 start receiving hard copies again, I think the parties
2 would fully understand that.

3 Okay. And --

4 MR. MEYER: Excuse me, Your Honor.

5 JUDGE FRIEDLANDER: Yes, Mr. Meyer.

6 MR. MEYER: If we've got the head count
7 right, I think we recorded who will do it?

8 JUDGE FRIEDLANDER: Yes.

9 MR. MEYER: Will your prehearing order
10 reflect that?

11 JUDGE FRIEDLANDER: I will make sure
12 that the prehearing conference order reflects who has
13 consented to electronic service of process between the
14 parties.

15 MR. MEYER: Okay.

16 JUDGE FRIEDLANDER: I think the next
17 item is discovery. Obviously, the discovery rules are
18 made available to the parties because this is a
19 general rate case. The Commission has already entered
20 a protective order, so we don't need to go through
21 that. If there are additional names and e-mail
22 addresses that I need to know about for the prehearing
23 conference order and the appendix, please get that
24 information to me by 2:00 today, if that will work for
25 everyone.

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1 Yes?

2 MR. BROOKS: Our expert, Mike Gorman, we
3 identified him in our petition to intervene. Is that
4 sufficient for you, or do I need to separately send
5 you his name and address? I wasn't able to review
6 Mr. Meyer's list yesterday and add him. Mike Gorman
7 is on our petition to intervene.

8 JUDGE FRIEDLANDER: Right, okay. Well,
9 I believe I have his information. Let me just
10 double-check with you. Mgorman@consultbai.com?

11 MR. BROOKS: That's correct.

12 JUDGE FRIEDLANDER: Then I have his
13 information.

14 MR. WEBER: Your Honor, we also have
15 Mike Gorman on ours, so you will have his full address
16 on our side as well.

17 JUDGE FRIEDLANDER: Yes, thank you. And
18 because he is a consultant and not a representative of
19 ICNU, I'm going to list him only for electronic
20 service.

21 MR. WEBER: Sure.

22 JUDGE FRIEDLANDER: And the same goes
23 for Northwest Industrial Gas Users.

24 MR. BROOKS: Thank you.

25 JUDGE FRIEDLANDER: So with that, as I

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1 stated before, the number of copies we need are seven,
2 or is seven. We need an original and seven for
3 confidential and highly confidential. That would go
4 for the nonredacted. Redacted, we only need an
5 original and one, as is the norm. Pursuant to our
6 rules, electronic filing will be expected by 3:00 p.m.
7 on the deadline, hard copies to be received by noon
8 the next business days.

9 Is there anything else before we adjourn?

10 Okay.

11 MR. TROTTER: Your Honor?

12 JUDGE FRIEDLANDER: Yes.

13 MR. TROTTER: Can you make one last call
14 for intervention?

15 JUDGE FRIEDLANDER: Sure, sure.

16 MR. TROTTER: Including the bridge line.

17 JUDGE FRIEDLANDER: Certainly. Let me
18 just make sure that I have everything off, mute off.

19 All right. This is Judge Friedlander. I am
20 again asking for anyone who wishes to intervene to
21 present themselves at this time, both in person and
22 over the conference bridge.

23 All right. Hearing nothing. There is always
24 the potential for a late-filed intervention.

25 If there is nothing else I think we are

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1 adjourned.

2 MR. MEYER: Thank you, Your Honor.

3 JUDGE FRIEDLANDER: Thank you.

4 (Prehearing conference concluded 10:22 a.m.)

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STATE OF WASHINGTON

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COUNTY OF KING

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I, Sherrilyn Smith, a Certified

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Shorthand Reporter in and for the State of Washington,

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do hereby certify that the foregoing transcript is

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true and accurate to the best of my knowledge, skill

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and ability.

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