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1 BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION

2 COMMISSION

3 WASHINGTON UTILITIES AND )  
TRANSPORTATION COMMISSION, )

4 )  
Complainant, )

5 )  
vs. )

6 ILIAD WATER SERVICE, INC., )

7 )  
Respondent. )

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10 A prehearing conference in the above matter  
11 was held on January 9, 2008, at 11:01 a.m., at 1300  
12 South Evergreen Park Drive Southwest, Olympia,  
13 Washington, before Administrative Law Judge ANN  
14 RENDAHL.

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16 The parties were present as follows:

17 WASHINGTON UTILITIES AND TRANSPORTATION  
18 COMMISSION, by MICHAEL A. FASSIO, Assistant Attorney  
19 General, 1400 South Evergreen Park Drive Southwest,  
Post Office Box 40128, Olympia, Washington 98504;  
telephone, (360) 664-1192.

20 ILIAD WATER COMPANY SERVICE, INC., by RICHARD  
21 A. FINNIGAN, Attorney at Law, 2112 Black Lake Boulevard  
22 Southwest, Olympia, Washington 98512; telephone, (360)  
956-7001.

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24 Kathryn T. Wilson, CCR

25 Court Reporter

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

2 JUDGE RENDAHL: Let's be on the record. Good  
3 morning. I'm Ann Rendahl, an administrative law judge  
4 presiding over this proceeding. We are here before the  
5 Washington Utilities and Transportation Commission this  
6 morning, Wednesday, January the 9th, 2008, for a  
7 prehearing conference in Docket UW-071885, which is a  
8 general rate case filed by Iliad Water Service, Inc.,  
9 for its three water systems located near Elbe in Pierce  
10 county, Silverdale in Kitsap county, and Marysville in  
11 Snohomish county.

12 Following the Commission's November 28th,  
13 2007, open meeting, the Commission accepted on a  
14 temporary basis such to revise rates. The Company's  
15 files reflects Staff-recommended amounts. The  
16 Commission also suspended the rates the Company filed  
17 on September 17 and November 27 for a prehearing.

18 So this prehearing is being held following  
19 due and proper notice served on the parties on December  
20 10th, 2007, and the purpose of the prehearing this  
21 morning is to address the standard matters in a  
22 prehearing conference such as interventions, a need for  
23 discovery or protective orders, and establishing a  
24 schedule.

25 So before we go any further, let's take

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1 appearances from the parties, and if you could please  
2 provide your name, the party you represent, your  
3 address, telephone number, fax number, e-mail address,  
4 and firstborn, then we will go from there. So let's  
5 begin with the Company.

6 MR. FINNIGAN: Good morning. Appearing on  
7 behalf of Iliad Water Services, Inc., is Richard  
8 Finnigan. The address is 2112 Black Lake Boulevard  
9 Southwest, Olympia, Washington, 98512. The phone  
10 number is (360) 956-7001. Fax number is (360)  
11 753-6862. E-mail is rickfinn@localaccess.com.

12 JUDGE RENDAHL: For staff?

13 MR. FASSIO: Michael Fassio appearing on  
14 behalf of the Commission, assistant attorney general.  
15 My address is 1400 South Evergreen Park Drive  
16 Southwest, Box 40128, Olympia, Washington, 98504. My  
17 phone number is (360) 664-1192. Fax is (360) 586-5522.  
18 E-mail is mfassio@wutc.wa.gov, and at the table with me  
19 is also from Commission staff Gene Eckhardt and Amy  
20 White.

21 JUDGE RENDAHL: Thank you. Is there anyone  
22 who is appearing by the conference bridge this morning?  
23 If so, please identify yourself. Hearing nothing,  
24 there is no other party who has filed a petition to  
25 intervene in this proceeding and there is no other

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1 person present who is identifying themselves either on  
2 the conference bridge or in the hearing room, so with  
3 that, we will move on to the items on the agenda.

4 Do the parties see a need for discovery in  
5 this proceeding to invoke the Commission's discovery  
6 rules?

7 MR. FASSIO: Staff does foresee discovery, so  
8 yes.

9 JUDGE RENDAHL: So is the Company amenable to  
10 invoking the discovery rules here? You don't  
11 necessarily have a choice, but...

12 MR. FINNIGAN: I have no objection.

13 JUDGE RENDAHL: Do the parties foresee a need  
14 for a standard or other protective order in this  
15 proceeding?

16 MR. FINNIGAN: Your Honor, it is unlikely we  
17 would make use of it, but out of prudence, we would ask  
18 that the standard protective order be issued.

19 JUDGE RENDAHL: All right, and that would be  
20 for confidential, not also including highly  
21 confidential information?

22 MR. FINNIGAN: I don't see any highly  
23 confidential information at this time.

24 JUDGE RENDAHL: I thought so, but it never  
25 hurts to ask. As we talk about a schedule in this

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1 case, I'm wondering if there is any interest or need to  
2 include a settlement conference or request a settlement  
3 judge, and I'm wondering if the parties have had any  
4 discussions about that.

5 MR. FINNIGAN: Yes, we have, Your Honor.  
6 Staff approached me yesterday about possibly  
7 consolidating this matter with the pending surcharge  
8 docket that has a settlement judge assigned to it  
9 already.

10 JUDGE RENDAHL: Is that in Docket UW-060343  
11 to which Judge Moss is already assigned?

12 MR. FINNIGAN: If those are the facts, that's  
13 the docket.

14 MR. FASSIO: Yes.

15 JUDGE RENDAHL: What is your thinking on  
16 that, Mr. Finnigan?

17 MR. FINNIGAN: The Company is willing to  
18 agree to that.

19 JUDGE RENDAHL: Is that something that you  
20 are making an oral motion on the record today, or is  
21 somebody going to make a written motion to consolidate,  
22 or is it just merely for consolidating for settlement  
23 discussions as opposed to formally consolidating?

24 MR. FASSIO: Staff is not suggesting perhaps  
25 a single docket for both but to consolidate them for

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1 purposes of settlement, because Judge Moss is already  
2 the settlement in judge in that docket, and the issues  
3 that have been raised in that docket and the issues of  
4 concern to Staff in this docket are interrelated.

5 JUDGE RENDAHL: That makes sense. I wasn't  
6 sure the extent of the request for consolidation that  
7 Staff was making, so I appreciate that clarification.  
8 So there is no need to have any formal motion. I think  
9 it makes sense as we develop the schedule in this case  
10 for the parties. I'll note it in the prehearing  
11 conference order that the settlement discussions will  
12 occur simultaneously but the dockets will not be  
13 consolidated formally.

14 Are there any other preliminary matters we  
15 need to talk about before we talk about scheduling in  
16 this case?

17 MR. FINNIGAN: Not that I know of.

18 MR. FASSIO: No.

19 JUDGE RENDAHL: So I did do some initial  
20 thinking about a schedule in this case, and I don't  
21 know if the parties have had any opportunity to talk  
22 schedule as well, but the most important point for me  
23 is to clarify that the suspension date right now would  
24 be -- I have it down as October 1, 2008. Is that  
25 everybody's assumption? Staff is nodding their head.

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1 Mr. Finnigan, are you in agreement with that? That's  
2 ten months from the effective date of December 1, which  
3 I gathered from the Commission's record.

4 MR. FINNIGAN: That sounds right. I don't  
5 have the file, but that sounds right.

6 JUDGE RENDAHL: So I did some backwards  
7 analysis from that date, and for my purposes, I would  
8 need to have the last set of briefing from the parties  
9 around July 11th, whatever that week falls in, and so  
10 it doesn't matter to me how the rest of the scheduling  
11 goes, but from the point of briefing and the time for  
12 doing orders and the times for petitions for review,  
13 etcetera, that's my interest. So I just thought I  
14 would let you know the mapping out that I had done, so  
15 I don't know if you all have done any initial  
16 scheduling.

17 MR. FINNIGAN: We have not.

18 JUDGE RENDAHL: So what I'm going to do is  
19 give you my proposal for July 11 on and then let you  
20 all talk about how that would work. Mr. Fassio?

21 MR. FASSIO: I just looked at the calendar  
22 and July 11th is a Friday. Did you say the week of  
23 July 11th?

24 JUDGE RENDAHL: No later than July 11th is  
25 kind of the last point. So if we have the simultaneous

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1 briefs, which is what I'm interested in, but if you  
2 wanted initial and responding briefs, then the  
3 responding briefs would need to be due on July 11th. I  
4 would anticipate an initial order going out on or  
5 before August 6th with petitions for review due by  
6 August 26th and responses to the petitions for review  
7 by September 5th with a final order going out on  
8 October 1st, and I think those are the minimum time  
9 frames that the Commission would need to meet that  
10 deadline.

11 So with that, we'll go off the record, unless  
12 there is more we need to talk about now, and let you  
13 all talk schedule for everything that leads up to those  
14 briefs. Does that work for the parties?

15 MR. FASSIO: Yes.

16 MR. FINNIGAN: Yes.

17 JUDGE RENDAHL: We'll be off the record and  
18 in recess, and if you want to call me, I'll be in my  
19 office.

20 (Discussion off the record.)

21 JUDGE RENDAHL: The parties have had an  
22 opportunity to do some scheduling conversations, and so  
23 what do you have?

24 MR. FINNIGAN: We have a proposed schedule to  
25 offer. It would begin with the Company's direct case



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1 being filed March 7th. The Staff responsive testimony  
2 would be filed April 3rd. Rebuttal testimony would be  
3 filed May 1st. Depending on availability of Your Honor  
4 and the hearing rooms, we are suggesting May 22nd,  
5 anticipated one-day hearing.

6 JUDGE RENDAHL: My calendar is completely  
7 open on that day, and it's not an open meeting day,  
8 which you may already know, so that works fine, so May  
9 22nd.

10 MR. FINNIGAN: Initial briefs are June 25th,  
11 and responsive briefs, July 11th.

12 JUDGE RENDAHL: Then you would follow the  
13 schedule that I had identified?

14 MR. FINNIGAN: Yes.

15 JUDGE RENDAHL: So those dates are already in  
16 the record, but to make sure we have them down, I will  
17 just repeat them.

18 An initial order would be entered no later  
19 than August the 6th. Petitions for review would be due  
20 on August 26th. Responses to petitions for review  
21 would be due September the 5th, with a final order  
22 entered by October 1st, 2008.

23 And then you had mentioned, Mr. Finnigan,  
24 that there is a public hearing date issue. Are you  
25 still working on the date for a public hearing?

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1           MR. FINNIGAN: Our recommendation is that the  
2 public hearing date be set at a later date. It's  
3 possible we may have a settlement, and we would not  
4 want to lock in a date at this time. The other  
5 logistical item is if we don't have a settlement, you  
6 are getting very close to the Memorial Day weekend when  
7 you get to May 22nd, so it's going to present -- and  
8 given the geographic separation of the systems,  
9 scheduling something may be logistically challenging.  
10 So for those reasons, we don't have a particular date  
11 to offer at this time.

12           JUDGE RENDAHL: I would request that in order  
13 to have something in the Company billing statement or  
14 whatever is feasible in order to get effective notice  
15 to the customers that we set a date no later than mid  
16 April so there is time to notify the customers of the  
17 public hearing date. So I would set April 16th as the  
18 date for a hearing for a public hearing that you would  
19 tell me what date you choose so that we can schedule  
20 it.

21           MR. FINNIGAN: No later than April 16th.

22           JUDGE RENDAHL: Right. That's when I need to  
23 know when your public hearing date is. That's not when  
24 the public hearing date is. That's when I need to  
25 know.

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1           MR. FINNIGAN: Presumably, if we reach  
2 settlement, it will be much earlier than that date.

3           JUDGE RENDAHL: I did mention to Judge Moss  
4 when I had left the hearing room that you had all made  
5 the request to consolidate discussions with the one  
6 he's currently working with you all on in the other  
7 Iliad case, and he did not have an issue with that.  
8 Did you want to set some dates with me for that, or did  
9 you want to work with Judge Moss in scheduling  
10 additional settlement conference dates?

11           MR. FINNIGAN: We haven't discussed that. We  
12 do intend to have a short discussion at the close of  
13 this hearing. My guess is probably it would be best to  
14 work with Judge Moss directly on his schedule.

15           JUDGE RENDAHL: That was my assumption, but I  
16 wanted to clarify with all of you what you wished to  
17 do.

18           MR. FASSIO: I agree.

19           JUDGE RENDAHL: So with the Company testimony  
20 due March 7th and Staff response due on the 3rd with  
21 rebuttal due the 1st and the one-day hearing on the  
22 22nd, initial briefing on the 25th of June and  
23 responsive briefing due July 11th and the other dates  
24 we've mentioned, is there anything else in terms of  
25 schedule we need to talk about?

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1 MR. FINNIGAN: No.

2 MR. FASSIO: No.

3 JUDGE RENDAHL: Is there anything else the  
4 parties wish to discuss this morning? I guess the only  
5 thing we would set later would be, and we could do it  
6 now, is a date for a prehearing conference to exchange  
7 cross-exhibits and witnesses and all of that. Do you  
8 have a preference whether it's a week before, a few  
9 days before? My preference would be to have the  
10 prehearing no later than the 20th, two days before the  
11 hearing, which gives you all time to evaluate. I don't  
12 know what your thinking is there.

13 MR. FINNIGAN: I believe that I'm not going  
14 to be available the 13th through the 16th.

15 JUDGE RENDAHL: So if we set something the  
16 week of the 19th, either the 19th or the 20th, then you  
17 all wouldn't have an issue with that. Mr. Fassio, are  
18 you in the All My Sons?

19 MR. FASSIO: I'm in All My Sons, and there is  
20 a prehearing conference in the afternoon for that one,  
21 and there are --

22 JUDGE RENDAHL: And you have a date to submit  
23 cross-exhibits.

24 MR. FASSIO: Yes, and I believe that's the  
25 day before.

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1           JUDGE RENDAHL:  Then it's really up to you as  
2  to what works better for you.

3           MR. FASSIO:  But if Mr. Finnigan is  
4  unavailable on the 14th to the 16th.

5           JUDGE RENDAHL:  We could have a morning  
6  prehearing and have you all exchange exhibits and send  
7  things in advance to me by the 13th, unless that's  
8  cutting it too short.  You will have rebuttal testimony  
9  in by May 1st, or if you want to have them all sent in  
10 by the 19th, that's fine too.  I know you will be doing  
11 double duty on two cases, Mr. Fassio, and I don't know  
12 what works for you.  If we have it by the 19th, then  
13 you could conceivably send yours in earlier if need be.  
14 So if we do it by the 19th, would that work for you?

15          MR. FASSIO:  Yes.

16          JUDGE RENDAHL:  Mr. Finnigan?

17          MR. FINNIGAN:  Yes.

18          JUDGE RENDAHL:  So then we will have  
19 cross-exhibits and estimates for cross and final  
20 witness lists by the 19th, and we will have a  
21 prehearing on the morning of the 20th, if necessary.  
22 It may not be necessary if I receive everything  
23 electronically by the 19th and get it all together.  If  
24 there are no prehearing issues, then we may not need  
25 the hearing.  With that, is there anything else we need

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1 to talk about this morning?

2 MR. FINNIGAN: Not that I'm aware of.

3 MR. FASSIO: No.

4 JUDGE RENDAHL: Thank you very much. This  
5 hearing is adjourned. I will get a prehearing  
6 conference order out within the week on the issues we  
7 talked about.

8 (Prehearing adjourned at 11:37 a.m.)

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