## **Docket No. TR-150284 - Vol. I**

## Washington Utilities and Transportation Commission v. BNSF Railway Company

May 18, 2015

2015 JUN - 1 AM 8: 1



1325 Fourth Avenue • Suite 1840 • Seattle, Washington 98101

206.287.9066

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                                                                                             OLYMPIA, WASHINGTON; MAY 18, 2015
                BEFORE THE WASHINGTON
                                                                              2
                                                                                                     9:59 A.M.
           UTILITIES AND TRANSPORTATION COMMISSION
                                                                              3
                                                                                                      --000--
      WASHINGTON UTILITIES AND
                                    ) DOCKET TR-150284
      TRANSPORTATION COMMISSION, ) Pages 1 - 9
                                                                               4
                                                                              5
                                                                                                 PROCEEDINGS
               Complainant, )
                                                                               6
                                                                                              THE COURT: Let's be on the record in Docket
            V.
                                                                              7
                                                                                     TR-150284, captioned Washington Utilities and
      BNSF RAILWAY CÓMPANY,
                                                                              8
                                                                                     Transportation Commission versus BNSF Railway Company.
                                                                              9
                                                                                     Gregory J. Kopta, the Administrative Law Judge, will be
               Respondent. )
                                                                             10
                                                                                     presiding in this proceeding, and we are here today on
             PREHEARING CONFERENCE - VOLUME I
                  PAGES 1 - 9
                                                                             11
                                                                                     March (sic) 18th, at 10 a.m., to discuss scheduling and
              ADMINISTRATIVE LAW JUDGE KOPTA
                                                                             12
                                                                                     other issues that we address in a prehearing conference.
                                                                             13
                                                                                              So let's begin by taking appearances,
                                                                             14
                                                                                     starting with Staff as the Complainant.
                   9:59 A.M.
                                                                             15
                                                                                              MR. BEATTIE: Thank you, Judge Kopta. My
                  MAY 18, 2015
                                                                             16
                                                                                     name is Julian Beattie. I'm with the Attorney General's
        Washington Utilities and Transportation Commission
                                                                             17
                                                                                     office, and I'm appearing on behalf of Commission Staff.
        1300 South Evergreen Park Drive Southwest, Room 206
Olympia, Washington 98504-7250
                                                                             18
                                                                                     My notice of appearance is in the record.
                                                                             19
                                                                                              THE COURT: Okay. Thank you.
      REPORTED BY: RYAN ZIEGLER, RPR, CCR #3348
                                                                             20
                                                                                              And for the Company?
      Buell Realtime Reporting, LLC
                                                                             21
                                                                                              MR. DIJULIO: Steve DiJulio, Foster Pepper.
      1325 Fourth Avenue
                                                                             22
                                                                                    for BNSF. With me is Brooke Kuhl, counsel at BNSF, and
      Suite 1840
      Seattle, Washington 98101
206.287.9066 | Seattle
                                                                             23
                                                                                    Chris Emch, also from Foster Pepper. Good morning.
                                                                             24
                                                                                              THE COURT: Thank you. Good morning.
      360.534.9066 | Olympia
      800.846.6989 | National
                                                                             25
                                                                                              Is there anyone else who wants to make an
      www.buellrealtime.com
                                                             Page 2
                                                                                                                                          Page 4
 1
                                                                              1
                                                                                     appearance? Hearing none, then we will proceed to our list
                APPEARANCES
                                                                               2
                                                                                     of issues.
      ADMINISTRATIVE LAW JUDGE
                                                                               3
                                                                                               The first is interventions. I have not seen
               GREGORY J. KOPTA
Utilities and Transportation Commission
 4
                                                                               4
                                                                                     any petitions to intervene. Is there anyone who wishes to
 5
                                                                              5
                                                                                     intervene orally? Hearing none, then we will have no
                1300 South Evergreen Drive Southwest
 6
                Olympia, Washington 98504
                                                                               6
                                                                                     interventions.
                360.664.1136
                                                                               7
                                                                                              Second, electronic service. Do the parties
      FOR COMMISSION STAFF
                                                                               8
                                                                                     agree to electronic service? I see nods.
                JULIAN BEATTIE
                Office of the Attorney General
                                                                               9
                                                                                              MR. BEATTIE: Yes. Staff consents to
10
                Utilities and Transportation Division
                                                                             10
                                                                                     electronic service.
                PO Box 40128
11
                1400 South Evergreen Park Drive Southwest
                                                                             11
                                                                                              MR. DIJULIO: BNSF agrees to electronic
               Olympia, Washington 98504
360.664.1225
12
                                                                             12
                                                                                     service.
                jbeattie@utc.wa.gov
                                                                             13
                                                                                              THE COURT: Okay. Thank you.
13
      FOR BNSF RAILWAY COMPANY:
14
                                                                             14
                                                                                              Then discovery. Do the parties want to have
                P. STEPHEN DIJULIO
15
                                                                             15
                                                                                     the Commission's discovery rules available?
                CHRISTOPHER G. EMCH
16
               Foster Pepper, PLLC
1111 Third Avenue
                                                                             16
                                                                                              MR. BEATTIE: Staff would request to invoke
17
                Suite 3400
                                                                             17
                                                                                     those discovery rules.
               Seattle, Washington 98101 206.447.8904
                                                                             18
                                                                                              THE COURT: All right. Then we will make
18
               dijup@foster.com
emchc@foster.com
BROOKE C. KUHL
                                                                             19
                                                                                     those available.
19
                                                                             20
20
                                                                                              And I believe that takes us to schedule,
                General Counsel
                                                                             21
                                                                                     unless there are other issues that anyone else wants to
               BNSF Railway Company
201 West Railroad Street
21
                                                                             22
                                                                                     address. I have received a proposed schedule from Staff,
22
                Suite 301
               Missoula, Montana 59802
406.543.0019
                                                                             23
                                                                                     and as we discussed off the record, those dates seem
2.3
                                                                             24
                                                                                     acceptable, at least in terms of my availability and the
               brooke.kuhl@bnsf.com
                                                                             25
                                                                                     Commissioner's availability for the event of evidentiary
                 . . . . .
25
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hearing.

My only concern is that it's a rather extended schedule, with hearings not until the middle of January of next year, so I'm wondering if there's a reason why we need to take that long.

Generally, at least under the statute, the Commission is directed to complete complaint proceedings within ten months. This would take us well beyond ten months, so I'm -- would like to have some discussion about why the time is needed. I know you all -- Staff is not filling testimony until mid September, so three months. Is it really going to take that long?

MR. BEATTIE: Thank you, Judge Kopta.

Staff believes that discussions will be productive with the Company, but may take some time, and given that the summer months are coming up and vacations to -- you know, will be occurring, we just wanted to build in plenty of time for settlement discussions.

I will note that we did not actually reserve any dates because we haven't had a time — any time to discuss with the Company, you know, actually get some of those dates on the calendar. But I think that that would be the main reason from Staff is just building in extra time, I guess, for settlement discussions.

I'm going to look at my client over here and

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THE COURT: Okay. Do you have a date for an initial settlement conference? We usually like to put that in our schedule, and right now, the schedule that you provided to me just has a "to be determined" slot next to the settlement conference.

MR. BEATTIE: Judge Kopta, we do not have a date. We are planning to meet after this -- after this hearing, so I suppose in some ways, that could be considered our -- you know, our first -- our first meeting, but we don't have any formal settlement dates proposed. Maybe that is something we will discuss at -- at today's informal meeting.

THE COURT: Well, I think the main reason that we have that in there is just to hold people's feet to the fire, and it sounds to me like, based on our discussion, given that we are establishing a schedule that allows for settlement, that that is already something that's well within the contemplation of the parties and not something that the Commission needs to give any further encouragement to.

So I don't -- I don't need to have a date, but I was just curious if, in subsequent discussions, whether you had come up with any dates.

MR. BEATTIE: And -- and we do not have any formal dates at this point.

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see if they have anything to add for whether that was the main driving factor. I believe that was the main driving factor.

THE COURT: Okay. And is that Company's understanding as well?

MR. DIJULIO: Yes. We were responding -- we believe, first of all, in response to Mr. Beattie's comment, that the case is --

THE COURT: Is your microphone on, Mr. -- the red light should be -- there you go.

MR. DIJULIO: For the Company, BNSF does believe that this case is readily susceptible to settlement, and we do expect that there may be some time involved with that. We'd comment that we believe that that would happen with or without mediation, but we're certainly willing to participate in mediation if that becomes necessary as well.

And in responding to the Staff-proposed schedule, we believe it's an appropriate schedule and provides sufficient time for settlement discussions or, if necessary, then, full hearing preparation.

THE COURT: All right. And so the Company is willing to waive that ten-month target deadline for resolution of the complaint?

MR. DIJULIO: Company so waives.

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THE COURT: All right. That's fine. Well, then I will include that schedule in the prehearing conference order.

Is there anything else that we need to talk about while we're here this morning?

MR. BEATTIE: Nothing from Staff.

MR. DIJULIO: The only thing that we could think of is whether or not you wanted to address mediation in the prehearing statement, or if we cannot resolve the matter, that we bring that back before the administrative law judge. It doesn't matter one way or the other. It's just a practicality and expediency.

THE COURT: And that's a good question. We generally include in our prehearing conference order the invitation to engage in alternative dispute resolution, including mediation, and it talks about the availability of mediation. So it seems to me, at this point, we're -- it's a little premature to talk about mediation, but certainly to the extent that the parties find themselves in need of that particular service, then you can request it, and we will make arrangements to have someone available to assist.

All right. With that, then, I believe we're adjourned. Thank you.

(Proceedings concluded at 10:07 a.m.)

\* \* \* \* \*

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1	CERTIFICATE	
2		
3	STATE OF WASHINGTON	
4	COUNTY OF KING	
5		
6	I, Ryan Ziegler, a Certified Shorthand Reporter in	
7	and for the State of Washington, do hereby certify that the	
8	foregoing transcript of the proceedings held May 18, 2015,	
9	is true and accurate to the best of my knowledge, skill, and	
10 11	ability. IN WITNESS WHEREOF, I have hereunto set my hand	
12	and seal this May 27, 2015.	
13	and Journal May 27, 2010.	
14		
15		
16	Ryan Zink	
	RYAN ZIEGLER, RPR, CCR	
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