

01086

1 BEFORE THE WASHINGTON UTILITIES AND
2 TRANSPORTATION COMMISSION

3 THE WASHINGTON UTILITIES)
4 AND TRANSPORTATION COMMISSION,)
5 Complainant,)
6 vs.) DOCKET NO. UE-991606
7 AVISTA CORPORATION,) VOLUME IX
8 Respondent.) Pages 1086 - 1196

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9 THE WASHINGTON UTILITIES)
10 AND TRANSPORTATION COMMISSION,)
11 Complainant,)
12 vs.) DOCKET NO. UG-991607
13 AVISTA CORPORATION,) VOLUME IX
14 Respondent.) Pages 1086 - 1196
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15 A prehearing conference in the above matter
16 was held on July 6, 2000, at 10:00 a.m., at 1300 South
17 Evergreen Park Drive Southwest, Olympia, Washington,
18 before Administrative Law Judges MARJORIE R. SCHAER and
19 KAREN CAILLE.

20 The parties were present as follows:

21 THE WASHINGTON UTILITIES AND TRANSPORTATION
22 COMMISSION, by GREGORY J. TRAUTMAN and MARY M. TENNYSON,
23 Assistant Attorney General, 1400 South Evergreen Park
24 Drive Southwest, Post Office Box 40128, Olympia,
25 Washington, 98504.

24 Joan E. Kinn, CCR, RPR
25 Court Reporter

01087

1 AVISTA CORPORATION, by DAVID J. MEYER, General
Counsel, E. 1411 Mission Avenue, Spokane, Washington,
2 99220.

3 NORTHWEST ENERGY COALITION, by DANIELLE DIXON,
Policy Associate, 219 First Avenue South, Suite 100,
4 Seattle, Washington, 98104.

5 THE PUBLIC, by SIMON J. FFITCH, Assistant
Attorney General, 900 Fourth Avenue, Suite 2000,
6 Seattle, Washington, 98164-1012.

7 NORTHWEST INDUSTRIAL GAS USERS, by EDWARD A.
FINKLEA, Attorney at Law, Energy Advocates, LLP, 526
8 Northwest 18th Avenue, Portland, Oregon, 97209.

9 INDUSTRIAL CUSTOMERS OF NORTHWEST UTILITIES,
by S. BRADLEY VAN CLEVE, Attorney at Law, Duncan,
10 Weinberg, Genzer and Pembroke, 1300 Southwest Fifth
Avenue, Suite 2915, Portland, Oregon, 97201.

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16

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18

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20

21

22

23

24

25

01088

1 -----
2 INDEX OF EXHIBITS
3 -----

4	5 EXHIBIT:	6	7 MARKED:	8 ADMITTED:
6	THOMAS M. MATTHEWS			
7	T-14		1130	
8	15		1130	
9	16		1131	
10	17		1131	
11	THOMAS D. DUKICH			
12	T-84		1134	
13	85		1134	
14	86		1134	
15	87		1135	
16	88		1135	
17	89		1135	
18	90		1136	
19	91		1136	
20	92		1136	
21	93		1136	
22	94		1137	
23	WILLIAM E. AVERA			
24	T-135		1137	
25	136		1137	

01089

1	137		1139
2	138		1139
3	139		1139
4	140		1139
5	141		1139
6	142		1140
7	143		1140
8	144		1140
9	145		1140
10	146		1140
11	147		1140
12	148		1140
13	149		1140
14		KELLY O. NORWOOD	
15	T-203		1141
16	204		1141
17	205		1141
18	206		1141
19	207		1141
20	208		1141
21	209		1142
22	210		1142
23	211		1142
24	212		1142
25	213		1142

01090

1	C-214	1142
2	215	1142
3	216	1142
4	217	1142
5	218	1143
6	219	1143
7	220	1143
8	221	1144
9	222	1144
10		
	DON M. FALKNER	
11	T-268	1146
12	269	1146
13	270	1146
14	271	1146
15	272	1146
16	273	1146
17	274	1146
18	275	1146
19	276	1147
20	277	1147
21	278	1147
22	279	1147
23	280	1147
24	281	1147
25	282	1147

01091		
1	283	1147
2	284	1147
3	285	1147
4	286	1147
5	287	1147
6	288	1147
7	289	1148
8		
9	T-326	1149
10		
11	T-349	1149
12	350	1149
13	351	1149
14	352	1149
15	353	1150
16		
17	T-393	1150
18	394	1150
19	395	1150
20	396	1150
21	397	1150
22	398	1151
23	399	1151
24	400	1151
25	C-401	1151

01092

1	C-402		1151
2	C-403		1151
3	404		1151
4	405		1151
5	406		1151
6	C-407		1151
7	C-408		1151
8	409		1151
9	410		1152
10	411		1152
11		WILLIAM G. JOHNSON	
12	T-426		1152
13	427		1152
14	428		1152
15	429		1152
16	430		1153
17	431		1153
18		RONALD L. MCKENZIE	
19	T-447		1154
20	448		1154
21	449		1154
22		TARA L. KNOX	
23	T-473		1155
24	474		1155
25	475		1155

01093

1		BRIAN J. HIRSCHKORN	
2	T-506		1156
3	507		1156
4	508		1157
5	509		1157
6	510		1157
7	511		1157
8	512		1157
9	513		1157
10		JON E. ELIASSEN	
11	T-520		1157
12	521		1157
13	522		1158
14	523		1158
15	524		1158
16	525		1158
17	526		1159
18	527		1159
19	528		1159
20	529		1159
21	530		1159
22		KAREN S. FELTES	
23	T-535		1159
24		ALAN P. BUCKLEY	
25	T-540		1160

01094

1	541		1160
2	542		1160
3	543		1160
4	544		1160
5	545		1161
6	C-546		1162
7	547		1162
8	548		1162
9	549		1162
10	550		1163
11	551		1163
12	552		1163
13	553		1163
14	554		1163
15	555		1163
16	556		1163
17	557		1163
18	558		1163
19	559		1163
20	560		1163
21	561		1164
22	562		1164
23	563		1164
24		JOANNA HUANG	
25	T-570		1165

01095

1	571	1166
2	572	1166
3	573	1166
4	574	1166
5	575	1166
6	C-576	1166
7	577	1166
8	578	1167
9	579	1167
10	580	1167
11	581	1167
12	582	1167
13	C-583	1167
14	C-584	1167
15	C-585	1167
16	586	1168
17	587	1168
18	588	1168
19	THOMAS E. SCHOOLEY	
20	T-595	1169
21	596	1169
22	597	1169
23	598	1169
24	599	1169
25	600	1169

01096

1	T-601	1170
2	602	1171
3	603	1171
4		
	MICHAEL P. PARVINEN	
5	T-608	1172
6	609	1172
7	610	1172
8	611	1172
9	612	1172
10	613	1172
11	614	1172
12	615	1172
13	616	1172
14	617	1172
15	618	1173
16	619	1173
17	620	1173
18		
	STEPHEN G. HILL	
19	T-622	1174
20	623	1175
21	624	1176
22	625	1176
23	626	1176
24	627	1176
25		
	RICHARD J. LURITO	

01097

1	T-632	1176
2	633	1177
3	634	1177
4	635	1177
5	636	1177
6	637	1177
7	638	1177
8	639	1178
9	640	1178
10	641	1178
11	642	1178
12	643	1178
13	NANCY ELLEN HIRSH	
14	T-649	1179
15	650	1179
16	651	1179
17	652	1179
18	653	1180
19	DOUGLAS E. KILPATRICK	
20	T-658	1181
21	659	1181
22	JOELLE STEWARD	
23	T-663	1182
24	JAMES RUSSELL	
25	T-668	1183

01098		
1	669	1183
2	670	1183
3		KILPATRICK, LAZAR, SCHOENBECK
4	T-675	1184
5	676	1184
6		RUSSELL, LAZAR, SCHOENBECK
7	T-680	1184
8	681	1185
9		JIM LAZAR
10	T-686	1186
11	687	1186
12	688	1186
13	689	1186
14	690	1186
15	T-691	1187
16	692	1187
17	693	1187
18	694	1187
19	695	1188
20	696	1188
21	697	1188
22		ROBERT L. DAMRON
23	T-703	1188
24	704	1189
25	705	1189

01099

1	706	1189
2	707	1189
3	708	1189
4	709	1189
5	710	1189
6	711	1189
7	712	1189
8	713	1189
9		
	DONALD W. SCHOENBECK	
10	T-718	1189
11	719	1190
12	720	1190
13	T-721	1190
14	722	1191
15	723	1191
16	724	1191
17		
	ROGER D. COLTON	
18	T-726	1192
19	727	1192
20	728	1192
21	729	1192
22	730	1192
23	731	1192
24	732	1192
25	733	1192

01100

1 734

1192

2 735

1192

3 736

1192

4

DAVE DEFELICE

5 304

1194

1195

6

7

8

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

2 JUDGE SCHAER: We're here this morning for a
3 prehearing conference in two consolidated dockets. The
4 first is WUTC versus Avista Utilities, Docket Number
5 UE-991606. This is a filing by the electric arm of this
6 company for an annual increase in rates of \$26.3 Million
7 and about a 10.4% increase in electric rates.

8 The second proceeding is WUTC versus Avista
9 Utilities in Docket Number UG-991607, which is a general
10 rate filing by the gas arm of this company seeking an
11 annual increase of approximately \$4.9 Million or a 6.5%
12 increase.

13 We are in the Commission's hearing room 206
14 in the Commission Headquarters Building in Olympia,
15 Washington. I'm Marjorie Schaer. To my right is Karen
16 Caille. We are the administrative law judges assigned
17 by the Commission to this proceeding.

18 I would like to start this morning by taking
19 appearances from all of the parties starting with the
20 company, please, Mr. Meyer.

21 MR. MEYER: Thank you. Appearing on behalf
22 of Avista, David Meyer.

23 JUDGE SCHAER: And for Commission staff.

24 MR. TRAUTMAN: Mary Tennyson and Greg
25 Trautman.

01102

1 JUDGE SCHAER: Public counsel, please.

2 MR. FFITCH: Simon ffitch for public counsel.

3 JUDGE SCHAER: Go ahead, Mr. Finklea.

4 MR. FINKLEA: Edward Finklea representing the
5 Northwest Industrial Gas Users.

6 JUDGE SCHAER: Mr. Van Cleve.

7 MR. VAN CLEVE: Brad Van Cleve on behalf of
8 the Industrial Customers of Northwest Utilities.

9 JUDGE SCHAER: And Ms. Dixon.

10 MS. DIXON: Danielle Dixon representing the
11 Northwest Energy Coalition.

12 JUDGE SCHAER: This is a prehearing
13 conference that was scheduled by notice on April 29th,
14 2000. The purpose of this conference is to number for
15 identification all prefiled and cross examination
16 exhibits and to attend to any other procedural matters
17 that may require attention.

18 Topics for this conference include the order
19 of witnesses and of cross-examination, the existence of
20 objections to evidence and argument on such objections
21 as appropriate, the existence of dispositive motions and
22 response to such motions as appropriate.

23 According to the notice, any objections or
24 dispositive motions were to be filed and served no later
25 than 1:00 p.m. on July 5th, 2000. Commission has not

01103

1 received any such motions. Have any been filed?

2 Hearing no response, we will move on.

3 First thing I would like to have this morning
4 is a report from Mr. Meyer on a conference call between
5 the parties yesterday, and then that will explain how we
6 are going forward at this point. Go ahead, please,
7 Mr. Meyer.

8 MR. MEYER: Thank you, Your Honor. Counsel
9 for staff, for the company, for the gas users, and ICNU
10 had a telephonic conference call yesterday.

11 MR. FFITCH: And public counsel.

12 MR. MEYER: Public counsel, if I neglected to
13 mention public counsel. Not attending were the
14 Northwest Energy Coalition and SNAP, although I think
15 they had received notice by E-mail of the conference
16 call.

17 MS. DIXON: Just not in time to participate.

18 MR. MEYER: Oh, is that right.

19 Substantial headway was made in terms of
20 identifying an order of witnesses, time estimates, and
21 it became apparent as we worked through it that, in
22 fact, we could probably finish the hearing process next
23 week within the hearing time allotted.

24 The sequence -- would you like me to walk
25 through the sequence that appears in what you

01104

1 distributed earlier today?

2 JUDGE SCHAER: Yes, please.

3 MR. MEYER: Okay.

4 JUDGE SCHAER: You don't need to go into
5 great detail, but just discuss what was done in terms of
6 scheduling, order of witnesses, and waiver of cross of
7 some witnesses, if you would, please.

8 MR. MEYER: Sure. In order to make this work
9 within the allotted week, counsel were very forthright
10 in terms of their willingness to waive cross on certain
11 witnesses, and I will address those in just a minute. I
12 don't think any counsel by virtue of waiving cross means
13 in any fashion to suggest that they don't take serious
14 issue perhaps with what is said in that testimony. That
15 almost goes without saying. But in order to
16 expeditiously work through it, and recognizing that we
17 just have half days to work with on Monday and on
18 Wednesday, the agreed upon order of witnesses is as
19 follows.

20 Staff witness Buckley will be cross-examined
21 on Monday. Avista has the lion's share of cross
22 apparently for Mr. Buckley. We have an estimate of two
23 to three hours. For its part, public counsel indicated
24 about an hour's worth of cross. That suggests that by
25 the close of the hearing on Monday, we should be able to

01105

1 finish with staff witness Buckley.

2 JUDGE SCHAER: I think you're going into just
3 a little bit more detail than I had meant.

4 MR. MEYER: Okay, I will give a broader
5 overview.

6 Tuesday morning, the sequence of witnesses
7 would be as follows. Huang, Schooley, and Parvinen on
8 behalf of staff. Then the company would present
9 Norwood, Johnson, Mitchell, and Feltes. And the feeling
10 is that that could be accomplished perhaps even with
11 time to spare on Tuesday, in which event we would make
12 available company witness Falkner to fill in the
13 available time.

14 Moving to Wednesday, we have because of
15 scheduling matters that were agreed upon by counsel, we
16 have Mr. Hill available to testify on cost of capital
17 Wednesday afternoon.

18 Dr. Lurito is only available beginning
19 Thursday morning, so he has been scheduled Thursday
20 morning to be followed by company witness Dr. Avera and
21 company witness Eliassen.

22 And then on Friday, Matthews, Dukich, Falkner
23 if he hasn't already been crossed earlier in the week,
24 and Hirschhorn. Based on what you have indicated
25 earlier today, Your Honor, also Mr. Folsom would be made

01106

1 available for Commission questions on either Thursday or
2 Friday, and Ms. Hirsch would be available on Thursday.
3 And apparently the Commissioners may have anywhere from
4 15 to 30 minutes for these two witnesses.

5 So given that sequence, we think it's doable
6 within a week. We would by agreement of counsel waive
7 cross on the following witnesses: Lazar, Schoenbeck,
8 Colton, I'm going to mention Hirsch because counsel
9 indicated that for their part they had no questions,
10 Kilpatrick, Steward, Martin, Russell, Damron, and the
11 following company witnesses: Anderson, Knox, and
12 possibly McKenzie although this morning you indicated,
13 Simon, that you weren't sure.

14 MR. FFITCH: I need to double check that.
15 Also with regard to Knox. That's dependent on whether
16 we can address one matter through a DR on a response,
17 which we think we can. We need to take that up with
18 you.

19 MR. MEYER: So that's the sequence. That's
20 the agreement of counsel.

21 JUDGE SCHAER: And the Commission really
22 appreciates the work done by all of the counsel to put
23 this together, because I think we were looking at an
24 over full week, and with the remainder of the schedule
25 as tightly timed as it is, I don't believe that we could

01107

1 have extended these hearings without extending a
2 briefing time and following that a suspension of a
3 hearing date and -- a waiver of a suspension date,
4 excuse me, and I appreciate that none of those actions
5 are going to need to be pursued.

6 Just listening to this and looking over this
7 one more time, I'm also thinking that it might be
8 worthwhile to have not only Mr. Falkner but also
9 Mr. Folsom in reserve on Wednesday if you think it might
10 be likely that he could -- that we -- usually we have
11 about three and a half hearing hours in the afternoon,
12 three to three and a half, and it might be that we could
13 get through both Mr. Falkner and Mr. Folsom.

14 MR. MEYER: We would be happy to do that.

15 JUDGE SCHAER: And if we find on Tuesday we
16 have a couple of people left over, then we may -- I will
17 let you kind of time that yourself, but let's at least
18 put him in brackets that day as a possibility.

19 I would like to hear from the other parties
20 about the schedule. I understand that you, Mr. ffitch,
21 need to get some more information before you can let us
22 know whether this is agreeable to you, and that's
23 certainly acceptable. Is it just the two witnesses, or
24 where are you overall on this, if you can fill us in?

25 MR. FFITCH: Your Honor, overall I think

01108

1 public counsel is generally agreeable to this. There
2 are a few details that are still -- we're still working
3 out. I think in general the approach works, and just
4 with regard to some of these witnesses who there just
5 may be one or two matters, it's kind of a call as to
6 whether you put them on the stand for 15 minutes or
7 whether we can just get certain documents in by
8 agreement, and we just haven't had time to discuss that
9 yet with the company.

10 That's the nature of the sort of level of
11 uncertainty at this point, I think. But overall, this
12 looks fine with us. There are a couple of -- I don't
13 know if we're going to go through in detail with regard
14 to estimates of cross or take a more detailed look at
15 this. If not, I have a couple of other comments.

16 JUDGE SCHAER: What I think I would like to
17 do, I handed out this morning a rough draft of a
18 schedule of order of witnesses and estimates of time on
19 cross-examination. And it follows the order described
20 by Mr. Meyer, and it's based on my telephone
21 conversation with him.

22 I would like every party to look through the
23 estimates that are listed under your name and see if
24 those are correct.

25 In looking at the chart for you, Mr. ffitich,

01109

1 we have had suggestions from Ms. Tennyson that the
2 estimates for Schooley and Parvinen that are shown on
3 here for staff are actually estimates that should be
4 properly under you. I would like to find out from you
5 if that's correct. And also I have had an indication
6 that your estimate for Mr. Parvinen was not 30 minutes
7 but 45 minutes. So anything you can tell us going down
8 would be appreciated.

9 MR. FFITCH: Okay.

10 JUDGE SCHAER: Because we want to get this
11 filled in and have it in a more final form for all of us
12 to go on next week. So go ahead with that, and you can
13 make your overall comments before or after, but let's go
14 ahead with that right now, please.

15 MR. FFITCH: With regard to Buckley, 45
16 minutes for public counsel. Schooley is 30 minutes as
17 indicated. Parvinen is 45 because we will include some
18 questions that would otherwise have gone to Martin.
19 Norwood is correct at 30 minutes, Johnson at 15.
20 Mitchell I will put 15 as generous. We may have just
21 one or two brief matters for Mitchell, and the same for
22 Feltes. Again, these may be things that if we can get
23 DR's stipulated in, we may end up not having anything
24 for these folks. And I guess just since we're on
25 company witnesses, again, McKenzie and Knox are possible

01110

1 very brief witnesses, which I would sort of say 15
2 minutes as a minimum place hold of time. We don't
3 anticipate any cross for Mr. Lurito, excuse me,
4 Dr. Lurito. Going to the second page, there is a
5 correction there for Avera. It should be one hour.
6 Well, there should be time under public counsel there,
7 and I'm not sure about staff.

8 MS. TENNYSON: No, the staff at this point
9 has no cross-examination for Mr. Avera.

10 JUDGE SCHAER: Okay, so we just move the one
11 hour over.

12 MR. FFITCH: I think we're looking more like
13 45 minutes for Avera.

14 JUDGE SCHAER: Okay, would you like 45
15 minutes or an hour on the chart?

16 MR. FFITCH: 45 minutes.

17 JUDGE SCHAER: Okay.

18 MR. FFITCH: Eliassen is correct at 15
19 minutes. With regard to Matthews, we may not have any
20 cross-examination for Mr. Matthews if the exhibits can
21 come in that we have identified. I don't know if the
22 commissioners are expecting to have questions, but it
23 looks like we're the -- oh, I guess the Energy Coalition
24 has some time for him too.

25 MS. DIXON: We're doing 20 minutes total, but

01111

1 it was really directed at Dukich and Hirschhorn.

2 JUDGE SCHAER: I think if you may have
3 questions for him, we will leave him on the list now.

4 And I have not consulted the commissioners about
5 Mr. Matthews, because he was not shown as a witness for
6 whom cross would be waived.

7 MR. FFITCH: That's true.

8 JUDGE SCHAER: That's certainly a question we
9 can revisit next week.

10 MR. MEYER: He was planning on attending that
11 day in any event.

12 JUDGE SCHAER: Thank you, Mr. Meyer.

13 MR. MEYER: So he will be here.

14 JUDGE SCHAER: So if we get to a point where
15 you would want to waive cross, I will check with the
16 commissioners to see if they have questions. But given
17 that he's going to be here anyway, that's certainly
18 something we can decide mid week next week.

19 MR. FFITCH: Then for Dukich, we would have a
20 specific estimate of 30 minutes, and for Hirschhorn 30
21 minutes.

22 JUDGE SCHAER: And then Mr. Folsom and
23 Ms. Hirsch have been added in by the Commission.
24 Hopefully that doesn't inspire others to ask questions
25 they wouldn't otherwise need to ask.

01112

1 MR. FFITCH: We have some cross-examination,
2 as you will see, identified for both Ms. Hirsch and
3 Mr. Schoenbeck, and we're expecting those can go in by
4 stipulation, but we're not sure at this point. That's
5 another matter to be talked about.

6 JUDGE SCHAER: Well, I will give you a five
7 minute estimate on Ms. Hirsch. If that's all you're
8 doing is identifying responses as having come from her,
9 then that shouldn't take long. Do you have the
10 Schoenbeck materials with you today?

11 MR. FFITCH: Yes.

12 JUDGE SCHAER: We need to perhaps talk about
13 that at a break.

14 One of the things I would like counsel to be
15 thinking about is whether we should go ahead and admit
16 testimony today for the witnesses who apparently have
17 been waived, and I'm even kind of wondering if we should
18 go ahead and admit all of the testimony and exhibits
19 today so that we don't have to spend time on that or if
20 there are -- since we haven't had an indication if there
21 are no objections or if there are concerns raised by
22 that.

23 MR. MEYER: We wouldn't be able to agree to
24 admit until we have reviewed the cross-examination
25 exhibits that have been distributed today.

01113

1 JUDGE SCHAER: Certainly. I was thinking
2 more of the prefiled materials, and then I am still
3 considering having some kind of a brief prehearing
4 Monday morning if there are things that we need to --
5 that we could address such as this that would save time
6 later.

7 Is there anything else you wanted to say at
8 this point, Mr. ffitch?

9 MR. FFITCH: No, Your Honor, thank you.

10 JUDGE SCHAER: Commission staff,
11 Mr. Trautman.

12 MR. TRAUTMAN: I just have one thing to add
13 on Mr. Anderson. We anticipate we won't have to ask any
14 cross. We have a data request that's outstanding, but I
15 believe the company has indicated they could answer by
16 Monday. So that if that's satisfactory, then we could
17 probably just try to get the one exhibit, which is a
18 data request response, entered by stipulation. So we
19 don't anticipate having cross, but there's always a
20 slight chance we might have to have ten minutes.

21 JUDGE SCHAER: I will put down ten minutes
22 maybe for you, and hopefully that will go away.

23 MR. FFITCH: Excuse me, Your Honor, I
24 overlooked Mr. Falkner. We would have 15 minutes for
25 Mr. Falkner whenever he makes his appearance.

01114

1 JUDGE SCHAER: Okay.

2 Mr. Finklea.

3 MR. FINKLEA: Your Honor, the Northwest
4 Industrial Gas Users have no cross-examination for any
5 of the witnesses. Mr. Schoenbeck, our witness, has
6 prefiled testimony, and we could offer that today, or we
7 could offer that on Monday if you want to do the
8 premarking and the exhibit numbers after we have
9 everything in order.

10 JUDGE SCHAER: Well, let me ask if any other
11 parties contemplate having information that you would
12 like to offer through Mr. Schoenbeck that you do not
13 have passed out this morning.

14 MS. TENNYSON: Staff does not.

15 JUDGE SCHAER: Mr. Meyer.

16 MR. MEYER: No.

17 JUDGE SCHAER: Okay. Would anyone object to
18 admission of his testimony in exhibits this morning so
19 that Mr. Finklea did not have to attend next week unless
20 he wanted to?

21 MR. MEYER: No objection.

22 JUDGE SCHAER: Okay. I think then when we
23 get to the point of taking in exhibits, we will go ahead
24 and do that, if you would like, Mr. Finklea.

25 MR. FINKLEA: That would be very good.

01115

1 JUDGE SCHAER: All right.

2 MR. FINKLEA: Thank you.

3 JUDGE SCHAER: Mr. Van Cleve, did you have
4 anything you wanted to add to the discussion at this
5 point?

6 MR. VAN CLEVE: No, Your Honor, we support
7 the order of witnesses that's been proposed, and the
8 cross-examination times that are noted on the draft are
9 correct for ICNU.

10 JUDGE SCHAER: And remind me again who your
11 witness is if you have --

12 MR. VAN CLEVE: We also have testimony for
13 Mr. Schoenbeck.

14 JUDGE SCHAER: Is that separately identified
15 from that of Mr. Finklea?

16 MR. VAN CLEVE: Yes, it is, Your Honor.

17 JUDGE SCHAER: Would you like that to be
18 admitted today as well?

19 MR. VAN CLEVE: Yes, I would, if possible.

20 JUDGE SCHAER: Are there going to be any
21 problems from that from anyone?

22 Good, let's keep moving then.

23 Ms. Dixon, I understand you weren't there for
24 the conference call, so why don't you tell us what we
25 need to put on here to make this correct for you.

01116

1 MS. DIXON: I'm comfortable with what we have
2 added so far. My only hesitation is with Roger Colton.
3 I had anticipated asking him some questions on cross. I
4 haven't had a chance to speak with him yet about the
5 possibility of doing it through some rapidly turned
6 around data requests instead. But I guess my question
7 would be if that were going to be the route I took and
8 that's fine, would those need to be in on Monday, or
9 would it be possible to enter those later in the week?
10 JUDGE SCHAER: Where is Mr. Colton located?
11 MS. DIXON: He is on the East Coast, I
12 believe in Pennsylvania.
13 Is Don on the phone?
14 MS. TENNYSON: Massachusetts, I believe.
15 JUDGE SCHAER: Okay.
16 MS. TENNYSON: He's in a trial this week.
17 JUDGE SCHAER: I think it's probably fair to
18 Mr. Colton to let him know whether he needs to plan to
19 be in Washington next week or not.
20 MS. DIXON: I'm fine with him not taking the
21 stand. I'm just not sure if he would be able to turn
22 around answers as quickly as Monday, having just found
23 out about this new situation. So I guess that would be
24 my only question is would we need to, if we were going
25 to enter some data requests as exhibits, would it have

01117

1 to be Monday morning, or would there be an opportunity
2 later in the week to do so?

3 JUDGE SCHAER: I think that's a question I
4 would like you to discuss with other counsel.

5 MS. DIXON: Okay.

6 JUDGE SCHAER: And see what their responses
7 are. And I think it might be reasonable to let counsel
8 see what those are before they respond, unless you could
9 in describing them give them some level of comfort about
10 what we're talking about.

11 I should indicate at this point that the
12 Commission may as well, if we look through our questions
13 and find that there are some witnesses that might have
14 information we desire that aren't here, may be providing
15 Bench requests to get that information. And so I know
16 that that added uncertainty is uncomfortable, but it
17 also appears to me to be, unless there's something
18 objectionable in an answer that otherwise could be
19 offered and admitted on the basis of an expert's
20 knowledge, that probably it is something that would not
21 be too prejudicial. But that's something that if anyone
22 has concerns let's talk about right now. Is there
23 anything we need to discuss on the record?

24 Otherwise I think I would like to go off the
25 record and let the parties discuss for a moment what

01118

1 information may be coming in that isn't in the hearing
2 room right now and how they want to handle that
3 information and to discuss what we might be able to
4 admit today just to save some time next week.

5 MR. FFITCH: I had one other thing, Your
6 Honor.

7 JUDGE SCHAER: Go ahead, Mr. ffitch.

8 MR. FFITCH: About the scheduling. I didn't
9 raise it before, because it does appear that the time is
10 working out pretty well. However, just to note that we
11 had discussed with Mr. Meyer trying to ensure that we
12 completed the cost of capital witnesses on Thursday.
13 Our interest in that is that our consultant on cost of
14 capital, Mr. Hill, is available to us on Thursday until
15 late in the day.

16 And Mr. Meyer can confirm this, but my
17 understanding was that he had no objection to continuing
18 with Dr. Avera, if necessary, late on Thursday so that
19 we could complete any cross of Dr. Avera with Mr. Hill
20 here present and available to public counsel, and that's
21 perfectly fine with us to go that route. At this point,
22 it's, you know, it's sort of in the bright light of a
23 prehearing conference, it looks like that may not even
24 come up. But as we start slogging through this, it may
25 come up as an issue on next Thursday.

01119

1 JUDGE SCHAER: It's my understanding, and
2 jump in if I'm wrong here folks, that on Wednesday we
3 have Mr. Hill, and it looks like we have some extra
4 time. So that if we have some left over from Tuesday,
5 we could probably accommodate some of it. We have both
6 Mr. Folsom and Mr. Falkner as floating witnesses who
7 have the joy of having to be ready at any moment to fill
8 a gap. And then we have Ms. Hirsch who needs to be on
9 either Thursday or Friday, but would be available Friday
10 if we needed to get the cost of money witnesses done
11 first.

12 With that, it looks to me like we should be
13 able with the estimates to get through the cost of money
14 witnesses on Wednesday and Thursday. But I will note
15 that you would desire to go late on Thursday if that
16 were not the case. And would that accommodate other
17 parties experts' as well, if we were able to finish
18 that? If anything went over I would expect that it
19 might be Mr. Eliassen. Would it prejudice you not to
20 have Mr. Hill here for questioning Mr. Eliassen?

21 MR. FFITCH: It would be helpful to have
22 Mr. Hill here, because some of our questions for
23 Eliassen relate to cost of capital, but I think the more
24 critical matter is to complete Dr. Avera.

25 JUDGE SCHAER: Well, then I think we have

01120

1 said about all we can say at this point. It looks to me
2 very doable to get through Lurito and Avera Thursday,
3 and hopefully Eliassen as well, and maybe even Hirsch.
4 But if we run into problems, then do remind me on
5 Thursday that we might want to discuss going late,
6 because I will then have an opportunity to talk that
7 over with the Commissioners and see how they would like
8 to schedule.

9 MR. FFITCH: Thank you.

10 JUDGE SCHAER: Anything else on the order of
11 witnesses or the time estimates at this point?

12 I'm going to suggest we go off the record for
13 a morning recess and that people talk with Ms. Dixon and
14 with each other and figure out what we can not only
15 identify but admit today and what arrangements we can
16 make about Mr. Colton or other people who are not right
17 now indicated to be witnesses. And if we have to think
18 creatively, it may be possible that we can have
19 Mr. Colton appear by the bridge line or some other way.
20 I really hate to make someone fly out from Massachusetts
21 for 15 minutes of cross.

22 MS. DIXON: And I don't want to do that
23 either. I just want to find out what the flexibility is
24 in terms of actually being able to submit something into
25 the record in written form.

01121

1 JUDGE SCHAER: Okay, is there any --

2 MS. DIXON: I have no desire to make him fly
3 out here.

4 JUDGE SCHAER: Is there anything else we need
5 to talk about before we take a break?

6 Okay, let's be back then at 10:45.

7 (Recess taken.)

8 JUDGE SCHAER: While we were off the record,
9 the parties were having a discussion regarding how to
10 treat data requests of Mr. Colton and how to treat the
11 testimony and exhibits of the parties who were not
12 planning to appear because their appearance has been
13 waived.

14 And before we do that, I think, Mr. Meyer,
15 there was one topic that you wanted to address. Go
16 ahead, please.

17 MR. MEYER: Thank you. Part of what makes
18 this accelerated schedule work is to allow for a
19 sufficient opportunity to brief the issues. I had
20 discussed with the parties the other day and will ask
21 that we conclude today with a ruling that the page limit
22 be extended to 100 pages for the brief.

23 JUDGE SCHAER: This is something that you and
24 I had discussed yesterday as well, and I'm not sure
25 there's uniformity of opinion on this among the

01122

1 administrative law judges. I for one would rather have
2 a long brief that addresses every issue than a shorter
3 brief that leaves me wondering what your position is on
4 something. So I think it is reasonable in a case of
5 this magnitude and with this many witnesses who are not
6 appearing to go ahead and extend the page limit to 100
7 pages.

8 MR. MEYER: Thank you.

9 JUDGE SCHAER: And just keep in mind that the
10 administrative law judge has old eyes. Don't make your
11 footnotes so tiny that I can't read them, okay. And no
12 fair adding three page footnotes to get under the page
13 limit. I'm not going to tear off the last five pages of
14 your brief and send them back to you if you go over by
15 up to about five pages, although I would like you to
16 view the 100 pages as a limit.

17 MR. MEYER: Now there were a couple of other
18 items that you asked us to discuss during recess, one of
19 which was whether we could admit the prefiled direct
20 staff interveners and the prefiled rebuttal of the
21 company. For its part, the company has no objection to
22 introducing after they're marked those exhibits into
23 evidence. Of course, as I mentioned earlier, we would
24 not want to admit any of the cross-examination exhibits
25 today.

01123

1 The only other item is with respect to
2 Colton.

3 JUDGE SCHAER: Mr. Colton.

4 MR. MEYER: Yes. During the break, we
5 talked, and I have a sense that that issue will work
6 itself out in the form of a few data requests and
7 responses that may be agreed upon. May not be agreed
8 upon as early as Monday, but toward the front part of
9 that week. And that does not concern me if it's not put
10 to bed on Monday morning. That's just speaking for
11 myself.

12 JUDGE SCHAER: Is there any other party that
13 wants to address Mr. Colton? I believe that you had
14 raised the issue, Ms. Dixon.

15 MS. DIXON: Yes, and I spoke with the other
16 counsel about that. There seemed to be no objection to
17 introducing data request responses later in the week
18 during the hearings.

19 JUDGE SCHAER: Okay. I fully expect that
20 with this group of counsel, you will be able to work out
21 something acceptable. And I will at this point leave
22 this to counsel to manage. If you do run into a
23 situation where there are items you wish to offer and
24 which counsel can not agree to, we can then have that
25 brought to my attention and we will discuss whether we

01124

1 might want to try to get Mr. Colton to join us. At that
2 point, I would probably consider having him join us on
3 the phone line rather than having him fly out here.

4 As I say, I'm not going to raise the issue
5 again unless one of you brings it to my attention, but
6 I'm going to expect that you will be able to work it
7 out. And at some appropriate point if there are
8 exhibits to be offered, that that offer will be made.

9 MS. DIXON: Thank you.

10 MR. MEYER: The only other item I neglected
11 to mention is that you showed a little bit of latitude
12 in the prior round of hearings with regard to any late
13 filed cross-examination exhibits, realizing that parties
14 did their level best as of today to identify and
15 anticipate those exhibits. So I would assume that if
16 that privilege is not abused that that would be on a
17 select occasional basis an opportunity that any counsel
18 could avail itself of.

19 JUDGE SCHAER: When I sat where you're
20 sitting, I often would find something that would come up
21 even in someone else's questions that I would have an
22 aha moment and know I needed to add something I hadn't
23 known of before. And I think that's reasonable, so I
24 have allowed some latitude and plan to continue to allow
25 some latitude as long as it's not something that I feel

01125

1 is being abused.

2 I had contemplated leaving about a five
3 number gap between parties, and that would give each of
4 you a chance to do somewhat less than one for each party
5 on some kind of rolling average. But if you think we
6 need to leave a little bit larger gap, let me know that.
7 Otherwise we can proceed in that way.

8 I also encourage parties if you do find
9 errors in your witness's testimony or changes to write
10 those down and present them as an errata sheet at the
11 time the testimony comes in instead of having that done
12 orally on the stand. It not only saves time, but it
13 also adds to the accuracy of the record, in my opinion.

14 I think we're then at the part of the hearing
15 where we are going to start putting numbers on exhibits
16 and trying to get all of these organized in some manner.
17 I had raised a question before the break of whether we
18 should -- I think what we need to do is go through the
19 company witnesses first, although someone could talk me
20 out of that if we -- the reason I think we might want to
21 do that is so that we know what our final number is so
22 that we can start numbering the next exhibits.

23 And then we could either take the exhibits of
24 the witnesses who we don't expect to join us next and
25 get those numbered and identified, and if they're

01126

1 offered, admitted, or we could go ahead and with other
2 parties and take them last. I'm kind of inclined to
3 take them first so that if there are counsel here who
4 are here just for that purpose that we don't unduly make
5 them sit through a lot of other things. Any comments on
6 that before we proceed?

7 Mr. Finklea.

8 MR. FINKLEA: Your Honor, in light of the
9 observation about errata sheets, in the event that there
10 are any errata or corrections, that we hadn't focused on
11 Mr. Schoenbeck's testimony with an eye on any
12 corrections, because we didn't know until this morning
13 for sure that he would be not cross-examined for the
14 Northwest Industrial Gas Users. I would suggest that we
15 mark the exhibits today, but the actual admission of the
16 exhibit could occur Monday morning if there is going to
17 be a prehearing conference on Monday morning prior to
18 the hearing.

19 MR. MEYER: Well, I --

20 JUDGE SCHAER: Let's talk about that for just
21 a moment. If we do have a conference Monday morning,
22 then I would think by that point probably we would know
23 even on the cross-examination exhibits whether there
24 were going to be objections, and we might be able to
25 admit just about everything and to focus then on where

01127

1 the objections might be. But I might be thinking that
2 you guys can do more than you can actually do between
3 now and Monday, so what are your thoughts?

4 I think probably the biggest burdon would be
5 on you, Mr. Meyer, or on Mr. ffitch or on commission
6 staff. Do you think you can get through these cross
7 exhibits by Monday morning and know where you stand on
8 them?

9 MR. MEYER: Maybe but perhaps not, so I am
10 not going to commit to by Monday morning having a
11 position on whether I object to certain cross exhibits.
12 In fact, I question given our travel arrangements, we
13 have most of us coming over the night before but some
14 coming over Monday morning, whether there's enough
15 business to warrant yet another conference Monday
16 morning, so I just wanted to --

17 JUDGE SCHAER: That's one of the things we're
18 trying to sort out, and it wouldn't necessarily have to
19 be at 9:30, maybe from 11:00 to 12:00 or something of
20 that nature. I would just like to be ready at 1:30 when
21 the commissioners enter the room to start asking
22 questions of the first witness.

23 MR. MEYER: To that end, depending on --

24 JUDGE SCHAER: We could even start at 1:00
25 and --

01128

1 MR. MEYER: Yeah, 1:00.

2 JUDGE SCHAER: -- and then let the
3 commissioners come in. There are different ways to
4 handle this. I just don't want to waste hearing time on
5 things we can do outside the hearing, because hearing
6 time is getting pretty precious.

7 Any other thoughts?

8 MR. FFITCH: We would be available for a late
9 morning. Public counsel would be available for a late
10 morning prehearing, if that seems otherwise appropriate.

11 JUDGE SCHAER: Do you think it's going to be
12 something that would be useful? I'm still looking for
13 guidance on that question also.

14 MR. FFITCH: Well, if I had to say right now,
15 I would say yes sort of in the interests of precaution,
16 but we may know better when we're done with going
17 through these witnesses. And I understand the travel
18 problem for the Avista parties. I'm not trying to
19 suggest that they should change plans, but.

20 JUDGE SCHAER: I wouldn't want to do that at
21 this point either.

22 MR. FFITCH: But we would be available if you
23 wanted to start something late morning or an hour or so
24 before the hearing starts so as not to cut into hearing
25 time.

01129

1 JUDGE SCHAER: Commission staff.

2 MS. TENNYSON: Likewise, commission staff it
3 could be useful. And we concur with public counsel, we
4 may know better at the end of this, today's proceedings,
5 but we would be available at any time on Monday.
6 Probably shortly before the hearing would be the best
7 time to do it, so then we all are ready and can put our
8 stuff in the room, et cetera.

9 JUDGE SCHAER: Any other comments?

10 Okay, well, then let's get started and see
11 how much we can get done. Hopefully we can get most of
12 this done by noon. So let's start with, looking at the
13 exhibit list, let's start with Mr. Matthews.

14 MR. FFITCH: Your Honor, which exhibit list
15 are you referring to, the existing?

16 JUDGE SCHAER: I'm referring to the existing
17 exhibit list for the proceeding, which has numbers for
18 Mr. Matthews currently up through Exhibit 13, and then a
19 gap from 13 to 26, and I'm looking at starting with 14
20 and going forward to put identification numbers on his
21 exhibits.

22 And so I'm going to call on you again,
23 Mr. Meyer, just to, if you have it handy --

24 MR. MEYER: Actually, I do not have that
25 particular --

01130

1 JUDGE SCHAER: -- to take us through it.

2 MR. MEYER: If you have it in front of you,
3 we can just follow along. That might be the best thing.

4 JUDGE SCHAER: I'm going to start with T-14
5 for identification, and that will be what is identified
6 as Exhibit TMM-T, rebuttal, and that is the rebuttal
7 testimony of Mr. Matthews. And then Exhibit 15 for
8 identification is identified as TMM-1, and we do have a
9 problem that we have numbers being used that were used
10 on the direct also. So this is headed cost of living
11 indices versus cost of electricity. Were there any
12 other rebuttal exhibits filed for Mr. Matthews?

13 MR. MEYER: No.

14 JUDGE SCHAER: Okay, then I'm going to ask
15 commission staff to identify what you have, if anything,
16 for Mr. Matthews.

17 MS. TENNYSON: We have no exhibits.

18 JUDGE SCHAER: Mr. ffitch, any exhibits for
19 Mr. Matthews?

20 MR. FFITCH: Yes, Your Honor.

21 JUDGE SCHAER: Okay.

22 MR. FFITCH: There are two exhibits. They
23 are on this top of everybody's stack, and I guess this
24 is as good a time as any to explain the cheat sheet.

25 JUDGE SCHAER: Okay, please go ahead.

01131

1 MR. FFITCH: What you have in the bucket file
2 is the entire set of public counsel exhibits. Each
3 witness has a cover sheet with the witness's name and
4 the list of the exhibits. Each witness is separated by
5 a goldenrod sheet. Each exhibit is separated by a blue
6 sheet. What you have in the set of cheat sheets is I
7 pulled out the cover sheet for each witness, so those
8 are in order according to what's in your bucket file.

9 JUDGE SCHAER: Okay.

10 MR. FFITCH: And I have also put page numbers
11 on the cheat sheets so I can direct people more easily.
12 So Matthews, again, is number 1 on the cheat sheet.
13 It's also the first group of exhibits in the packet, and
14 we have two documents.

15 JUDGE SCHAER: Okay, so I'm going to mark for
16 identification as Exhibit 16 a document which is public
17 counsel data request 158, and I should have said that is
18 the response by Avista to public counsel data request
19 158. And as Exhibit 17, a document that is public
20 counsel, the response to public counsel data request
21 223.

22 Does any other party have any exhibits for
23 Mr. Matthews?

24 Okay, then the next witness on the exhibit
25 list is Mr. Turner. Does Mr. Turner appear in rebuttal?

01132

1 MR. MEYER: No.

2 JUDGE SCHAER: Okay.

3 MR. FFITCH: Your Honor, we had identified
4 documents in our packet, and I'm hoping that these can
5 simply come in through stipulation. I'm not sure if you
6 want to give them -- well, so you may want to give them,
7 mark them for identification at this point. Then we can
8 discuss that with counsel.

9 JUDGE SCHAER: Okay, I'm going to mark for
10 identification -- well, let's back up for a moment.

11 Mr. Meyer, if you look at page two here, you
12 see the two exhibits that public counsel would like to
13 have identified. Would you like them to come in by
14 stipulation under Mr. Turner? Would you like them to
15 come in under one of your other witnesses so you could
16 ask that witness? Do you know?

17 MR. MEYER: I don't know yet. I haven't
18 looked at them.

19 JUDGE SCHAER: Okay.

20 MR. MEYER: But I don't have any objection to
21 going ahead and marking them.

22 JUDGE SCHAER: I'm just wondering where to
23 put them in the numbering system. Should I mark them
24 under Mr. Turner or under one of your witnesses like
25 Mr. Dukich who will be appearing?

01133

1 MS. TENNYSON: Mr. Falkner appears to have
2 responded to the requests.

3 MR. MEYER: I think Hirschhorn would be the
4 best one for those two.

5 JUDGE SCHAER: Okay, so we will go back then,
6 we will just write Hirschhorn on this page and throw it
7 aside for a minute.

8 MR. FFITCH: I guess, Your Honor, I will just
9 note that the responder was Mr. Falkner to those data
10 requests.

11 JUDGE SCHAER: Okay.

12 MR. FFITCH: So I'm a little confused.

13 JUDGE SCHAER: I think Mr. Meyer is aware of
14 that, and he will designate who will respond. And since
15 Mr. Falkner is in the room and Mr. Hirschhorn isn't --

16 MR. MEYER: It's easier to have Hirschhorn
17 in.

18 JUDGE SCHAER: -- I think we have seen one of
19 the laws of rate case physics just applied, but we will
20 not allow Mr. Hirschhorn when you get to him to say, oh,
21 you should have asked Mr. Falkner, you can't ask me,
22 because Mr. Meyer will go home and talk to
23 Mr. Hirschhorn about these.

24 So then we come to --

25 MR. FFITCH: Were those going to be numbered

01134

1 for --

2 JUDGE SCHAER: We're going to number those
3 when we get to Hirschhorn, so just writing Hirschhorn on
4 that page, tearing it out, and setting it to the side
5 right now.

6 Which brings us next to Mr. Dukich, and the
7 next exhibit for Mr. Dukich would be T-84.

8 And I am going to call on you, Mr. Meyer,
9 just to lead us through the rebuttal exhibits that you
10 prefiled for Mr. Dukich.

11 MR. MEYER: Surely. T-84 was marked, which
12 is rebuttal testimony. The next one attached to that
13 rebuttal was identified as TDD-1 which is ice storm '96
14 overview. Presumably you would like to mark that 85.

15 JUDGE SCHAER: Yes.

16 MR. MEYER: And the next one is TDD-2,
17 described as Avista versus BPA running average
18 percentage increments or increase between 1987-2000
19 marked as Exhibit 86.

20 JUDGE SCHAER: Yes.

21 MR. MEYER: Next is TDD-3. If you don't
22 mind, I will omit the description, because what I passed
23 out provides that. Is that okay, or would you like me
24 to give a short description?

25 JUDGE SCHAER: Perhaps you will want to show

01135

1 me what document it is that you're referring to that you
2 handed out, because I think --

3 MR. MEYER: I'm sorry, it was on the top of
4 the package that you all received, there's a master.

5 JUDGE SCHAER: If I had known that, it would
6 have helped. This was the kind of thing I was asking
7 for at the beginning, just kind of where we have lists
8 we can work from.

9 MR. MEYER: Would you like me to proceed, or
10 would you like to?

11 JUDGE SCHAER: I think with this, I could
12 proceed.

13 MR. MEYER: Okay.

14 JUDGE SCHAER: So we have Judge Caille was
15 handling that and had to leave for a few moments, so
16 Exhibit 88 for identification we have a document TDD-4,
17 which is Clark Fork Hydro flexibility value.

18 MR. MEYER: You missed TDD-3.

19 JUDGE SCHAER: Oh, I'm sorry, I thought we
20 had done that. TDD-3 has been marked for identification
21 as Exhibit 87, which is change in customers and rates
22 for Puget and Avista. And TDD-5 would be Exhibit 89 for
23 identification, which is labeled embedded cost of
24 electric service.

25 The next witness would be Mr. Avera.

01136

1 Wait a minute, back up. Does commission
2 staff have exhibits for Mr. Dukich?
3 MS. TENNYSON: We do not.
4 JUDGE SCHAER: Does public counsel?
5 MR. FFITCH: Public counsel does.
6 JUDGE SCHAER: Okay. Looking at your list
7 here, Mr. ffitch.
8 MR. FFITCH: Conveniently next in the
9 packets.
10 JUDGE SCHAER: It looks like you have four
11 documents; is that correct?
12 MR. FFITCH: That is correct, Your Honor.
13 JUDGE SCHAER: So we would mark at this point
14 for identification as Exhibit 90 the Avista response to
15 public counsel data request 136, as Exhibit 91 the
16 Avista response to public counsel data request 137, as
17 Exhibit 92 the Avista response to public counsel data
18 request 138, as Exhibit 93 the Avista response to public
19 counsel data request 139.
20 MR. FFITCH: Your Honor.
21 JUDGE SCHAER: Yes.
22 MR. FFITCH: In addition --
23 JUDGE SCHAER: Okay.
24 MR. FFITCH: -- we have, if you can bear with
25 me one moment, we have one additional exhibit to

01137

1 identify which we did not include in the packet.

2 JUDGE SCHAER: Okay, go ahead. Do you need
3 to distribute that at this time or just give us the
4 identifier?

5 MR. FFITCH: All I have at this point is the
6 identifier. We need to distribute it later.

7 JUDGE SCHAER: Okay, go ahead, please.

8 MR. FFITCH: This would be the response to
9 public counsel data request number 182.

10 JUDGE SCHAER: Okay, so we would mark for
11 identification then as Exhibit 94 the Avista response to
12 public counsel data request 182.

13 Do any other parties have exhibits for
14 Mr. Dukich?

15 Okay, we come next to Mr. Norwood. Excuse
16 me, we come next to Mr. Avera. We will mark for
17 identification as Exhibit T-135 the rebuttal testimony
18 of Dr. Avera. And as exhibit for identification 136 is
19 document WEA-1, which includes items A, B, and C. A is
20 a Lurito DCF analysis, B, Hill competitive sector growth
21 rate, and C, Hill comparable group capital structure.

22 MS. TENNYSON: Your Honor, if I might inquire
23 about the A, B, and C designations on the exhibit, that
24 was actually filed there listed as schedule six, seven,
25 and eight.

01138

1 JUDGE SCHAER: Okay.

2 MS. TENNYSON: I don't have any A, B, and C.
3 Do we want to identify them that way?

4 JUDGE SCHAER: I think that might be better.
5 I'm just concerned because we're reusing identifiers at
6 the beginning so that I'm giving more of a description
7 than I otherwise would need to at this point. But do
8 you have any problem with identifying those as schedule
9 six, seven, and eight?

10 MR. MEYER: No.

11 JUDGE SCHAER: Seems to me clearer because
12 then you're not going to get confused with one through
13 five.

14 MR. MEYER: Sure.

15 JUDGE SCHAER: So Exhibit 136 for
16 identification has schedules six, seven, and eight for
17 Dr. Avera.

18 MS. TENNYSON: You did start with 135 here?

19 JUDGE SCHAER: T-135, yes.

20 MS. TENNYSON: On the list I have in front of
21 me, I only had going up to 127.

22 JUDGE SCHAER: We can compare lists. Let me
23 just put back a page.

24 MS. TENNYSON: I don't have the final.

25 JUDGE SCHAER: I do have on our list exhibits

01139

1 admitted through 134 already.

2 MS. TENNYSON: This is just my working copy I
3 have in front of me. I don't have the final ones.

4 JUDGE SCHAER: Okay, now that certainly is
5 something we will be putting together a list with
6 everything that's identified by Monday, and we will be
7 happy to share that with the parties so we can make sure
8 we're all calling the same thing the same number.

9 Now does commission staff have exhibits for
10 Dr. Avera?

11 MS. TENNYSON: We do not.

12 JUDGE SCHAER: Public counsel appears to have
13 a list of them. Is this list complete, Mr. ffitch?

14 MR. FFITCH: Your Honor, we will be adding
15 one additional exhibit. I don't know the identification
16 of it at this point.

17 JUDGE SCHAER: Okay, we will leave a number
18 for it then, or actually we will just identify it when
19 you bring it, because we do have in this number series a
20 gap. So for identification as Exhibit 137, we have the
21 Avista response to public counsel data request 194. 138
22 would be the Avista response to public counsel data
23 request 197. 139 would be the Avista response to public
24 counsel data request 201. 140 would be the Avista
25 response to public counsel data request 216. 141 would

01140

1 be the Avista response to public counsel data request
2 213. 142 would be the Avista response to public counsel
3 data request 204. 143 would be the Avista response to
4 public counsel data request 206. 144 would be the
5 Avista response to public counsel data request 207. 145
6 would be the Avista response to public counsel data
7 request 209. 146 would be the Avista response to public
8 counsel data request 210. 147 would be the Avista
9 response to public counsel data request 220 and 221.
10 148 would be the Avista response to public counsel data
11 request 222. 149 would be the Avista response to public
12 counsel data request 135. And if we get more than one
13 more exhibit, we will have to move outside our current
14 number sequence.

15 MR. FFITCH: Your Honor, I will just note
16 people may discover as they're looking through their
17 packets that Exhibit 141 marked for identification,
18 which is the response to 213, we are still talking with
19 the company about the response. We had another
20 conversation just this morning, and so we will have to
21 supplement that particular item.

22 JUDGE SCHAER: Okay.

23 MR. FFITCH: There's just a place holder
24 sheet in there for 213 right now.

25 JUDGE SCHAER: Okay, thank you.

01141

1 We next have Mr. Norwood, I believe.

2 MR. MEYER: Actually, we have Mr. Eliassen.

3 JUDGE SCHAER: I don't have a gap in the
4 exhibit list to put in numbers for Mr. Eliassen,
5 Mr. Meyer.

6 MR. MEYER: He wasn't a direct witness.

7 JUDGE SCHAER: That's correct, that's why I'm
8 going to have to keep him until the end.

9 MR. MEYER: Okay, that's fine.

10 JUDGE SCHAER: Because I'm going by the order
11 of the original witness lists right now to fill in
12 numbers on the witnesses.

13 MR. MEYER: Okay.

14 JUDGE SCHAER: But remind me when we get to
15 the end if I forget to bring up Mr. Eliassen.

16 And it looks to me like the rebuttal
17 testimony for Mr. Norwood would be Exhibit T-203. And
18 his exhibit, wait a minute, and then his exhibit PGE
19 contract excerpts would be 204 for identification. His
20 exhibit proceeds from PGE monetization would be 205 for
21 identification. His exhibit PGE monetization staff case
22 versus company would be 206 for identification.
23 Response by Mr. Buckley to Avista data request number 47
24 would be 207. His exhibit Avista's commercial trading
25 estimates would be Exhibit 208. His exhibit historical

01142

1 stream flow data Columbia River Avista would be number
2 209 for identification. Avista dispatch simulation
3 model analysis would be 210 for identification. Load
4 resource tabulation would be 211 for identification.
5 Exhibit in two parts showing the OASIS non-firm and S/T
6 firm Wheeling revenue and capacity purchases would be
7 212 for identification. His exhibit in two parts, A,
8 Avista average purchase power prices, and B, Dow Jones
9 Mid Columbia index would be Exhibit 213 for
10 identification. His exhibit TransAlta replacement power
11 contract would be Exhibit C, confidential, 214 for
12 identification. Exhibit equivalent availability factor
13 GADS versus Colstrip 3 and 4 would be 215 for
14 identification. His exhibit Buckley response to Avista
15 data request number 11 would be 216 for identification.
16 And his exhibit Washington Water Power 1997 IRP would be
17 Exhibit 217 for identification.

18 Did commission staff have exhibits for
19 Mr. Norwood?

20 MR. TRAUTMAN: We do, Your Honor. We have
21 three exhibits.

22 JUDGE SCHAER: Have you given me some kind of
23 a nice cover sheet of those?

24 MR. TRAUTMAN: Yes, I have.

25 MS. TENNYSON: We have an individual cover

01143

1 sheet and a master.

2 JUDGE SCHAER: Why don't you pass out the
3 master, if you would.

4 Exhibit 218 for identification would be the
5 Avista response to WUTC data request number 188.
6 Exhibit 219 for identification would be the Avista
7 response to WUTC data request number 189. Exhibit 220
8 for identification would be the Avista response to WUTC
9 data request number 190.

10 MR. MEYER: May I have just a moment, please?

11 JUDGE SCHAER: Certainly.

12 (Discussion off the record.)

13 JUDGE SCHAER: Does public counsel have
14 exhibits for Mr. Norwood?

15 MR. FFITCH: Your Honor, we were going to
16 request official notice of two documents, the motion to
17 reopen in the Centralia docket dated April 11th, 2000,
18 and the Commission's decision on that motion to reopen.
19 Those were the only two documents we have. We have not
20 included those at this point in the packet of exhibits
21 because they were in a separate category, an official
22 notice category. This is the first that Mr. Meyer has
23 heard about this.

24 JUDGE SCHAER: Okay.

25 MR. FFITCH: I just mention at this point I'm

01144

1 not sure if you want to mark those as an exhibit, or I
2 just wanted to bring it up.

3 JUDGE SCHAER: I would expect that the motion
4 should be marked as an exhibit. I'm not certain of our
5 ability to take official notice of that. We may be able
6 to, but I think it would be handier to have that in the
7 record. As far as in terms of an order, I don't think
8 we need to even take official notice. I think the
9 Commission's orders are readily available and are
10 something that we can look at and discuss. So I would
11 like you to mark for identification and distribute
12 copies of the motion as exhibit for identification 221.

13 MR. FFITCH: Thank you, Your Honor.

14 JUDGE SCHAER: Are there any other exhibits
15 for Mr. Norwood?

16 Go ahead, Mr. Van Cleve.

17 MR. VAN CLEVE: Yes, Your Honor, ICNU has one
18 exhibit for Mr. Norwood.

19 JUDGE SCHAER: Okay, and that would be?

20 MR. VAN CLEVE: It's a one page exhibit that
21 says a net present value table.

22 JUDGE SCHAER: Okay, so I'm going to mark for
23 identification as Exhibit 222 a net present value table.

24 Are there any other exhibits for Mr. Norwood
25 at this time?

01146

1 Exhibit T-268, which would be his rebuttal testimony.

2 I want to go off the record for just a moment
3 to discuss scheduling.

4 (Recess taken.)

5 JUDGE SCHAER: Back on the record after a
6 brief recess. At this point, we are marking for
7 identification the exhibits of Mr. Falkner. We have
8 marked his rebuttal testimony as Exhibit T-268. His
9 exhibit electric results of operation proforma and
10 restated results is Exhibit 269. His exhibit gas
11 results of operation proforma and restated results is
12 Exhibit 270. Exhibit 271, I think I will follow again
13 the convenience rule and mark it as an exhibit even
14 though it's not necessarily an exhibit, so we will mark
15 WUTC Order in Cause Number U-79-43/U-79-49/U-79-50 as
16 Exhibit 271 for identification. The PGE contract
17 buydown revenue will be marked as 272 for
18 identification. Avista tariff WN U-29 will be marked
19 for identification as Exhibit 273. And the Avista
20 Corporation revision to Schooley exhibit TES-5 will be
21 marked for identification as Exhibit 274.

22 Commission staff exhibit Avista Corporation
23 schedule 58 tax adjustment will be marked for
24 identification as 275. Commission staff exhibit Avista
25 Corporation schedule 158 tax adjustment will be marked

01147

1 for identification as Exhibit 276. The Avista response
2 to WUTC data request number 330 will be marked for
3 identification as Exhibit 277. The Avista response to
4 WUTC data request number 13 will be marked for
5 identification as Exhibit 278. The Avista response to
6 WUTC data request number 331 will be marked for
7 identification as Exhibit 279. The Avista response to
8 WUTC data request number 332 will be marked for
9 identification as Exhibit 280. An Avista Incorporated
10 web site advertisement will be marked for identification
11 as Exhibit 281. The Avista response to WUTC data
12 request number 336 will be marked for identification as
13 Exhibit 282. And the Avista response to WUTC data
14 request number 337 will be marked for identification as
15 Exhibit 283.

16 And then looking at the public counsel
17 exhibits, the Avista response to public counsel data
18 request number 104 will be marked as Exhibit 284. The
19 Avista response to public counsel data request number
20 120 will be marked as Exhibit 285. The Avista response
21 to public counsel data request 132 will be marked as
22 Exhibit 286. The Avista response to public counsel data
23 request 133 will be marked as Exhibit 287. The Avista
24 response to public counsel data request number 110 will
25 be marked as Exhibit 288. And the Avista response to

01148

1 public counsel data request 112 will be marked as
2 Exhibit 289.

3 Are there any other exhibits for Mr. Falkner?

4 MR. FFITCH: Your Honor, just on our
5 exhibits, I just wanted to draw Mr. Meyer's attention to
6 the fact that there were some DeFelice documents which
7 we put into the Falkner group. Those are DR's that had
8 Mr. DeFelice identified as the witness. I believe
9 they're the last two, 288 and 289. I just wanted to
10 draw counsel's attention to that.

11 MR. MEYER: Thank you.

12 JUDGE SCHAER: Would you like to look at
13 those and see if you would like them under Mr. Falkner
14 or if you would prefer them under Mr. DeFelice, or would
15 you like to just leave things as they are?

16 MR. MEYER: Let's just keep moving.

17 JUDGE SCHAER: Okay.

18 MR. MEYER: That probably will work. I will
19 look at them and let you know.

20 JUDGE SCHAER: Otherwise you can let us know,
21 and we will put them where they need to be.

22 The next person in the exhibit list is
23 Mr. DeFelice, and he is not a rebuttal witness; is that
24 correct?

25 MR. MEYER: Right.

01149

1 JUDGE SCHAER: Then we come to Mr. Folsom,
2 and it appears that exhibit for identification Number
3 T-326 will be Mr. Folsom's rebuttal testimony, and I
4 don't have any other exhibits for Mr. Folsom from the
5 company; is that correct?

6 MR. MEYER: That's correct.

7 JUDGE SCHAER: Does commission staff have
8 exhibits for Mr. Folsom?

9 MR. TRAUTMAN: No, Your Honor.

10 JUDGE SCHAER: Does public counsel have
11 exhibits for Mr. Folsom?

12 MR. FFITCH: No, Your Honor.

13 JUDGE SCHAER: Does anyone else have exhibits
14 for Mr. Folsom? Thank you.

15 The next witness in the exhibit list is
16 Mr. Anderson, and his rebuttal testimony will be marked
17 for identification as Exhibit T-349. His exhibit headed
18 administrative cost Clark Fork project will be Exhibit
19 350 for identification. His exhibit summary of
20 personnel assigned to implement Clark Fork agreement
21 will be 351 for identification. And his exhibit Clark
22 Fork agreement costs of protection, mitigation, and
23 enhancement measures would be 352 for identification.

24 Does staff have exhibits for Mr. Anderson?

25 MR. TRAUTMAN: Yes, we have one. We have

01150

1 predistributed it.

2 JUDGE SCHAER: Okay, thank you.

3 Marked as Exhibit 353 for identification is
4 the Avista response to WUTC data request number 10.

5 Does public counsel have exhibits for
6 Mr. Anderson?

7 MR. FFITCH: We do not, Your Honor.

8 JUDGE SCHAER: Does anyone else have exhibits
9 for Mr. Anderson?

10 Hearing no one, we will proceed. The next
11 witness is Ms. Mitchell, and we will mark for
12 identification as Exhibit T-393 her rebuttal testimony.
13 As her Exhibit 394, a document headed corrected
14 subsidiary allocations '97 through '99. As 395 for
15 identification, analysis of proforma executive officer
16 compensation. As Exhibit 396 for identification,
17 analysis of proforma executive officer compensation A&G
18 salaries.

19 Does commission staff have exhibits for
20 Ms. Mitchell?

21 MR. TRAUTMAN: We do, Your Honor.

22 JUDGE SCHAER: Okay, then starting with
23 Exhibit Number 397 for identification, mark the
24 following documents as indicated for identification. As
25 Exhibit 397, March 31, 2000, letter to shareholders with

01151

1 annual report proxy and financial report. As Exhibit
2 398 for identification, a March 31, 1998, letter to
3 shareholders. As Exhibit 399 for identification, a news
4 release, electrifying paycheck for CEO. As Exhibit 400
5 for identification, the form 10-K for the fiscal year
6 ending December 31, 1999. Is that Avista's 10-K?

7 MR. TRAUTMAN: I believe so, yes.

8 JUDGE SCHAER: Thank you. As Exhibit 401,
9 Exhibit C-401, Avista's response to WUTC data request
10 number 286, a confidential document. As Exhibit C-402,
11 the Avista response to WUTC data request number 298.
12 That's a confidential exhibit. As Exhibit C-403, the
13 Avista response to WUTC data request number 220. As
14 Exhibit 404, a January 29th, 2000, authorization to
15 issue reimbursement for relocation expenses. As Exhibit
16 405, the Avista response to WUTC data request number
17 326. As Exhibit 406, the Avista response to WUTC data
18 request number 221.

19 (Discussion off the record.)

20 JUDGE SCHAER: As Exhibit 407, the Avista
21 response to WUTC data request number 300, and that is a
22 C, that's a confidential document. As Exhibit C-408,
23 the Avista response to WUTC data request number 302,
24 which is a confidential document. As Exhibit 409, the
25 Avista response to WUTC data request number 305. And as

01152

1 Exhibit 410, the Avista response to WUTC data request
2 number 346.

3 And did public counsel have exhibits for
4 Ms. Mitchell?

5 MR. FFITCH: Your Honor, yes, we do.

6 JUDGE SCHAER: Okay.

7 MR. FFITCH: We have one, and that is on --

8 JUDGE SCHAER: Page nine, okay, so I'm going
9 to mark for identification as Exhibit 411 the Avista
10 response to public counsel data request 129.

11 Are there any other exhibits for
12 Ms. Mitchell?

13 It appears then that the next witness would
14 be Mr. Johnson. Mark for identification as Exhibit
15 T-447 Mr. Johnson's rebuttal. Just a moment. Okay,
16 we're going to mark for identification as Exhibit T-426
17 Mr. Johnson's rebuttal, as Exhibit 427 his PCA
18 calculation diagram, as Exhibit 428 his PCA example
19 worksheets, and as Exhibit 429 his hydro hourly shape
20 adjustment example worksheet.

21 Does staff have exhibits for Mr. Johnson?

22 MR. TRAUTMAN: We do not, Your Honor.

23 JUDGE SCHAER: Okay, does public counsel have
24 exhibits for Mr. Johnson?

25 MR. FFITCH: We do.

01153

1 JUDGE SCHAER: What page are we on,
2 Mr. ffitch?

3 MR. FFITCH: I'm sorry, Your Honor, we're on
4 page ten, and we have identified one exhibit on this
5 list. In addition I have with me copies of a transcript
6 excerpt from the Centralia case which we intend to offer
7 as an additional cross-examination exhibit through
8 Mr. Johnson.

9 JUDGE SCHAER: Okay.

10 MR. FFITCH: It may be that these can just
11 come in again by agreement. I have 20 copies of the
12 document, and I can describe it and pass it out.

13 JUDGE SCHAER: Okay, why don't we go ahead
14 and identify it at this point, and then when we get to a
15 point of looking at what we can admit, perhaps there
16 will have been a moment for parties to have looked at
17 it. And actually while I'm identifying things, are you
18 taking notes, do you need to stay and take notes of the
19 numbers, or can you pass that out while I identify
20 things?

21 MR. FFITCH: I can pass it out.

22 JUDGE SCHAER: Okay. So we're going to mark
23 for identification as Exhibit 430 Exhibit Number 304 in
24 Docket Number UE-991255, and as Exhibit Number 431
25 selected pages. Perhaps you can give us the numbers,

01154

1 Mr. ffitch.

2 MR. FFITCH: Pages 264 through 281.

3 JUDGE SCHAER: Pages 264 through 281 of the
4 transcript from Docket Number UE-991255.

5 Does anyone else have exhibits for

6 Mr. Johnson?

7 Next witness then is Mr. McKenzie. Mark for
8 identification as Exhibit T-447 his rebuttal testimony,
9 as Exhibit 448 his exhibit Centralia gain plant cost
10 removal and replacement power, as Exhibit 449 for
11 identification sale of Centralia power plant assignment
12 of gain and calculation of state income tax.

13 Does staff have exhibits for Mr. McKenzie?

14 MR. TRAUTMAN: We do not.

15 JUDGE SCHAER: Does public counsel have
16 exhibits for Mr. McKenzie?

17 MR. FFITCH: I don't believe so. May I have
18 a moment, Your Honor?

19 JUDGE SCHAER: Certainly.

20 MR. FFITCH: Let me just double check. We do
21 not, Your Honor. Also at this time I will note McKenzie
22 was one of the witnesses we weren't sure about cross.
23 He's not on the list of witnesses to be crossed, and we
24 are not going to have any questions for Mr. McKenzie.

25 JUDGE SCHAER: That's some good news, thank

01155

1 you. So we will modify our order of witnesses to
2 confirm that there will not be questions of
3 Mr. McKenzie.

4 The next witness on the list is Ms. Knox, and
5 we will mark for identification her rebuttal testimony
6 as Exhibit T-473. Are there any exhibits from staff for
7 Ms. Knox?

8 MR. TRAUTMAN: No, Your Honor.

9 JUDGE SCHAER: Any exhibits from public
10 counsel for Ms. Knox?

11 MR. FFITCH: Yes, Your Honor.

12 JUDGE SCHAER: What page, please?

13 MS. TENNYSON: Page six.

14 MR. FFITCH: I'm advised it's page six.

15 JUDGE SCHAER: Okay.

16 MR. FFITCH: There are two exhibits
17 identified there, Your Honor.

18 JUDGE SCHAER: Marked for identification as
19 Exhibit 474 is the Avista response to public counsel
20 data request number 148. And marked for identification
21 as Exhibit 475 is the response to public counsel data
22 request 111.

23 MR. FFITCH: Your Honor, we can also state at
24 this time that if we are able to reach agreement that
25 those two documents can come in by stipulation, we would

01156

1 not have any questions for Ms. Knox.

2 JUDGE SCHAER: Okay, I'm going to ask
3 Mr. Meyer to make a note to look at those, and perhaps
4 he will be able to let us know today whether that can
5 happen. And if he can't, then we will ask him to let us
6 know Monday morning. Thank you.

7 The next person on your exhibit list is
8 Mr. Hirschhorn. We will mark for identification as
9 Exhibit T-506 his rebuttal testimony, and as Exhibit 507
10 for identification a document he has prepared in three
11 parts which in section A discusses joint proposed rate
12 spread, B, revenue to cost ratio, and C, Avista's
13 generating resources and net system load.

14 Does commission staff have exhibits for
15 Mr. Hirschhorn?

16 MR. TRAUTMAN: No, Your Honor.

17 JUDGE SCHAER: Public counsel, do you have
18 questions, Mr. ffitch?

19 MR. FFITCH: We do have exhibits for
20 Mr. Hirschhorn at page seven.

21 JUDGE SCHAER: Okay.

22 MR. FFITCH: We have identified four
23 exhibits, Your Honor.

24 JUDGE SCHAER: And I have been asked to have
25 you look at page two, and see I think we made a note

01157

1 earlier to include two exhibits for Mr. Hirschhorn that
2 had been identified for Mr. Turner.

3 MR. FFITCH: Oh, yes, thank you.

4 JUDGE SCHAER: Okay.

5 MR. FFITCH: Those could be simply added to
6 the end of the list for Mr. Hirschhorn.

7 JUDGE SCHAER: Okay, so I'm going to mark for
8 identification as Exhibit 508 the Avista response to
9 public counsel data request 149, as Exhibit 509 the
10 Avista response to public counsel data request 150, as
11 Exhibit 510 the Avista response to public counsel data
12 request 151, as 511 the Avista response to public
13 counsel data request 152, as 512 the Avista response to
14 public counsel data request 107, and as 513 the public
15 counsel response to, the Avista response, excuse me, to
16 public counsel data request 118.

17 Are there any other exhibits for
18 Mr. Hirschhorn?

19 And at this point, I believe we need to give
20 a number to the testimony and exhibits of Mr. Eliassen
21 and to the testimony of Ms. Feltes. So let's leave a
22 short gap after Mr. Hirschhorn and start with Exhibit
23 T-520, which will be the rebuttal testimony of
24 Mr. Eliassen. And exhibit for identification 521 which
25 will be his JEE-1.

01158

1 Does staff have exhibits for Mr. Eliassen?

2 MS. TENNYSON: We will possibly have one
3 exhibit. I have not predistributed it. It was just
4 suggested to me this morning that we may want to use it.

5 JUDGE SCHAER: Okay. And does public counsel
6 have exhibits for Mr. Eliassen?

7 MR. FFITCH: Yes, Your Honor.

8 JUDGE SCHAER: Ms. Tennyson, do you know
9 whether it's just going to be one exhibit?

10 MS. TENNYSON: Yes, because the other exhibit
11 we would be using has already been admitted or is being
12 proposed as an exhibit to be used with Dr. Avera by
13 public counsel, so we can just refer back to that one.

14 JUDGE SCHAER: Okay. Why don't we give you a
15 number of 522 and have you go ahead and mark that as
16 Exhibit 522 before you distribute it. And remind me
17 that it will need to be identified.

18 MR. FFITCH: Your Honor, our list is at page
19 eight of the cheat sheet.

20 JUDGE SCHAER: Thank you. So I believe we're
21 starting with Exhibit 523. Marked for identification as
22 Exhibit 523 is the Avista response to public counsel
23 data request 165. Marked for identification as Exhibit
24 524 is the Avista response to public counsel data
25 request 167. Marked for identification as Exhibit 525

01159

1 is the Avista response to public counsel data request
2 171. Marked for identification as Exhibit 526 is the
3 Avista response to public counsel data request 175.
4 Marked for identification as Exhibit 527 is the Avista
5 response to public counsel data request 176. Marked for
6 identification as Exhibit 528 is the Avista response to
7 public counsel data request 178. Marked for
8 identification as Exhibit 529 is the Avista response to
9 public counsel data request 134. And marked for
10 identification as Exhibit 530 is the Avista response to
11 public counsel data request 166.

12 Are there any other exhibits for Mr. Eliassen
13 at this time?

14 And then let's mark for identification as
15 Exhibit T-535 the testimony of Ms. Feltes.

16 Does commission staff have any exhibits for
17 this witness? Does public counsel have any exhibits for
18 this witness?

19 MR. TRAUTMAN: No, Your Honor.

20 MR. FFITCH: No, Your Honor.

21 JUDGE SCHAER: Does anyone else have any
22 exhibits for this witness?

23 Mr. Eliassen, does that identify all of the
24 prefiled rebuttal of your witnesses, Mr. Meyer?

25 MR. MEYER: I think that does it for ours.

01160

1 JUDGE SCHAER: Okay, thank you.

2 I would like everyone to pull out your handy
3 dandy list of witnesses in order, and we're going to
4 start just going consecutively, and hopefully it will go
5 a little bit more quickly, starting with Mr. Buckley.

6 MR. MEYER: Do we have a master sheet for
7 staff?

8 JUDGE SCHAER: I was just going to ask that
9 myself. Do we have a master sheet that identifies the
10 exhibits of your witnesses similar to what the company
11 had provided for your prefiled testimony and exhibits?

12 MS. TENNYSON: I don't believe we do. Let me
13 see.

14 JUDGE SCHAER: Let's take just a moment. I'm
15 not going to call it a break, and no one gets to leave,
16 but you may stand up and stretch for a moment.

17 MS. TENNYSON: No, I don't think we put that
18 together yet.

19 JUDGE SCHAER: We're going to start then with
20 Exhibit T-540, which is the prefiled testimony of
21 Mr. Buckley, and that is identified as APB-T. As
22 Exhibit 541, we will have his exhibit APB-1. As Exhibit
23 542, his exhibit APB-2. As Exhibit 543, APB-3. As his
24 Exhibit 544, APB-4.

25 And glancing through this exhibit, are there

01161

1 page numbers in this somewhere, Ms. Tennyson or
2 Mr. Trautman?

3 MS. TENNYSON: That's what I was just looking
4 to see if there are.

5 MR. TRAUTMAN: I don't believe there are.

6 JUDGE SCHAER: Then I'm going to have to ask
7 you at least for the Bench copies and probably better
8 for everyone to get these pages numbered, and put in a
9 replacement for this exhibit by Monday morning.

10 MS. TENNYSON: This was a document prepared
11 by Mr. Johnson and company staff.

12 JUDGE SCHAER: Well, even if you need to go
13 through with a pen and number the pages.

14 MS. TENNYSON: We can bate stamp it.

15 JUDGE SCHAER: Or however you need to do it,
16 it is very important to one of the commissioners that
17 there be numbers on the pages.

18 As Exhibit 545, APB-5.

19 And again, my copy of this is really quite
20 fun, because we have pages going two directions and
21 upside down.

22 MS. TENNYSON: Yes.

23 JUDGE SCHAER: And I don't want to hear about
24 this one either, so --

25 MS. TENNYSON: They do have page numbers on

01162

1 them.

2 JUDGE SCHAER: They do, okay. If you would
3 like to put this in order --

4 MS. TENNYSON: Turn them around.

5 JUDGE SCHAER: -- so that it is easier to
6 follow, you may do so. Otherwise if you want to stand
7 with these page numbers, you may do that also.

8 And then as Exhibit C-546, we would have as
9 exhibit APB-C6.

10 Are there any other exhibits for Mr. Buckley?

11 MR. MEYER: We have cross exhibits for him.

12 JUDGE SCHAER: Okay, you're next.

13 MR. MEYER: Okay.

14 JUDGE SCHAER: You have cross exhibits, do
15 you have some kind of a cover sheet for those?

16 MR. MEYER: Yeah, it's in that rubber banded
17 packet, pull out the Buckley section.

18 JUDGE SCHAER: Give us just a moment to
19 locate that then, please.

20 (Discussion off the record.)

21 JUDGE SCHAER: Okay, let's go ahead. I
22 believe the next number would be Exhibit 547 for staff
23 response to Avista data request number 10. Exhibit 548
24 for identification is the staff response to Avista data
25 request number 5. Exhibit 549 for identification is the

01163

1 staff response to Avista data request number 105.
2 Exhibit 550 for identification is the staff response to
3 Avista data request number 133. Exhibit 551 for
4 identification is the staff response to Avista data
5 request number 114. And Exhibit 552 for identification
6 is the staff response to Avista data request number 141.

7 Is that all of your exhibits? Thank you.

8 Did you have exhibits for Mr. Buckley,

9 Mr. ffitch?

10 MR. FFITCH: Yes, Your Honor. Those are
11 located at page 11 of our cheat sheet.

12 JUDGE SCHAER: Okay, let's mark for
13 identification as Exhibit 553 is the staff response to
14 Avista data request 28. Marked for identification as
15 Exhibit 554 is the staff response to Avista data request
16 30. Marked for identification as Exhibit 555 is the
17 staff response to Avista data request 45. Marked for
18 identification as Exhibit 556 is the staff response to
19 Avista data request 56. Marked for identification as
20 Exhibit 557 is the staff response to Avista data request
21 97. Marked for identification as Exhibit 558 is the
22 staff response to Avista data request 111. Marked for
23 identification as Exhibit 559 is the staff response to
24 Avista data request 153. Marked for identification as
25 Exhibit 560 is the staff response to Avista data request

01164

1 161. Marked for identification as Exhibit 561 is the
2 staff response to public counsel data request 2. Marked
3 for identification as Exhibit 562 is the staff response
4 to public counsel data request 4. And marked for
5 identification as Exhibit 563 is the staff response to
6 public counsel data request 6.

7 Are there any other exhibits for Mr. Buckley?

8 Okay, the next witness would be Ms. Huang. I
9 believe there is just the one exhibit, which is her
10 testimony; is that correct?

11 MR. TRAUTMAN: No.

12 JUDGE SCHAER: Okay, then I've got her
13 testimony separated from her exhibits.

14 MR. TRAUTMAN: I think we have four exhibits.

15 MS. TENNYSON: Yeah, she has four exhibits.

16 JUDGE SCHAER: Do all of the parties have the
17 exhibits for Ms. Huang?

18 MR. MEYER: Not with me.

19 JUDGE SCHAER: But you did receive them?

20 MR. MEYER: Yes.

21 JUDGE SCHAER: That's what I'm trying to
22 confirm, because I don't believe that either of us have
23 copies in our files. Do you have an extra copy with
24 you, Ms. Tennyson?

25 MS. TENNYSON: I can get one. I don't have

01165

1 it in the hearing room.

2 MR. MEYER: Perhaps Ms. Tennyson could just
3 read off the exhibit identification based on her copy.

4 JUDGE SCHAER: I think that would be fine.
5 I'm going to mark her testimony for identification as
6 Exhibit T-570, and I would like you to make sure that we
7 get at least two copies immediately as the hearing ends,
8 and we will check to see if other sets of materials
9 include those. Otherwise, we will need quickly nine
10 copies. So would you give us then the identifiers for
11 her exhibits?

12 MR. TRAUTMAN: Exhibit JH-1.

13 JUDGE SCHAER: I think that's sufficient.

14 MR. TRAUTMAN: Okay.

15 JUDGE SCHAER: We had to give more with the
16 Avista exhibits, because they had duplicated
17 identification numbers, but for staff, we just have one
18 set, so go ahead, please.

19 MR. TRAUTMAN: Exhibit JH-2, and that exhibit
20 also has two revised pages submitted on June 12th, 2000.

21 JUDGE SCHAER: Okay.

22 MR. TRAUTMAN: Exhibit JH-3, which is
23 Avista's response to record request number 4, staff's
24 record request 4.

25 JUDGE SCHAER: Okay.

01166

1 MR. TRAUTMAN: And JH-4.

2 JUDGE SCHAER: Okay. So JH-1 is identified
3 as Exhibit 571. JH-2 is Exhibit 572. JH-3 is Exhibit
4 573. And JH-4 is Exhibit 574.

5 And then do you have exhibits for Ms. Huang,
6 Mr. Meyer?

7 MR. MEYER: I do, and again they're in the
8 packets.

9 JUDGE SCHAER: Okay, let's take just a moment
10 and see if we can find your list. Otherwise I will have
11 you share an extra copy if you have one so that we can
12 keep moving.

13 MR. MEYER: Sure.

14 JUDGE SCHAER: Okay, I had some concern about
15 passing everything out at once. We might not be able to
16 find the pieces.

17 MR. MEYER: Oh.

18 JUDGE SCHAER: We will get this system
19 perfected at some point.

20 Okay, marked for identification as Exhibit
21 575 is the staff response to company data request 69.
22 Marked for identification as Exhibit C-576 is the
23 confidential company response to staff data request 286.
24 Marked for identification as Exhibit 577 is the company
25 response to staff data request 328. Marked for

01167

1 identification as Exhibit 578 is the staff response to
2 company data request 78. Marked for identification as
3 Exhibit 579 is the company response to public counsel
4 data request 147. Marked for identification as Exhibit
5 580 is the Pinzer Company's board of directors listing.
6 Marked for identification as Exhibit 581 is the company
7 response to staff data request 326. Marked for
8 identification as Exhibit 582 is the company response to
9 staff data request 309. Marked for identification as
10 Exhibit C-583 is the confidential staff response to
11 company data request 168. Marked for identification as
12 C-584 is the confidential company response to staff data
13 request 302. And marked for identification as C-585 is
14 the confidential February 15, 1999, memo to Energy
15 Delivery employees.

16 MR. TRAUTMAN: Your Honor.

17 JUDGE SCHAER: Yes.

18 MR. TRAUTMAN: As I look through the list, I
19 believe documents C-576, the company response to staff
20 data requests 286, and C-584, the company response to
21 staff data request 302, have previously been marked as
22 cross exhibits under Ms. Mitchell.

23 JUDGE SCHAER: Okay.

24 MR. TRAUTMAN: So there may be duplication.

25 JUDGE SCHAER: I'm not going to go through at

01168

1 this point and renumber, but I will if those documents
2 are entered elsewhere ask you then, Mr. Meyer, to not
3 reoffer them here, and we will just eliminate those two
4 numbers. But I'm not sure you want to do that until the
5 others are in. I will leave that to your discretion. I
6 would assume you're not going to object when they're
7 offered through Ms. Mitchell.

8 MR. MEYER: Actually, they will probably
9 be --

10 JUDGE SCHAER: They will come in here first,
11 won't they?

12 MR. MEYER: They will come in here first, so
13 it will be --

14 JUDGE SCHAER: Okay, we'll turn those around
15 then when we get to Ms. Mitchell and withdraw those from
16 your offer.

17 Does public counsel have exhibits for
18 Ms. Huang?

19 MR. FFITCH: We do, Your Honor, on page 13 of
20 the cheat sheet, we have three exhibits.

21 JUDGE SCHAER: Okay, marked for
22 identification as Exhibit 586 is the staff response to
23 Avista data request 69. Marked for identification as
24 Exhibit 587 is the staff response to Avista data request
25 70. And marked for identification as Exhibit 588 is the

01169

1 staff response to Avista data request 170.

2 We next come to the exhibits of Mr. Schooley,
3 and it's my understanding from statements made earlier
4 today that Mr. Schooley is also adopting the testimony
5 of Mr. Martin; is that correct?

6 MR. TRAUTMAN: That's correct.

7 JUDGE SCHAER: Okay.

8 MR. TRAUTMAN: Mr. Schooley will be adopting
9 the testimony of Mr. Martin.

10 JUDGE SCHAER: So we're going to start with
11 the prefiled testimony of Mr. Schooley, which will be
12 marked for identification as Exhibit T-595. His exhibit
13 TES-1 will be marked as 596. His TES-2 will be marked
14 as Exhibit 597. His exhibit TES-3 will be marked as
15 Exhibit 598. His exhibit TES-4 will be marked as
16 Exhibit 599. His exhibit TES-5 will be marked for
17 identification as Exhibit Number 600.

18 MS. TENNYSON: Under the Idaho rule, what
19 does he have to buy?

20 JUDGE SCHAER: Well, I was thinking steak and
21 lobster for 600, but we will have to see. He can't buy
22 my anything.

23 MS. TENNYSON: Right.

24 JUDGE SCHAER: So I might give him a cup of
25 coffee some day, but I don't know if he can take

01170

1 anything from me either. I know I can buy coffee for
2 Mr. Meyer.

3 And then we are going to mark for
4 identification as Exhibit T-601, let's identify it as
5 the direct testimony of Roland Martin for RCM-T. And
6 we're going to mark for identification -- actually, do
7 you want his qualifications marked, Ms. Tennyson and
8 Mr. Trautman?

9 MR. TRAUTMAN: I don't think we would need
10 that.

11 JUDGE SCHAER: Okay, because you would be
12 relying on Mr. Schooley's qualifications, I believe.

13 MS. TENNYSON: Correct.

14 JUDGE SCHAER: So we will just mark RCM-T.
15 Is that all of the prefiled documents for Mr. Schooley
16 and Mr. Martin?

17 MR. TRAUTMAN: Yes, Your Honor.

18 JUDGE SCHAER: And then Mr. Meyer.

19 MR. MEYER: Yeah, we just have one. It's in
20 the packet.

21 JUDGE SCHAER: I'm sure it is, but why don't
22 you just give me the identifier for it so we can keep
23 moving.

24 MR. MEYER: Here, I've got extras that you
25 can use.

01171

1 JUDGE SCHAER: Now this is, I'm going to
2 again take this in under the convenience rule. Parties
3 are free to refer to any portion of the order, of
4 course, as an order of the commission that's on file,
5 but we will mark it now as Exhibit 602.

6 MS. TENNYSON: Shouldn't it be described as
7 excerpts from?

8 JUDGE SCHAER: I think that is how I will
9 describe it. It will be pages 50 through 52 of the
10 Commission's order in Puget Docket 920433.

11 And then do you have any exhibits of this
12 witness, Mr. ffitch?

13 MR. FFITCH: Yes, Your Honor, on page 16 per
14 our cheat sheet, we have identified one exhibit.

15 JUDGE SCHAER: And this would be for both
16 Mr. Schooley and Mr. Martin?

17 MR. FFITCH: That's correct, Your Honor.

18 JUDGE SCHAER: So I'm going to mark as
19 Exhibit 603 for identification the staff response to
20 public counsel request number 132.

21 MR. FFITCH: And, Your Honor, the
22 cross-examination estimate should be adjusted. We had
23 added time to Mr. Parvinen incorrectly, and the correct
24 estimate should be 45 minutes for Mr. Schooley and 30
25 minutes for Mr. Parvinen.

01172

1 JUDGE SCHAER: Okay, thank you.

2 Does this change anyone else's estimates?

3 Since yours were symmetrical, Mr. Meyer, I don't know if
4 this adds to Schooley and takes away from Parvinen or if
5 they would be the same.

6 MR. MEYER: No change.

7 JUDGE SCHAER: Thank you. Then we turn next
8 to Mr. Parvinen. We will start with Exhibit 608, T-608,
9 which will be his MPP-T, his rebuttal testimony.

10 MS. TENNYSON: Direct testimony.

11 JUDGE SCHAER: I'm sorry, thank you,
12 Ms. Tennyson. This will be Mr. Parvinen's direct
13 testimony. Exhibit 609 will be MPP-1. Exhibit 610 will
14 be MPP-2. Exhibit 611 will be MPP-3. 612, MPP-4. 613,
15 MPP-5. 614, MPP-6. 615, MPP-7. 616, MPP-8. 617,
16 MPP-9.

17 Are those all of the exhibits for
18 Mr. Parvinen?

19 MS. TENNYSON: Yes, they are.

20 JUDGE SCHAER: Okay. And then does the
21 company have exhibits for Mr. Parvinen?

22 MR. MEYER: No.

23 JUDGE SCHAER: And does public counsel have
24 exhibits for Mr. Parvinen?

25 MR. FFITCH: Yes, Your Honor.

01173

1 JUDGE SCHAER: Okay, page 12.

2 MR. FFITCH: Thank you, three exhibits, Your
3 Honor.

4 JUDGE SCHAER: For identification as Exhibit
5 618 is public counsel data request 11, staff response to
6 that. For identification as Exhibit 619 is the staff
7 response to Avista data request 8. And for
8 identification as Exhibit 620 is the Avista response to
9 public counsel data request 133.

10 Are there any other exhibits for
11 Mr. Parvinen?

12 Okay, then we've done Mr. Johnson, Mitchell,
13 Feltes, Falkner, does that bring us up to Hill?

14 MR. FFITCH: Your Honor, we had previously
15 indicated to counsel that we did not have any cross for
16 Mr. Russell of staff.

17 JUDGE SCHAER: Mm-hm.

18 MR. FFITCH: However, we do have one exhibit
19 that's included in this packet, and our hope would be
20 that that could come in by stipulation. That is page 15
21 of the packet.

22 JUDGE SCHAER: Okay, I'm going to put this
23 over to the side for when we identify things for the
24 witnesses that are not going to be cross-examined. And
25 when I get to that point, we will also talk about what

01174

1 to do with the exhibit that's sponsored by three
2 witnesses.

3 MR. FFITCH: Right.

4 JUDGE SCHAER: But please do remind me.

5 So that brings us to Mr. Hill, and I think we
6 will start Mr. Hill with Exhibit T-622.

7 And do you have a cover sheet of his
8 testimony and exhibits?

9 MR. FFITCH: I do not, Your Honor.

10 JUDGE SCHAER: Okay. Well, you were winning
11 the prize for best organization up to this point, but
12 now you're getting neck and neck with the company.

13 MS. TENNYSON: We don't credit for the first
14 phase of the hearing, doing it for everybody?

15 JUDGE SCHAER: You did for the first phase of
16 the hearing, Ms. Tennyson. You get to sit by
17 Mr. Trautman for the rest of the hearing. That's your
18 prize.

19 MS. TENNYSON: Oh, goody.

20 And that was T-622?

21 JUDGE SCHAER: So we're going to start with
22 T-622 for Mr. Hill, and that is his Exhibit SGH-T.

23 And do you want his schedules marked as
24 exhibits, or are you just going to leave this as one big
25 piece, Mr. ffitch?

01175

1 MR. FFITCH: Well, I don't have a strong
2 preference. In the interests perhaps of --

3 JUDGE SCHAER: Actually, he has numbered them
4 with exhibit numbers as I look back at the cover sheet.

5 MS. TENNYSON: What he did was SGH-1 included
6 schedules 1 through 13. And then SGH-2 is appendix A,
7 B, C, D.

8 JUDGE SCHAER: But the schedules are actually
9 in my packet after the appendices. Is that confusing
10 everyone or just me?

11 So we're going to mark for identification as
12 Exhibit 622 the testimony of Mr. Hill and schedules 1
13 through 13. Actually --

14 MR. FFITCH: That's 623.

15 MS. TENNYSON: Make that 623.

16 JUDGE SCHAER: That's right, because he does
17 have a number. Okay, so T-622 is Mr. Hill's testimony,
18 623 is his schedules 1 through 13.

19 MR. FFITCH: And they are also marked as
20 SGH-1.

21 JUDGE SCHAER: Which is SGH?

22 MS. TENNYSON: SGH-1 schedule one, SGH-2
23 schedule 2.

24 JUDGE SCHAER: So his schedules 1 through 13
25 will be SGH-1 and Exhibit 623. His Appendix A will be

01176

1 Exhibit 624 for identification, and that's also labeled
2 as SGH-2. And then SGH-3 will be Exhibit 625 for
3 identification. SGH-4 will be Exhibit 626 for
4 identification. SGH-5 will be Exhibit 627 for
5 identification.

6 Are those all the exhibits for Mr. Hill,
7 Mr. ffitch?

8 MR. FFITCH: I believe so, Your Honor, yes.

9 JUDGE SCHAER: Does the company have any
10 exhibits for Mr. Hill?

11 MR. MEYER: (Shaking head.)

12 JUDGE SCHAER: Does staff have any exhibits
13 for Mr. Hill?

14 MS. TENNYSON: We do not.

15 JUDGE SCHAER: Does anyone else have any
16 exhibits for Mr. Hill?

17 That brings us next to Dr. Lurito.

18 MS. TENNYSON: Your Honor, for Dr. Lurito on
19 Monday of this week, we did file revised pages 2, 5,
20 5-A, and a revised schedule H to his testimony.

21 JUDGE SCHAER: All parties received those?

22 MS. TENNYSON: They were served by fax and by
23 mail.

24 JUDGE SCHAER: I think we will start with
25 Exhibit T-632 for Dr. Lurito, and that is his document

01177

1 RJL-T. As Exhibit 633 we have RJL-1, and as Exhibit 634
2 we have RJL-2.

3 Are those all of the exhibits for Dr. Lurito?

4 MS. TENNYSON: Yes, they are.

5 JUDGE SCHAER: Okay, and again, what pages
6 were corrected, Ms. Tennyson?

7 MS. TENNYSON: It was page 2, page 5, and we
8 inserted a page 5-A because it ran over. Those were
9 submitted with underlining of the changed testimony. A
10 revised schedule 8, the last page of RJL-2, and an
11 errata sheet to the testimony to change numbers on
12 pages.

13 JUDGE SCHAER: Okay. And the errata sheet
14 will be marked as a part of Exhibit 632. Did everyone
15 receive that as well?

16 Okay, did you have exhibits for Dr. Lurito,
17 Mr. Meyer?

18 MR. MEYER: They're in your packet, but I can
19 give you an extra here. Here you go.

20 JUDGE SCHAER: Thanks. Okay, mark for
21 identification as Exhibit 635 document described as
22 Amazon.com value line. And identified as 636 is CH
23 Energy Group value line. Identified as Exhibit 637 is
24 Hawaii Electric Industry Inc.'s rating by Barbara A.
25 Eiseman. Identified as Exhibit 638 is the WPS Resources

01178

1 value line. 639, the Hawaiian Electric Industries
2 Inc.'s report by Goldman Sachs. As 640, Constellation Energy
3 Group value line, I think that's energy group value line.
4 As 641 for identification, Alliant Energy value line.
5 As 642 for identification, Avista Corp. rating by Merrill
6 Lynch. And as Exhibit 643, Moody yield averages.

7 Did you have exhibits for this witness,
8 Mr. Ffitch?

9 MR. FFITCH: Your Honor, we had initially
10 identified some and included them in the packet. We are
11 now not intending cross-examination of Dr. Lurito, and
12 so I don't believe there's a necessity to mark these
13 exhibits.

14 JUDGE SCHAER: You don't intend to offer the
15 exhibits then?

16 MR. FFITCH: No.

17 JUDGE SCHAER: All right. Any other exhibits
18 for Dr. Lurito?

19 Are those all of the exhibits for all of the
20 witnesses that we believe are going to be called to
21 testify next week?

22 MS. TENNYSON: Yes.

23 MR. FFITCH: Your Honor.

24 JUDGE SCHAER: Excuse me, thank you. We need
25 to add Ms. Hirsch and Mr. Folsom. Have we done

01179

1 Mr. Folsom? Okay.

2 Mr. ffitch.

3 MR. FFITCH: Well, I was going to say that we
4 had exhibits for Hirsch and Schoenbeck.

5 JUDGE SCHAER: Okay, let's go with Hirsch
6 next. Do you have a nice little cover sheet for me,
7 Ms. Dixon?

8 MS. DIXON: I apologize, no.

9 JUDGE SCHAER: That's okay. I think that
10 your presentation is going to be really simple to
11 include. I'm going to mark for identification as
12 Exhibit T-649 the testimony of Ms. Hirsch, which is also
13 identified as NEH-T. Mark for identification as Exhibit
14 640 NEH-1.

15 MS. TENNYSON: 650.

16 JUDGE SCHAER: 650, thank you. As Exhibit
17 651 NEH-2, and as Exhibit 652 NEH-3. Are those all of
18 the documents for your witness, Ms. Dixon?

19 MS. DIXON: (Nodding head.)

20 JUDGE SCHAER: Thank you.

21 Did you have any exhibits for Ms. Hirsch?

22 MR. MEYER: Nope.

23 JUDGE SCHAER: Thank you. Does staff have
24 any exhibits for Ms. Hirsch?

25 MS. TENNYSON: No.

01180

1 MR. TRAUTMAN: No.

2 JUDGE SCHAER: Mr. ffitch?

3 MR. FFITCH: Your Honor, one exhibit on page
4 17.

5 JUDGE SCHAER: Okay, we're going to mark then
6 as Exhibit 653 the NVEC response to public counsel data
7 request 3.

8 I think we should next deal with the exhibits
9 of Mr. Folsom.

10 MR. FFITCH: We also had exhibits for
11 Mr. Schoenbeck at some point.

12 JUDGE SCHAER: And we will get to him. I'm
13 trying to get everyone who is going to testify. I
14 believe Mr. Folsom is the last person, and then we will
15 start going through the witnesses who there will not be
16 live testimony from.

17 MR. MEYER: Well, we already marked Bruce
18 Folsom.

19 JUDGE SCHAER: Oh, did we?

20 MR. MEYER: Yeah.

21 JUDGE SCHAER: Oh, good. Someone told me I
22 forgot.

23 MR. MEYER: No, T-326.

24 JUDGE SCHAER: Okay. Did we have some
25 exhibits for Mr. Folsom that did not get identified,

01181

1 Mr. ffitch?

2 MR. FFITCH: I don't believe so.

3 JUDGE SCHAER: Okay. Let's then start with
4 any remaining staff witnesses, so let's start with
5 Mr. Kilpatrick, would that be the next witness, starting
6 at 658. So that Exhibit T-658 will be the testimony of
7 Mr. Kilpatrick.

8 MS. TENNYSON: He has one exhibit.

9 JUDGE SCHAER: And his exhibit, and that is
10 also marked as -- of course, his testimony is marked as
11 DEK-T. And then we will mark his exhibit DEK-1 as
12 Exhibit 659. And then he was one of the triumvirate
13 witnesses in the joint trial testimony, was he not,
14 Ms. Tennyson?

15 MS. TENNYSON: He was for the electric rate
16 spread. We have the electric rate spread and the gas
17 rate spread. Perhaps we should mark Joelle Steward's
18 testimony and Mr. Russell's individual testimony and
19 then do the --

20 JUDGE SCHAER: And then do the joint
21 testimony?

22 MS. TENNYSON: Yes.

23 JUDGE SCHAER: Okay. So then we will next
24 look at the testimony of Ms. Steward, and we will mark
25 her testimony as -- well, first let me ask on

01182

1 Mr. Kilpatrick, were there any exhibits that anyone was
2 planning on putting in through Mr. Kilpatrick by
3 agreement of counsel?

4 Okay, then we will move on to Ms. Steward
5 starting with Exhibit 663, T-663.

6 And then how many exhibits does she have,
7 Ms. Tennyson?

8 MS. TENNYSON: She does not have any
9 exhibits.

10 JUDGE SCHAER: Okay, that makes it easy.

11 And does anyone have any exhibits they wish
12 to offer with the testimony of Ms. Steward?

13 MR. FFITCH: I'm sorry, what was the number
14 for Steward?

15 JUDGE SCHAER: T-663.

16 MS. TENNYSON: Mr. Meyer, I believe the
17 company may have one for Ms. Steward.

18 MS. DIXON: It's being worked on now
19 actually. The company and NVEC had the same question,
20 and the company submitted it to Joelle yesterday.

21 MR. MEYER: That's right. Maybe we better
22 save a couple of spots.

23 JUDGE SCHAER: Okay, well, I have been saving
24 about five spots between witnesses.

25 MR. MEYER: We will see what comes out of

01183

1 those discussions.

2 JUDGE SCHAER: Okay. Then we have next

3 Mr. Russell.

4 MS. TENNYSON: Yes.

5 JUDGE SCHAER: We will give his testimony

6 number T-668. Does he have any exhibits?

7 MS. TENNYSON: He does have one exhibit.

8 JUDGE SCHAER: And that is identified as?

9 MS. TENNYSON: JMR-1.

10 JUDGE SCHAER: Okay. We will identify then

11 as Exhibit 669 for identification exhibit JMR-1, and

12 let's see if they're what we need to do with the

13 remainder of public counsel.

14 MR. FFITCH: We had one exhibit, page 15,

15 Your Honor.

16 JUDGE SCHAER: Thank you. Marking for

17 identification then as Exhibit 670 the Avista response

18 to data request 162.

19 MS. TENNYSON: Staff response.

20 JUDGE SCHAER: Excuse me, the staff response

21 to Avista data request 162.

22 And were there any company exhibits to be

23 offered through Mr. Russell or in conjunction with

24 Mr. Russell's agreed testimony?

25 MR. MEYER: I beg your pardon?

01184

1 JUDGE SCHAER: Did you have any exhibits that
2 you were or data request responses that you were
3 proposing to have offered with Mr. Russell's testimony?

4 MR. MEYER: No.

5 JUDGE SCHAER: Thank you.

6 Then let's move next to your witnesses,
7 Mr. ffitch.

8 (Discussion off the record.)

9 JUDGE SCHAER: That's right, we're going to
10 do the joint testimony now. We have two items of joint
11 testimony. The first is going to be identified as
12 Exhibit T-675 for identification, and it is identified
13 as joint electric-T and is sponsored by witnesses
14 Kilpatrick, Lazar, and Schoenbeck.

15 Are there any exhibits that should be
16 identified in conjunction with this testimony?

17 MS. TENNYSON: There is one exhibit, joint
18 exhibit, marked as Joint-electric-1.

19 JUDGE SCHAER: Okay as Exhibit 676, we will
20 identify Joint-electric-1, and that's all for this item
21 of testimony?

22 MS. TENNYSON: That's correct.

23 JUDGE SCHAER: All right. Then we will
24 identify as Exhibit T-680 the joint gas, which is also
25 identified as Joint Gas-T, the joint direct testimony of

01185

1 Jim Russell, Jim Lazar, and Donald Schoenbeck regarding
2 gas rate spread.

3 MS. TENNYSON: There's also one joint exhibit
4 entitled Joint Gas-1.

5 JUDGE SCHAER: And then identified as Exhibit
6 681 for identification is Joint Gas-1.

7 Are there any other exhibits to be associated
8 with this testimony?

9 Let's move then to public counsel witnesses.
10 Have you prepared a cover sheet for the testimony and
11 exhibits of your witnesses, Mr. ffitch?

12 MR. FFITCH: I have not, Your Honor.

13 JUDGE SCHAER: I already asked you that once,
14 didn't I?

15 MR. FFITCH: Yes.

16 JUDGE SCHAER: I was not intending any
17 emphasis by asking it twice, so let's first find --

18 MR. FFITCH: I have Mr. Lazar in hand.

19 JUDGE SCHAER: -- Mr. Lazar's testimony and
20 exhibits.

21 MR. FFITCH: Your Honor, there are two pieces
22 of testimony, one regarding rate design issues, and one
23 regarding revenue requirement issues. Each has
24 exhibits.

25 JUDGE SCHAER: Was Mr. Lazar having a bad

01186

1 identity day?

2 MR. FFITCH: No, I think we felt this would
3 be a clearer way to present the testimony.

4 JUDGE SCHAER: Which part did you want to
5 look through first, Mr. ffitch?

6 MR. FFITCH: Well, we could start with the
7 rate design testimony, the testimony itself is JL-T-RD.

8 JUDGE SCHAER: Okay, then we will mark for
9 identification as Exhibit T-686 Mr. Lazar's rate design
10 testimony.

11 MR. FFITCH: Correct. That's 686, Your
12 Honor?

13 JUDGE SCHAER: T-686, yes, which is also
14 JL-T-RD. And how many exhibits are there to this piece,
15 Mr. ffitch?

16 MR. FFITCH: There are four.

17 JUDGE SCHAER: Four.

18 MR. FFITCH: The Exhibit 1 is also identified
19 as JL-RD-1, and sequentially that continues.

20 JUDGE SCHAER: So marked for identification
21 as Exhibit 687 is JL-RD-1, as 688 is JL-RD-2, as 689 is
22 JL-RD-3, and as 690 is JL-RD-4.

23 Are there any exhibits from others associated
24 with Mr. Lazar's rate design testimony?

25 MR. MEYER: We my need to hold a spot or two

01187

1 for a couple of data requests.

2 JUDGE SCHAER: Okay, since we don't have them
3 here, I think we will just go through and identify all
4 of his, and then we will leave our gap at the end as we
5 have been doing.

6 MR. MEYER: Okay.

7 JUDGE SCHAER: So then let's go on and
8 identify for identification Exhibit T-691, exhibit
9 JL-T-RR. I'm going to encourage every counsel in the
10 room to spend a little time looking at the numbering
11 rule before we get together again. I think things could
12 go a little bit more smoothly if we had used that
13 consistently today. I know I'm getting confused, so
14 others may be as well.

15 It appears you have six exhibits with this,
16 Mr. ffitch; is that correct?

17 MR. FFITCH: That's correct, Your Honor. The
18 first one is JL-RR-1, and they continue in sequence.

19 JUDGE SCHAER: Okay.

20 MR. FFITCH: They're actually listed, there
21 is a cover sheet to the six exhibits that has a list of
22 all the exhibits.

23 JUDGE SCHAER: Well, I'm going to mark for
24 identification as JL-RR-1 Exhibit 692, as Exhibit 693
25 for identification JL-RR-2, as Exhibit 694 for

01188

1 identification JL-RR-3, as 695 for identification
2 JL-RR-4, as 696 for identification JL-RR-5, and as 697
3 for identification JL-RR-6.

4 Are there any other exhibits that should be
5 associated with the revenue requirements testimony of
6 Mr. Lazar?

7 Mr. Meyer, again, I'm going to leave a gap
8 here of about five numbers, so if you have any things
9 you wish to present for Mr. Lazar, I think five numbers
10 will be enough.

11 MR. MEYER: Thank you.

12 JUDGE SCHAER: You're welcome.

13 So then we come to the testimony of
14 Mr. Damron; is that correct?

15 MR. FFITCH: That's correct, Your Honor. We
16 have the direct testimony, which is RLCD-T.

17 JUDGE SCHAER: Hold on just a moment. What
18 I'm looking for is my blank exhibit lists. So we're
19 going to start with Exhibit T-793, no T-703, which will
20 be RLCD-T; is that correct?

21 MR. FFITCH: Correct.

22 JUDGE SCHAER: And then it appears there are
23 ten exhibits attached to this. Is that also correct?

24 MR. FFITCH: There are six, excuse me, ten
25 exhibits.

01189

1 JUDGE SCHAER: Okay.

2 MR. FFITCH: RLCD-1 through RLCD-10.

3 JUDGE SCHAER: So I'm going to mark as
4 Exhibit 704 for identification exhibit RLCD-1, as
5 Exhibit 705 for identification RLCD-2, as Exhibit 706
6 for identification RLCD-3, as Exhibit 707 for
7 identification RLCD-4, as Exhibit 708 for identification
8 RLCD-5, as Exhibit 709 for identification RLCD-6, as
9 Exhibit 710 for identification RLCD-7, as Exhibit 711
10 for identification RLCD-8, as Exhibit 712 for
11 identification RLCD-9, and as Exhibit 713 for
12 identification RLCD-10.

13 Are there any other exhibits that should be
14 associated with the testimony and exhibits of
15 Mr. Damron?

16 Okay, which brings us next to Mr. Schoenbeck.
17 Mr. Van Cleve.

18 MR. VAN CLEVE: Yes, Your Honor.
19 Mr. Schoenbeck is a witness for two parties in this
20 case. The first party is ICNU, and Mr. Schoenbeck has
21 direct testimony which is labeled DWS-T, and two
22 exhibits, which are labeled DWS-1 and DWS-2.

23 JUDGE SCHAER: So marking for identification
24 at this point as Exhibit T-718 direct testimony of
25 Mr. Schoenbeck on behalf of the Industrial Customers of

01190

1 Northwest Utilities as DWS-T.

2 Has he used separate identifiers in his other
3 testimony; do you know?

4 MR. VAN CLEVE: No, your honor, it appears
5 that the other testimony is labeled Schoenbeck direct
6 NWIGU.

7 JUDGE SCHAER: Okay, it doesn't appear that
8 there are any exhibits with the other testimony.

9 MR. VAN CLEVE: That's correct.

10 JUDGE SCHAER: So I believe that we can use
11 the exhibit identifiers of DWS-1 as Exhibit 719 for
12 identification and DWS-2 as Exhibit 720 for
13 identification, and then we will mark for identification
14 Exhibit T-721, the testimony of Mr. Schoenbeck on behalf
15 of the Northwest Industrial Gas Users.

16 Now are there any exhibits that need to be
17 associated with either of Mr. Schoenbeck's testimony?

18 MR. FFITCH: Yes.

19 JUDGE SCHAER: And I need to hear a page
20 number, I think, from you, Mr. ffitch. Does anyone else
21 have anything for Mr. Schoenbeck?

22 MR. FFITCH: Page 18.

23 JUDGE SCHAER: Thank you.

24 MR. FFITCH: For the record.

25 JUDGE SCHAER: So we are going to mark for

01191

1 identification as Exhibit 722 the ICNU response to
2 Avista data request 2. Mark for identification as
3 Exhibit 723 the ICNU response to Avista data request 5.
4 Mark for identification as Exhibit 724 the ICNU response
5 to Avista data request 19.

6 Are there any other exhibits that need to be
7 associated with the testimony of Mr. Schoenbeck at this
8 time?

9 MR. FFITCH: Your Honor, I have confirmed
10 with Mr. Van Cleve that he would have no objection to
11 these being entered into the record, these exhibits.
12 And so I'm just confirming with you, Your Honor, that we
13 would not need to ask any proforma questions of
14 Mr. Schoenbeck.

15 JUDGE SCHAER: That is my understanding of
16 the agreement among the parties. I don't know if the
17 parties other than Mr. Van Cleve are able to indicate at
18 this point whether or not they have objections to any of
19 these documents. If they do not, I will admit them now.
20 If they would like the weekend look them over, that is
21 something we can take up on Monday.

22 MR. MEYER: We will have to think about it.

23 JUDGE SCHAER: Okay.

24 So does that leave us with just Mr. Colton?

25 MR. MEYER: I think so.

01192

1 JUDGE SCHAER: Okay. So we're going to start
2 out with the testimony of Mr. Roger D. Colton as Exhibit
3 T-726, and then it appears that Mr. Colton has provided
4 us with ten exhibits.

5 MR. MEYER: There was beyond T-726, what did
6 we have, anything?

7 JUDGE SCHAER: I'm just writing them down so
8 that I can read them across. There are ten exhibits.

9 MR. MEYER: Oh, there are, okay.

10 JUDGE SCHAER: So marked for identification
11 as Exhibit 727 is RDC-1, as 728 is RDC-2, as 729 is
12 RDC-3, as 730 is RDC-4, as 731 is RDC-5, as 732 is
13 RDC-6, as 733 is RDC-7, as 734 is RDC-8, as 735 is
14 RDC-9, and as 736 is RDC-10.

15 Are there any exhibits associated with
16 Mr. Colton's testimony at this point?

17 And I understand, Ms. Dixon, that you may be
18 bringing in some exhibits that hopefully will go in by
19 agreement of counsel, or otherwise we may need to get in
20 touch with Mr. Colton about next week.

21 Okay, is there anything else we need to do on
22 numbering exhibits?

23 Is there anything else that needs to come
24 before us today?

25 MR. MEYER: I had a chance, Simon, to review

01193

1 the Knox exhibits that you would otherwise introduce
2 through her if she appeared and would not have an
3 objection to stipulating those in if we could excuse her
4 appearance. So with that, those were not numbered.

5 JUDGE SCHAER: Those are numbered as 474 and
6 475, I believe, Mr. Meyer.

7 MR. MEYER: Oh, okay, but we would not object
8 to stipulating.

9 MR. FFITCH: Thank you.

10 MR. MEYER: With that then, I assume that we
11 can excuse her.

12 JUDGE SCHAER: Yes, in fact, if you want to
13 offer her testimony and those exhibits right now, does
14 anyone else want to look at them, I will admit them.

15 MR. MEYER: I would just as soon that we
16 defer the offer of any and all exhibits until next week.

17 JUDGE SCHAER: Okay.

18 MR. MEYER: Just to keep it clean.

19 JUDGE SCHAER: Okay, then we will have a much
20 nicer exhibit list to work with beginning Monday morning
21 to help us keep track of what's going on.

22 Is there anything else we need to discuss
23 today?

24 Mr. Van Cleve.

25 MR. VAN CLEVE: Your honor, I forgot to

01194

1 mention that on Mr. Schoenbeck's direct testimony for
2 ICNU, Exhibit T-718, there was a one page errata sheet
3 that we distributed earlier today.

4 JUDGE SCHAER: Do you have extra copies with
5 you?

6 MR. VAN CLEVE: Yes, I do.

7 JUDGE SCHAER: Has everyone else received
8 this errata sheet?

9 MS. TENNYSON: If you can show us what it
10 looks like, is it in with your packet?

11 MR. VAN CLEVE: Yes, it is.

12 JUDGE SCHAER: I will mark that as a part of
13 Exhibit T-718 for identification.

14 Let's go off the record for just a moment to
15 discuss scheduling.

16 (Discussion off the record.)

17 JUDGE SCHAER: While we were off the record,
18 we had a brief discussion of any matters that were still
19 needing to be dealt with today and proceeding from this
20 point forward.

21 At this point, I am going to mark for
22 identification as Exhibit 304 a revision to the
23 testimony of Mr. DeFelice revisions to Exhibit 291,
24 pages 1 through 11, and the cover letter that were filed
25 with the Commission by a letter sent April 26, 2000.

01195

1 And it's my understanding that you wanted to
2 offer that, Mr. Meyer, and that parties were going to
3 agree to enter that into the record by stipulation; is
4 that correct?

5 MR. MEYER: That is correct.

6 JUDGE SCHAER: All parties agree to that?

7 MR. TRAUTMAN: Yes, Your Honor.

8 JUDGE SCHAER: Then Exhibit 304 is admitted.

9 And the other thing that we discussed was a
10 need for a continuation of this prehearing conference in
11 order to conclude our discussion of the testimony and
12 exhibits of witnesses who it appears need not appear in
13 the hearing next week and to conclude any other
14 preliminary matters. That hearing has been scheduled
15 for 11:00 Monday morning, July 10th, 2000, in this room,
16 and we will attempt to obtain the conference bridge and
17 allow counsel to appear through that. If there is some
18 conflict on scheduling the bridge, then I will let you,
19 Mr. Van Cleve, and you, Ms. Dixon, know about that so
20 that you can perhaps through other counsel or in some
21 other way participate.

22 And finally, Mr. ffitch, I believe you had
23 agreed to formally provide notice of that hearing to the
24 Spokane Neighborhood Action people.

25 MR. FFITCH: Yes, Your Honor.

01196

1 JUDGE SCHAER: Because they are not here
2 today even though they have had notice of this hearing.

3 MR. FFITCH: Yes, Your Honor.

4 JUDGE SCHAER: Is there anything else that we
5 need to discuss?

6 Hearing nothing, then we are continuing this
7 hearing until 11:00 a.m. Monday morning, and we are off
8 the record.

9 (Proceedings recessed at 1:35 p.m.)

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