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August 9, 1994

Steve McLellan, Secretary  
Washington Utilities and  
Transportation Commission  
1300 S Evergreen Park Drive S.W.  
P.O. Box 47250  
Olympia, Washington 98504-7250

Re: WUTC v. Washington Natural Gas  
Docket No. UG-940814

Dear Mr. McLellan:

By Motion dated August 4, 1994, counsel for the Northwest Industrial Gas Users (NWIGU) requested a procedural approach for this case which is different than the procedures traditionally adopted by the Commission in utility rate proceedings. This letter constitutes Staff's response to that motion.

First, the NWIGU request the elimination of multiple rounds of cross examination hearings and the adoption, instead, of either a single hearing for the cross examination of all parties' pre-filed testimony or a "modified Oregon" hearing schedule under which only two rounds of cross examination hearings would occur: one round for the cross examination of the Company's direct case and a second round for the cross examination of the testimony of Staff, Public Counsel, Intervenors and Company rebuttal. Staff does not object to the adoption of a modified Oregon hearing schedule as long as such a process does not end any sooner than would otherwise occur under a traditional, fully staggered hearing schedule. Such an approach is necessary to allow the parties to fully prepare their cases and to conduct all necessary discovery. Staff does object, however, to a single hearing for the cross examination of all witnesses since that approach would prejudice the parties' ability to present testimony on the important issues which this case does raise.

Second, the NWIGU request that Staff, Public Counsel and Intervenors be allowed to file rebuttal testimony to each other at the time the Company files its rebuttal testimony. Staff does not object to this request although we do have serious concerns about

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Steve McLellan  
August 9, 1994  
Page 2

the precedential nature of such a process and the drain on Staff's limited resources which such a process may create. Therefore, should the Commission grant NWIGU's request, the Commission should be very clear concerning the limited applicability of that action. The Commission should also recognize that any additional round of prefiled testimony further supports Staff's position that a modified Oregon hearing schedule end no sooner than a traditional hearing schedule.

Third, the NWIGU request the establishment of settlement/issues conferences at least two weeks prior to any round of hearings with any stipulations to be filed one week before such hearings. Staff does object to this element of NWIGU's Motion. Staff is committed to engaging in settlement conferences whenever such conferences may prove fruitful. However, establishing a schedule for settlement conferences may provide no benefits and may even be counterproductive. Establishment of a settlement conference schedule would also further drain Staff's resources particularly at a time when Staff would be focused upon its preparation for the next set of hearings.

Finally, the NWIGU requests twenty minutes of oral argument in addition to written briefs at the close of hearings in this proceeding. Staff also objects to this element of the NWIGU Motion since oral argument adds nothing to this proceeding that would not be included in written briefs. This is not to say that parties and the Commission cannot seek to focus the issues to be addressed in written briefs. They can. Oral argument, however, is unnecessary to accomplish that goal.

We trust that the NWIGU motion will be presented to the Commission at the pre-hearing conference scheduled for August 10, 1994. We will elaborate on this response as necessary at that time.

Very Truly Yours,



ROBERT D. CEDARBAUM  
Assistant Attorney General

RDC:ss

cc: Lisa Anderl  
All Parties