

**BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND)	DOCKETS UE-111048
TRANSPORTATION COMMISSION,)	and UG-111049 (<i>consolidated</i>)
)	
Complainant,)	
)	ORDER 03
v.)	
)	
PUGET SOUND ENERGY, INC.,)	PREHEARING CONFERENCE
)	ORDER
Respondent.)	
)	
.....)	

1 **NATURE OF PROCEEDINGS:** On June 13, 2011, Puget Sound Energy, Inc. (PSE), filed with the Washington Utilities and Transportation Commission (Commission) certain tariff revisions designed to increase rates for electrical and natural gas services provided to customers in Washington. The tariff revisions, if allowed to become effective, would increase rates to recover additional revenues of approximately 8.1 percent for electrical services and 3.0 percent for natural gas services. The Commission suspended operation of the as-filed tariffs by Order 01 entered in these dockets following the June 30, 2011, open meeting.¹

2 **CONFERENCE/PRESIDING OFFICERS.** The Commission convened a prehearing conference in this proceeding at Olympia, Washington on July 20, 2011, before Administrative Law Judge Dennis J. Moss, whom the Commission appoints as presiding officer in this proceeding.

¹ The Commission’s Complaint and Order Suspending Tariff Revisions and Consolidation should have been identified as Order 02. Order 01 in this proceeding is the Protective Order entered on June 17, 2011.

3 **PARTY REPRESENTATIVES:** Sheree Strom Carson, Donna Barnett and Jason Kuzma, Perkins Coie, Bellevue, Washington, represent PSE. Simon ffitch, Assistant Attorney General, Seattle, Washington, represents the Public Counsel Section of the Washington Office of Attorney General (Public Counsel). Robert D. Cedarbaum, Senior Assistant Attorney General Olympia, Washington, represents the Commission's regulatory staff (Commission Staff or Staff).²

4 Melinda Davison and Jesse Cowell, Davison Van Cleve, Portland, Oregon, represent the Industrial Customers of Northwest Utilities (ICNU). Chad M. Stokes and Tommy Brooks, Cable Huston Benedict Haagensen & Lloyd LLP, Portland, Oregon, represent Northwest Industrial Gas Users (NWIGU). Michael L. Kurtz and Kurt J. Boehm, Boehm, Kurtz & Lowry, Cincinnati, Ohio, represent the Kroger Co., on behalf of its Fred Meyer Stores and Quality Food Centers divisions (Kroger). Norman Furuta, Associate Counsel, Department of the Navy, San Francisco, California, represents the Federal Executive Agencies (FEA). Ronald L. Roseman, Attorney, Seattle, Washington, represents the Energy Project. John A. Cameron and Craig Gannett, Davis Wright Tremaine LLP, represent Cost Management Services, Inc. David S. Johnson, attorney, Northwest Energy Coalition (NVEC) represents his organization. Damon E. Xenopoulos and Shaun Mohler, Brickfield, Burchette, Ritts & Stone, P.C., Washington, D.C., represent Nucor Steel of Seattle, Inc. (Nucor).

5 **PETITIONS FOR INTERVENTION.** The following businesses and organizations filed petitions to intervene or petitioned orally:

ICNU	The Energy Project
NWIGU	Cost Management Services, Inc.
Kroger Company	NVEC
Federal Executive Agencies	Nucor Steel of Seattle, Inc.

² 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 nay other party, without giving notice and opportunity for all parties to participate. *See* RCW 34.05.455.

6 PSE objected to the petition of Cost Management Services, Inc. (CMS), citing concerns regarding its competitive position in the industry. PSE's objection is overruled, there being appropriate means, including the protective order already entered in this proceeding, to give appropriate protections to commercially sensitive information. CMS demonstrated its substantial interest in this proceeding considering its role as agent for smaller industrial gas users who purchase services from PSE. Its petition to intervene is granted.

7 There was no objection to the other petitions to intervene. The Commission finds that the petitioners each demonstrated their substantial interest in this proceeding and that their participation will be in the public interest. The petitions to intervene are granted.

8 **PROTECTIVE ORDER.** The Commission entered Order 01 on June 17, 2011. Order 01 is a protective order under RCW 34.05.446, RCW 80.04.095, WAC 480-07-420 and WAC 480-07-423, entered in the interest of facilitating discovery.

9 **DISCOVERY.** Discovery will continue pursuant to the Commission's discovery rules, WAC 480-07-400 – 425. The response time for data requests is ten business days. In addition, to expedite the exchange of potentially relevant information, all parties are required to provide all work papers, including model runs and source documents, at the time they prefile testimony and exhibits. The Commission urges the parties to work cooperatively together to avoid having to bring discovery matters forward for formal resolution. After the date for response testimony, December 7, 2011, the time for responses to data requests will be seven business days. After the date for rebuttal and cross-answering testimony, January 17, 2012, the time for responses to data requests will be five business days.

10 **PROCEDURAL SCHEDULE.** Most parties agreed to a procedural schedule, which Staff presented for consideration. The Commission adopts this procedural schedule for the most part, as set forth in Appendix B to this Order, but acknowledges concerns expressed by Public Counsel on behalf of itself, NWECA and the Energy Project regarding the dates established for filing response testimony, and rebuttal and cross-answering testimony. These parties urged earlier dates, December 1, 2011, and January 6, 2012, respectively, for these filings.

- 11 Procedural dates are deadlines. If parties find it more convenient to file their response testimonies earlier, they may do so. While the objecting parties may have less time than they consider ideal for any cross-answering testimony, this typically is limited in scope and can most likely be accomplished in the time available despite other obligations these parties face. On balance, the schedule proposed and agreed to by a majority of the parties appears workable, without causing prejudice to any party. The Commission will provide notice of any change in this schedule, in the event this is necessary to protect due process concerns or for other reasons.
- 12 **NOTICE OF HEARING.** The Commission will hold evidentiary hearings in this matter beginning **February 14, 2012, at 9:30 a.m.**, in the Commission's Hearing Room, Second Floor, Richard Hemstad Building, 1300 S. Evergreen Park Drive S.W., Olympia, Washington. The Commission may alter this schedule by subsequent notice.
- 13 **PUBLIC COMMENT HEARINGS.** The Commission will hold public comment hearings in this matter on dates and at times to be established by subsequent notice. The Commission will hold one such hearing during the course of the evidentiary proceedings to be conducted in the Commission's Hearing Room, Second Floor, Richard Hemstad Building, 1300 S. Evergreen Park Drive S.W., Olympia, Washington during the period February 14-17, 2012.
- 14 **DOCUMENT PREPARATION AND FILING REQUIREMENTS.** Parties must file the original plus **eighteen (18)** copies of the unredacted versions of all pleadings, motions, briefs, and other prefiled materials. Parties must also file the original and one copy of any redacted version(s). These materials must conform to the format and publication guidelines in WAC 480-07-395 and WAC 480-07-460. The Commission prefers that materials be three-hole punched with *oversized* holes to allow easy handling. The Commission may require a party to refile any document that fails to conform to these standards.

- 15 All filings must be mailed or delivered to the Executive Secretary, Washington Utilities and Transportation Commission, P.O. Box 47250, 1300 S. Evergreen Park Drive, S.W. Olympia, Washington 98504-7250. Both the post office box and street address are required to expedite deliveries by the U.S. Postal Service.
- 16 An electronic copy of all filings must be provided through the Commission's Web Portal (www.utc.wa.gov/e-filing) or by e-mail delivery to (records@utc.wa.gov). Alternatively, parties may furnish an electronic copy by delivering with each filing a 3.5-inch IBM-formatted high-density diskette or CD including the filed document(s). Parties must furnish electronic copies in MS Word 6.0 (or later) supplemented by a separate file in .pdf (Adobe Acrobat) format. Parties must follow WAC 480-07-140(5) in organizing and identifying electronic files.
- 17 **ELECTRONIC SUBMISSION OF DOCUMENTS.** The presiding officer granted a one-day extension of the paper-filing requirement under WAC 480-07-145(6), allowing electronic submission of documents with the Commission on the deadlines established by the procedural schedule. Parties must submit documents through the Commission's Web Portal (www.utc.wa.gov/e-filing) or by e-mail to (records@utc.wa.gov), and file an original, plus **eighteen (18)** paper copies, of the documents with the Commission by the following business day. Parties must provide courtesy copies of their electronic submissions to the presiding administrative law judge and the parties to the proceeding.
- 18 The Commission requires parties to submit documents in adjudicative proceedings no later than 2:00 p.m. on the deadline date to give Records Center personnel adequate time to post and distribute them.
- 19 **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 does have limited ability to provide dispute resolution services; if you wish to explore those services, please call the Director, Administrative Law Division, at 360-664-1355.

20 **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 WAC 480-07-430 and WAC 480-07-810. The service date appears on the first page of the order in the upper right-hand corner. Absent such objection, this Order will control further proceedings in this matter, subject to Commission review.

Dated at Olympia, Washington, and effective July 22, 2011.

WASHINGTON STATE UTILITIES AND TRANSPORTATION COMMISSION

DENNIS J. MOSS
Administrative Law Judge

APPENDIX A				
PARTIES' REPRESENTATIVES				
DOCKET UE-111048 and UG-111049				
PARTY	REPRESENTATIVE	PHONE	FACSIMILE	E-MAIL
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Cost Management Services, Inc.	Craig Gannett Davis Wright Tremaine LLP 1201 Third Avenue Suite 2200 Seattle, WA 98101 John A. Cameron Davis Wright Tremaine LLP 1300 SW Fifth Avenue, Suite 2300 Portland, Oregon 97201	206-757-8048 503-241-2300	206-757-7048 503-778-5299	craiggannett@dwt.com johncameron@dwt.com
NW Energy Coalition (NVEC)	David S. Johnson Attorney 811 1 st Avenue South Suite 305 Seattle, WA 98104 Danielle Dixon Senior Policy Associate	206-621-0094	206-621-0097	David@nwenergy.org Danielle@nwenergy.org

**APPENDIX B
PROCEDURAL SCHEDULE
DOCKETS UE-111048/UG-111049**

<u>EVENT</u>	<u>DATE</u>
Company Direct Testimony and Exhibits	June 13, 2011
Prehearing Conference	July 20, 2011
Public Notice Report	August 22, 2011
Company Supplemental Direct Testimony and Exhibits on Decoupling (Optional Filing)	September 1, 2011
Issues Discussion/Settlement Conference (parties only)	November 9, 2011
PSE Circulates and Submits Preliminary Issues List	November 17, 2011
Public Comment Hearing	Date and location to be determined by separate notice
Staff, Public Counsel and Intervenor Response Testimony and Exhibits (initiate 7 day response time for discovery)	December 7, 2011
Issues Discussion/Settlement Conference (parties only)	TBD

<u>EVENT</u>	<u>DATE</u>
Public Comment Hearing	Date and location to be determined by separate notice
PSE Circulates and Submits Joint Issues List	December 15, 2011
Company Rebuttal Testimony and Exhibits Staff, Public Counsel and Intervenor Cross-Answering Testimony and Exhibits (initiate 5 day response time for discovery)	January 17, 2012 (2:00 p.m.)
PSE Circulates and Submits Final Prehearing Issues List	January 30, 2012
Discovery Deadline – Last day to issue Data Requests	January 30, 2012
Pre-Distribution of Cross-Examination Exhibits	February 9, 2012
Evidentiary Hearing and Public Comment Hearing (Olympia)	February 14-17, 2012 Date and time to be determined by separate notice
File Admitted Cross-Examination Exhibits	March 9, 2012
Post-Hearing Briefs	March 16, 2012
Suspension Date	May 14, 2012