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BEFORE THE WASHINGTON STATE

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UTILITIES AND TRANSPORTATION COMMISSION

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WASHINGTON UTILITIES AND TRANSPORTATION, ) Docket PG-111723  
COMMISSION, )

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Complainant, )

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v. ) Pages 1-11

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PUGET SOUND ENERGY, )

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Respondent. )

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PREHEARING CONFERENCE, VOLUME I

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Pages 1-11

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ADMINISTRATIVE LAW JUDGE ADAM E. TOREM

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1:30 P.M.

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APRIL 18, 2013

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Washington Utilities and Transportation Commission  
1300 South Evergreen Park Drive Southwest  
Olympia, Washington 98504-7250

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A P P E A R A N C E S

ADMINISTRATIVE LAW JUDGE:

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OLYMPIA, WASHINGTON, APRIL 18, 2013

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1:30 P.M.

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P R O C E E D I N G S

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JUDGE TOREM: Good afternoon. This is Adam Torem.

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I'm an administrative law judge with the Utilities and

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Transportation Commission. This is Docket PG-111723.

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This is a complaint filed by the Washington Utilities

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and Transportation Commission against Puget Sound Energy on

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March the 1st, 2013. And since that date, we have scheduled

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this prehearing conference in order to determine the way forward

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for the parties.

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I'll take appearances and then hear from the parties

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on what they recommend for today's prehearing.

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For Staff?

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MR. TROTTER: Your Honor, my name is Donald T.

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Trotter, Assistant Attorney General, appearing on behalf of

19

Commission Staff. My address is 1400 South Evergreen Park Drive

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Southwest, Olympia, Washington 98504.

21

JUDGE TOREM: And for the Company today?

22

MS. BARNETT: Donna Barnett for PSE, and that's

23

B-a-r-n-e-t-t. And my address is 10885 Northeast Fourth Street,

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Suite 700 in Bellevue, Washington 98004. And that is Perkins

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Coie.

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1                   And with me today is Robert Neate. That's Robert  
2 N-e-a-t-e, who's assistant general counsel of Puget Sound  
3 Energy.

4                   JUDGE TOREM: All right. Thank you, Ms. Barnett.

5                   I have reviewed the complaint and the Company's  
6 answer. The only question I had, Mr. Trotter, to make sure I  
7 was clear on what the positions of these set out in the  
8 pleadings are, was to your Paragraph 30, where after going  
9 through everything, the Commission indicates that Staff intends  
10 to recommend a monetary penalty of \$400,000.

11                   I take it that Puget Sound Energy, based on their  
12 answer, interpreted that amount as the total penalty for all  
13 allegations contained in the complaint. I read the complaint  
14 that it might be taken that way, and it might also be referring  
15 only to the latter described allegations.

16                   How does Staff wish to explain their intention?

17                   MR. TROTTER: Well, I believe the \$400,000 penalty,  
18 allegation, or comment on Paragraph 30 was intended to be the  
19 resolution of the matter.

20                   JUDGE TOREM: Okay. So Puget Sound Energy had  
21 interpreted it correctly in their answer in responding to that  
22 amount?

23                   MR. TROTTER: Yes.

24                   JUDGE TOREM: All right. Thank you.

25                   I don't see that there are --

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1 MR. TROTTER: And, of course, there was other relief.  
2 For as far as monetary and penalty, that's it.

3 JUDGE TOREM: Okay. Thank you.

4 I don't see anybody else here today seeking  
5 intervention.

6 Is there anybody on the bridge line seeking to  
7 intervene in this matter?

8 All right. Hearing none, I'll hear from the parties  
9 as to whether or not it's right at this time to invoke the  
10 discovery rules, and we're going to set a procedural schedule.

11 Mr. Trotter, I'll defer to you first.

12 MR. TROTTER: Okay. Well, with regard to the  
13 discovery rule, yes, we would ask that that rule be invoked.

14 MS. BARNETT: And the Company has no objection.

15 JUDGE TOREM: Okay. We will invoke those in whatever  
16 order I can after today's prehearing.

17 And as to a schedule?

18 MR. TROTTER: With respect to scheduling the case, we  
19 were going to take some time off the record to discuss that with  
20 the Company today. We don't have a proposal at this instant.

21 As you noticed from the complaint, the focus is on  
22 two leak surveys that took place on a specific date. It is our  
23 understanding that those surveys were conducted by a  
24 subcontractor of PSE.

25 And we don't know at this moment, but it's possible,

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1 if not probable, that we will need to conduct discovery of them.  
2 And they're not a party, so that creates the potential for some  
3 problems that we may need to use the Commission's subpoena power  
4 to enforce and so on and so forth. But that's all very  
5 premature because we haven't embarked upon that yet.

6 JUDGE TOREM: Consent, consult, all of these issues?

7 MR. TROTTER: Yeah, and so we just haven't got to the  
8 point of asking, because this docket is just beginning, so -- so  
9 this case does present a little bit of a different twist in that  
10 regard -- that we may have some difficulties -- and that may  
11 create some challenges for putting a schedule together.

12 But if you give us 10 or 15 minutes to discuss this  
13 among ourselves, I think we can have something more concrete for  
14 you today.

15 JUDGE TOREM: Certainly.

16 Ms. Barnett, anything else that the Company wants to  
17 take up?

18 MS. BARNETT: No, we have nothing.

19 JUDGE TOREM: All right. Then we'll take a brief  
20 recess. It's now 1:35, and we'll come back at about ten till,  
21 or no later than two o'clock.

22 If the parties don't see me immediately in the  
23 vicinity, let me know, and I'll come back on and we'll go back  
24 on the record.

25 MR. TROTTER: Thank you.

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1 JUDGE TOREM: All right. We're at recess.

2 MS. BARNETT: Thank you.

3 (A break was taken from 1:35 p.m.  
4 to 1:54 p.m.)

5 JUDGE TOREM: Okay. It's about five minutes to two.  
6 I understand we're to go back on the record. All parties are  
7 present, and I have been handed a proposed schedule.

8 Mr. Trotter, I think you probably kept a copy of  
9 these dates before you gave me the only one?

10 MR. TROTTER: Yes.

11 JUDGE TOREM: So why don't you walk me through what  
12 you've reached with the Company.

13 MR. TROTTER: Okay. Your Honor, as the sheet  
14 indicates, we're calling for Staff to file its direct case on  
15 August 10th of this year. The Company --

16 MR. NEATE: July; July 10th, right?

17 MR. TROTTER: Excuse me. What did I say? August?

18 MR. NEATE: August.

19 MR. TROTTER: I apologize. July 10, 2013, and the  
20 Company would file its case August 20th. Rebuttal by Staff  
21 would be September 19th, and then a hearing sometime during the  
22 four days of October 15 through 18, with simultaneous briefs  
23 filed on November 7th. These dates are all in 2013.

24 And we did discuss settlement. We did not feel the  
25 need to include a date, because we can't probably find one

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1 today, but also because we're committed to that process, at  
2 least trying, and we don't need the schedule to stimulate that.

3 JUDGE TOREM: Okay. On the hearing, how many days do  
4 you think the hearing would need to be?

5 MR. TROTTER: I'm thinking one. You may want to  
6 reserve two, but...

7 MS. BARNETT: Yeah, we agree.

8 JUDGE TOREM: Okay. So two days.

9 Is there a preference among that Tuesday through  
10 Friday? I would imagine we would scratch off the 18th on a  
11 Friday, if we could avoid it, for a hearing schedule.

12 MR. TROTTER: I don't think we have any preference,  
13 Your Honor.

14 JUDGE TOREM: All right. I don't see that on the  
15 version of that calendar that I've got that there's any  
16 preference.

17 Ms. Barnett, any preference for the Company?

18 MS. BARNETT: No preference, Your Honor.

19 JUDGE TOREM: Okay. So I'll go back and make sure  
20 that nothing's been added. But the 15th, 16th, and 17th, pick  
21 two days of those, and put it into the order.

22 Now, if there is some success in the settlement  
23 negotiations, whenever those occur, I'd take it that the parties  
24 will just let the Commission know that we should schedule a  
25 status conference or some other proceeding to advise the



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1 Commission of where you are?

2 MR. TROTTER: Yes. We would notify you promptly on  
3 that.

4 JUDGE TOREM: Okay. And in the terminology about  
5 filing of the case, it looks to me like you're anticipating  
6 prefiled written testimony as the more formal routing we would  
7 go through on this case?

8 MR. TROTTER: Yes.

9 JUDGE TOREM: All right. And so we've already  
10 discussed the discovery rules being in effect for this case.

11 Was there any changes that we would need to response  
12 times or otherwise for any part of the case?

13 MR. TROTTER: Not at this point.

14 JUDGE TOREM: Okay. So we'll get separate motions if  
15 there's a need to accelerate or extend. And we won't set a  
16 discovery cutoff, but I think it will be indicative by the dates  
17 for the rebuttal case somewhere ahead of that September.

18 September 19th was the date; is that correct?

19 MR. TROTTER: Yes.

20 JUDGE TOREM: Okay. Mr. Trotter, was there anything  
21 else for Staff that we needed to take care of today?

22 MR. TROTTER: No. I just ask that you call for  
23 interventions one last time to make sure that -- if there are or  
24 were any, that those people have a full opportunity to come  
25 forward.

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1                   JUDGE TOREM: Certainly. And I have taken the mutes  
2 off of the bridge line on both directions, so, again, I'll ask.  
3 I don't see any other parties present potentially here in  
4 Olympia, but if there's anybody on the bridge line that did want  
5 to intervene in the matter to make themselves known now.

6                   All right. Hearing none again, Ms. Barnett, anything  
7 else for Puget Sound Energy?

8                   MS. BARNETT: No, Your Honor.

9                   JUDGE TOREM: Okay. Then we are adjourned here at  
10 two o'clock. And I'll get an order out to you guys, hopefully,  
11 tomorrow, or worst case scenario on Monday, memorializing the  
12 schedule and invoking the discovery. Thank you.

13                   MS. BARNETT: Thank you.

14                   MR. TROTTER: Thank you.

15                   (Proceeding concluded at 2:00 p.m.)

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3 STATE OF WASHINGTON )

) ss

4 COUNTY OF KING )

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6 I, SHELBY KAY K. FUKUSHIMA, a Certified Shorthand Reporter  
7 and Notary Public in and for the State of Washington, do hereby  
8 certify that the foregoing transcript is true and accurate to  
9 the best of my knowledge, skill and ability.

10 IN WITNESS WHEREOF, I have hereunto set my hand and seal  
11 this 29th day of April, 2013.

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SHELBY KAY K. FUKUSHIMA, CCR

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16 My commission expires:

June 29, 2013

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