### BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,

Complainant,

v.

CASCADE NATURAL GAS CO.,

Respondent.

DOCKET PG-230800

ORDER 02

PREHEARING CONFERENCE ORDER AND NOTICE OF HYBRID EVIDENTIARY HEARING (Set for October 24, 2025, at 9:00 a.m.)

# BACKGROUND

- 1 NATURE OF PROCEEDING. On March 27, 2025, the Washington Utilities and Transportation Commission (Commission) on its own motion and through Commission staff (Staff) issued a complaint against Cascade Natural Gas Corporation (Cascade or Company) in this Docket.
- 2 On May 5, 2025, the Commission issued Order 01 Protective Order in this proceeding.
- 3 **CONFERENCE.** The Commission convened a virtual prehearing conference on April 25, 2025, before Administrative Law Judge Connor Thompson.
- 4 **APPEARANCES.** Sheree Carson, Donna Barnett, Byron Starkey, and Becca Human of Perkins Coie LLP represent Cascade. George Wilkinson and Kevin Moscon of Vinson & Elkins LLP represent Sapphire Natural Gas Solutions LLC. Jeff Roberson, Josephine Strauss, and Cassandra Jones represent Staff.<sup>1</sup>
- PETITIONS FOR INTERVENTION. On April 22, 2025, Sapphire Natural Gas
  Solutions LLC (Sapphire) filed a Petition for Intervention (Petition), claiming that
  Sapphire has direct knowledge of facts underlying the Complaint, at least a portion of the

<sup>&</sup>lt;sup>1</sup> In formal proceedings such as this, the Commission's regulatory staff participates like any other party, while the Commissioners make the decision. To assure fairness, the Commissioners, the presiding administrative law judge, and the Commissioners' policy and accounting advisors do not discuss the merits of this proceeding with the regulatory staff, or any other party, without giving notice and opportunity for all parties to participate. See RCW 34.05.455.

Complaint is based on and predicated on actions of Sapphire, Cascade has demanded defense and indemnification from Sapphire for penalties in this matter, and Sapphire has an interest in defending the Complaint that may differ from Cascade, among other reasons.<sup>2</sup>

- 6 Sapphire's intervention was discussed at the prehearing conference, with Staff taking no official position on intervention but expressing concern that Sapphire may broaden the issues presented. Cascade generally opposed Sapphire's intervention unless the Commission imposes certain conditions on intervention. Specifically, Cascade requested that Sapphire's status as an intervenor be conditioned upon the following:
  - Sapphire be limited to presenting arguments related to issues explicitly arising from the Complaint and consistent with paragraph 3 of Sapphire's Petition, to include "enforcement action that Cascade alleges is based on Sapphire's actions[,]" and to the extent "Sapphire believes that the complaint does not correctly apply Washington law and regulations, nor parts 192 and 193[;]"
  - Sapphire will coordinate discovery requests and responses with Cascade;
  - Sapphire and the parties generally will not litigate the issue of indemnification before the Commission; and
  - Sapphire will not call witnesses unless they seek leave to do so.
- 7 Sapphire agreed to the conditions with the caveat that Sapphire requests the ability to seek leave of the Commission to conduct discovery and respond to discovery on its own should the interests of Cascade and Sapphire materially diverge. Staff also raised concern with condition two, noting that Staff would like to be able to seek discovery directly from Sapphire.
- 8 Having heard the arguments made in favor and against Sapphire's intervention at hearing, the presiding officer granted Sapphire's limited intervention, subject to the conditions proposed by Cascade. However, the Commission finds good cause to amend condition two, allowing Staff to submit discovery requests directly to Sapphire. Sapphire and Cascade shall coordinate to the maximum extent possible in responding to discovery requests and shall jointly respond to the extent possible. If there is a material divergence

<sup>&</sup>lt;sup>2</sup> Pet. to Intervene of Sapphire at  $\P$  2.

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of interests in this proceeding, Sapphire or Cascade shall file a motion seeking to amend the conditions at that time.

- 9 **PROTECTIVE ORDER.** A protective order has been issued in this docket.
- 10 **DISCOVERY.** In order to facilitate an efficient resolution to this matter, discovery will be immediately available to the parties and shall be conducted under the Commission's discovery rules, Washington Administrative Code (WAC) 480-07-400 – 425. The Commission urges the parties to work cooperatively together to avoid having to bring discovery matters forward for formal resolution. As discussed at the prehearing conference, coordinated responses to discovery requests under WAC 480-07-405(7)(a)(ii) shall be extended to 13 days initially and reduced to 10 days pursuant to the procedural schedule.
- 11 Additionally, the Commission believes it will aid discovery in this case if all responses to data requests are shared with all parties. No party objected to the Commission making the exchange of data request responses with all parties a requirement for discovery in this proceeding. Accordingly, the Commission requires the parties to share every data request response with all parties, subject to any confidentiality limitations contained in Commission rule and the protective order issued in this docket. To clarify, data requests and responses are not shared with the presiding officer unless those responses are offered as exhibits to be admitted into the record.
- 12 **PROCEDURAL SCHEDULE.** The parties presented a procedural schedule at the prehearing conference. The Commission took the request for scheduling under advisement and adopts the procedural schedule attached to this Order as Appendix B. The parties will hold the first settlement conference on May 20, 2025. The parties may modify the date of the second and third settlement conference by providing written notice to the Commission.
- 13 **DOCUMENT FILING AND SERVICE REQUIREMENTS.** Parties must file and serve all pleadings, motions, briefs, and other pre-filed materials in compliance with all of the following requirements:
  - (a) Parties must submit electronic copies of all documents by 5:00 p.m. on the filing deadline established in the procedural schedule (or other deadline as applicable) unless the Commission orders otherwise. Parties must comply with <u>WAC 480-07-140(6)</u> in formatting, organizing, and identifying electronic files. Documents that include information designated as confidential must comply with the requirements in <u>WAC 480-07-160</u> and the Protective Order in this docket.

- (b) Parties must submit documents electronically through the Commission's web portal (<u>www.utc.wa.gov/e-filing</u>). If a party is unable to use the web portal to submit documents for filing, the Commission will accept a submission via email to <u>records@utc.wa.gov</u> provided the email: (1) explains the reason the documents are not being submitted via the web portal, and (2) complies with the requirements in <u>WAC 480-07-140(5)(b)</u>.
- (c) If any of the exhibits contain information designated as confidential, parties must file an electronic copy of the redacted version in searchable PDF (Adobe Acrobat or comparable software) of each such exhibit.
- (d) The Commission is continuing to suspend requirements for paper filings in this case for all submissions dating after the Company's initial testimony.
- (e) Documents filed with the Commission must conform to the formatting and other requirements in <u>WAC 480-07-395</u> and <u>WAC 480-07-460</u>.
- (f) Parties must electronically serve the other parties and provide courtesy electronic copies of filings to the presiding administrative law judge by 5:00 p.m. on the filing deadline unless the Commission orders otherwise. Pursuant to <u>WAC 480-07-365(2)(c)</u>, all electronic documents submitted to the Commission must also be delivered to all parties and the presiding administrative law judge "at the same time" that the documents are submitted to the Commission or shortly thereafter. Please note as well that failing to provide a courtesy copy to the presiding administrative law judge may result in a delayed ruling on a motion or other filing. If parties are unable to email copies, they may furnish electronic copies by delivering them on a flash drive only.
- 14 EXHIBITS FOR CROSS-EXAMINATION. Parties are required to file with the Commission and serve all proposed cross-examination exhibits by 5:00 p.m. on October 10, 2025. The Commission requires electronic copies in searchable PDF (Adobe Acrobat or comparable software). If any of the exhibits contain information designated as confidential, parties must file an electronic copy of the redacted version in searchable PDF (Adobe Acrobat or comparable software) of each such exhibit. The exhibits must be grouped according to the witness the party intends to cross-examine with the exhibits.
- 15 EXHIBIT LISTS. With each submission of pre-filed testimony and exhibits, the party making the submission must include a preliminary exhibit list that identifies each submitted exhibit in the format the Commission uses for exhibit lists it prepares for evidentiary hearings. Each party must file and serve a final list of all exhibits the party intends to introduce into the evidentiary record, including all pre-filed testimony and exhibits, as well as cross-examination exhibits by 5:00 p.m., October 10, 2025.

- 16 CROSS-EXAMINATION TIME ESTIMATES. Each party must provide a list of witnesses the party intends to cross-examine at the evidentiary hearing and an estimate of the time that party anticipates the cross-examination of that witness will take. Parties should not file witness lists or cross-examination time estimates but must provide them to the administrative law judge at <u>connor.thompson@utc.wa.gov</u> and the other parties by email on October 10, 2025, by 5:00 p.m.
- 17 NOTICE OF EVIDENTIARY HEARING. The Commission will hold a hybrid evidentiary hearing in this docket on October 24, 2025, at 9:00 a.m. Parties may attend the hearing in person at the Commission's headquarters or virtually via Zoom. To attend the hearing via Zoom, <u>click here to join meeting</u>, or call (253) 215-8782 and enter the Conference ID: 833 6361 8827# and use the Passcode: 742583#.
- 18 ALTERNATE DISPUTE RESOLUTION. The Commission supports the informal settlement of matters before it. Parties are encouraged to consider means of resolving disputes informally. The Commission has limited ability to provide dispute resolution services. If you wish to explore those services, please contact Connor Thompson, Interim Director, Administrative Law Division, at (360) 791-4228.
- 19 NOTICE TO PARTIES: A party who objects to any portion of this Order must file a written objection within ten (10) calendar days after the service date of this Order, pursuant to <u>WAC 480-07-430</u> and <u>WAC 480-07-810</u>. The service date appears on the first page of this Order, in the upper right-hand corner. Absent such objection, this Order will control further proceedings in this docket, subject to Commission review.

DATED at Lacey, Washington, and effective May 9, 2025

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

<u>/s/ Connor Thompson</u> CONNOR THOMPSON Administrative Law Judge

## APPENDIX A PARTIES' REPRESENTATIVES DOCKET PG-230800

PARTY	REPRESENTATIVE	PHONE	E-MAIL
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Cascade Natural Gas Co.	Sheree Strom Carson Donna L. Barnett Byron C. Starkey Becca Human Perkins Coie LLP 10885 N.E. Fourth Street Bellevue, WA 98004-5579	425-635-1400	SCarson@perkinscoie.com DBarnett@perkinscoie.com ByronStarkey@perkinscoie.com RHuman@perkinscoie.com
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### APPENDIX B PROCEDURAL SCHEDULE DOCKET PG-230800

EVENT	DATE		
Complaint Filing	March 27, 2025		
Prehearing Conference	April 25, 2025		
First Settlement Conference (parties only)	May 20, 2025		
Second Settlement Conference (parties only)	May 28, 2025		
Staff's Direct Testimony and Exhibits*	July 11, 2025		
Public Counsel, Cascade, and Intervenor Response Testimony and Exhibits	August 19, 2025		
Third Settlement Conference (parties only)	September 5, 2025		
Rebuttal and Cross Answering Testimony and Exhibits	September 16, 2025		
Discovery Deadline – Last Day to Issue DR	October 1, 2025		
Exhibit Lists, Cross Exhibits, Witness Lists, Time Estimates, Exhibit Errata	October 10, 2025		
Evidentiary Hearing	October 24, 2025		
Post Hearing Briefs	November 17, 2025		
* Response times for discovery requests limited to 10 business days.			