

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

WASHINGTON UTILITIES AND)	DOCKETS UE-072300
TRANSPORTATION COMMISSION,)	and UG-072301
Complainant,)	(consolidated)
)	
v.)	
)	ORDER 03
PUGET SOUND ENERGY, INC.,)	
)	
Respondent.)	PREHEARING CONFERENCE
)	ORDER
.....)	

1 **NATURE OF PROCEEDINGS:** On December 3, 2007, Puget Sound Energy, Inc. (PSE), filed with the Washington Utilities and Transportation Commission (Commission) revisions to its currently effective Tariff WN U-60, Tariff G, Electric Service and Tariff WN U-2, Gas Service. The stated effective date of the tariff revisions is January 3, 2008. The proposed revisions would implement a general rate increase of \$174.5 million, or 9.50 percent, for electric service and \$56.8 million, or 5.31 percent, for gas service.

2 The Commission suspended the filing on December 12, 2007, and set the dockets for hearing.

3 **CONFERENCE/PRESIDING OFFICERS.** The Commission convened a prehearing conference in this proceeding at Olympia, Washington on January 14, 2008, before Administrative Law Judge Dennis J. Moss, whom the Commission appoints as presiding officer in this proceeding. The Commission appoints Administrative Law Judge Adam Torem as co-presiding officer in this proceeding.

4 **PARTY REPRESENTATIVES:** Sheree Strom Carson and Jason Kuzma, Perkins Coie, Bellevue, Washington, represent PSE. Simon ffitch and Sarah Shifley, Assistant Attorneys General, Seattle, Washington, represent the Public Counsel Section of the Washington Office of Attorney General (Public Counsel). Robert D. Cedarbaum, Senior Assistant Attorney General and Jonathan Thompson, Assistant

Attorney General, Olympia, Washington, represent the Commission's regulatory staff (Commission Staff or Staff).¹

5 S. Bradley Van Cleve and Irion Sanger, Davison Van Cleve, Portland, Oregon, represent the Industrial Customers of Northwest Utilities (ICNU). Edward A. Finklea and Chad M. Stokes, Cable Huston Benedict Haagensen & Lloyd LLP, Portland, Oregon, represent Northwest Industrial Gas Users (NWIGU). Elaine L. Spencer, Graham & Dunn PC, Seattle, Washington, represents Seattle Steam Company (Seattle Steam). Michael L. Kurtz and Kurt J. Boehm, Boehm, Kurtz & Lowry, Cincinnati, Ohio, represent the Kroger Co., on behalf of its Fred Meyer Stores and Quality Food Centers divisions (Kroger). Norman Furuta and Scott Johansen, Department of the Navy, San Francisco, California, and San Diego, California, respectively, represent the Federal Executive Agencies (FEA). Ronald L. Roseman, Attorney, Seattle, Washington, represents the Energy Project. Dmitri Iglitzin, Schwerin Campbell Barnard & Iglitzin, Seattle, Washington, represents the Washington and Northern Idaho District Council of Laborers (Labor Council or Union). Damon Xenopoulos and Shaun Mohler, Brickfield Burchette Ritts & Stone, Washington, D.C., represent Nucor Steel Seattle, Inc. (Nucor Steel).

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

ICNU	Federal Executive Agencies
NWIGU	The Energy Project
Seattle Steam Company	Washington and Northern Idaho District Council of Laborers
Kroger Company on behalf of its Fred Meyer Stores and Quality Food Centers	Nucor Steel Seattle, Inc.

¹ In formal proceedings, such as this, the Commission's regulatory staff functions as an independent party with the same rights, privileges, and responsibilities as other parties to the proceeding. There is an "ex parte wall" separating the Commissioners, the presiding Administrative Law Judge, and the Commissioners' policy and accounting advisors from all parties, including regulatory Staff. *RCW 34.05.455*.

7 PSE objected to the petition to intervene filed by the Washington and Northern Idaho District Council of Laborers on the basis that the Union organization failed to establish that it has a substantial interest in the proceeding or that its participation would be in the public interest. No one appeared to represent the Labor Council. The Union's only asserted interest in this proceeding is that many of its members are PSE ratepayers. Public Counsel adequately represents the interests of PSE's residential ratepayers. Moreover, the Union established no nexus between itself as a representational body and any issue in the case. The Commission accordingly denies the Washington and Northern Idaho District Council of Laborers' petition to intervene. The Commission will include the Union on its list of interested persons for the receipt of notices and orders.

8 The remaining petitioners each demonstrated their substantial interest in this proceeding and that their participation will be in the public interest. The petitions to intervene by ICNU, NWIGU, Seattle Steam Company, Kroger Company, the Federal Executive Agencies, the Energy Project, and Nucor Steel are granted.

9 **MOTION TO CONSOLIDATE.** On January 4, 2008, the Commission received for filing the Joint Public Counsel and Staff Motion to Consolidate and to Continue Prehearing Conference. The motion urges the Commission to consolidate this general rate case proceeding (GRC) with PSE's request for approval of a proposed merger transaction in Docket U-072375. NWIGU filed in support of the motion. PSE answered in opposition.

10 The Commission continued the prehearing conference in the GRC dockets, as requested, and re-noticed it to be held as a joint conference with the previously noticed prehearing conference in the merger docket. The Commission considered the motion to consolidate during the joint conference and determined it should be denied. The motion failed to demonstrate that there are such common issues of fact and law in the two proceedings as to warrant consolidation.

11 **PROTECTIVE ORDER.** The Commission entered a protective order in this docket under RCW 34.05.446, RCW 80.04.095, WAC 480-07-420 and WAC 480-07-423 on December 17, 2008, to protect the confidentiality of proprietary information.

- 12 **DISCOVERY.** Discovery will continue pursuant to the Commission's discovery rules, WAC 480-07-400 – 425. The parties request shortened response periods for data request responses. The response time for data requests will be reduced to seven business days, following the filing of response testimony by Staff, Public Counsel and the intervenors. The response time for data requests will be further reduced to five business days following the Company's rebuttal filing. In addition, to expedite the exchange of potentially relevant information, all parties are required to provide all work papers, including model runs and source documents, at the time they prefile testimony and exhibits, or as soon thereafter as possible. The Commission urges the parties to work cooperatively together to avoid having to bring discovery matters forward for formal resolution.
- 13 **PROCEDURAL SCHEDULE.** The parties agreed on a procedural schedule during the conference. The Commission adopts this procedural schedule as set forth below and in Appendix B to this Order.

Prefiled Direct Testimony	December 3, 2007
Public Comment Hearing	To Be Determined
Issue Discussion/Settlement Conference	March 5, 2008
Staff, Public Counsel, and Intervenor Response Testimony	May 23, 2008
Company, Rebuttal and Cross- Answering Testimony	June 20, 2008
Settlement Conferences	July 7-11 and 16-18, 2008
Evidentiary Hearing	August 25-29, 2008
Simultaneous Briefs	September 24, 2008
Suspension Date	November 3, 2008

Public Counsel is required to submit a status report concerning its efforts to reach consensus with Staff and PSE on the content and format of any public notice PSE is required to issue in connection with this proceeding. The status report must be filed at least five business days prior to the intended date of first publication of the notice.

- 14 **NOTICE OF HEARING.** The Commission will hold evidentiary hearings in this matter beginning August 25, 2008, at 9:30 a.m., in the Commission's Hearing Room, Second Floor, Richard Hemstad Building, 1300 S. Evergreen Park Drive S.W., Olympia, Washington.
- 15 **DOCUMENT PREPARATION AND FILING REQUIREMENTS.** Parties must file the original plus **12 copies** of the unredacted versions of all pleadings, motions, briefs, and other prefiled materials. Parties must also file the original and 1 copy of any redacted version(s). These materials must conform to the format and publication guidelines in WAC 480-07-395 and WAC 480-07-460. The Commission prefers that materials be three-hole punched with *oversized* holes to allow easy handling. The Commission may require a party to refile any document that fails to conform to these standards.
- 16 All filings must be mailed or delivered to the Executive Secretary, Washington Utilities and Transportation Commission, P.O. Box 47250, 1300 S. Evergreen Park Drive, S.W., Olympia, Washington 98504-7250. Both the post office box and street address are required to expedite deliveries by the U.S. Postal Service.
- 17 An electronic copy of all filings must be provided through the Commission's Web Portal (www.utc.wa.gov/e-filing) or by e-mail delivery to records@utc.wa.gov. Alternatively, parties may furnish an electronic copy by delivering with each filing a 3.5-inch IBM-formatted high-density diskette or CD including the filed document(s). Parties must furnish electronic copies in MS Word 6.0 (or later) supplemented by a separate file in .pdf (Adobe Acrobat) format. Parties must follow WAC 480-07-140(5) in organizing and identifying electronic files.
- 18 **ELECTRONIC SUBMISSION OF DOCUMENTS.** At the request of the parties, the presiding officer granted a one-day extension of the paper-filing requirement

under WAC 480-07-145(6), allowing electronic submission of documents with the Commission on the filing deadline. Parties must submit documents through the Commission's Web Portal (www.utc.wa.gov/e-filing) or by e-mail to records@utc.wa.gov, and file an original, plus 12 paper copies,² of the documents with the Commission by the following business day. Parties must provide courtesy copies of their electronic submissions to the presiding administrative law judges and the parties to the proceeding.

- 19 **ALTERNATE DISPUTE RESOLUTION.** The Commission supports the informal settlement of matters before it. Parties are encouraged to consider means of resolving disputes informally. The Commission does have limited ability to provide dispute resolution services; if you wish to explore those services, please call the Director, Administrative Law Division, at 360-664-1144.
- 20 **NOTICE TO PARTIES: A party who objects to any portion of this Order must file a written objection within ten (10) calendar days after the service date of this Order, pursuant to WAC 480-07-430 and WAC 480-07-810. The service date appears on the first page of the order in the upper right-hand corner. Absent such objection, this Order will control further proceedings in this matter, subject to Commission review.**

Dated at Olympia, Washington, and effective January 17, 2008.

WASHINGTON STATE UTILITIES AND TRANSPORTATION COMMISSION

DENNIS J. MOSS
Administrative Law Judge

² See, *supra*, ¶ 13 for detailed filing requirements when documents include material designated confidential.

APPENDIX A-1

**PARTIES' REPRESENTATIVES
DOCKET UE-072300 and UG-072301**

PARTY	REPRESENTATIVE	PHONE	FACSIMILE	E-MAIL
Puget Sound Energy	Sheree Strom Carson Jason Kuzma Perkins Coie LLP 10885 NE Fourth Street Suite 700 Bellevue, WA 98004-5579	425-635-1400	425-635-2400	scarson@perkinscoie.com jkuzma@perkinscoie.com
Commission Staff	Robert D. Cedarbaum Jonathan Thompson 1400 S. Evergreen Park Dr. SW P.O. Box 40128 Olympia, WA 98504-0128	360-664-1188 360-664-1225	360-586-5522	bcedarba@utc.wa.gov jthomps@utc.wa.gov
Public Counsel	Simon J. ffitich Sarah Shifley Public Counsel Section Office of Attorney General 800 Fifth Avenue, Suite 2000 Seattle, WA 98104-3188	206-464-7744	206-389-2058	simonf@atg.wa.gov SarahS5@atg.wa.gov
Industrial Customers of Northwest Utilities (ICNU)	S. Bradley Van Cleve Irion Sanger Davison Van Cleve, P.C. 333 S.W. Taylor, Suite 400 Portland, OR 97204	503-241-7242	503-241-8160	BVC@DVCLaw.com IAS@DVCLaw.com
Northwest Industrial Gas Users (NWIGU)	Edward A. Finklea Chad M. Stokes Cable Huston Benedict Haagensen & Lloyd LLP 1001 SW Fifth Avenue Suite 2000 Portland, OR 97204-1136	503-224-3092	503-224-3176	efinklea@cablehuston.com cstokes@cablehuston.com
Seattle Steam Company	Elaine L. Spencer Graham & Dunn PC Pier 70 2801 Alaskan Way, #300 Seattle, WA 98121	206-624-8300	206-340-9599	espencer@grahamdunn.com

PARTY	REPRESENTATIVE	PHONE	FACSIMILE	E-MAIL
The Kroger Co.	Michael L. Kurtz, Esq. Kurt J. Boehm, Esq Boehm, Kurtz & Lowry 36 East Seventh Street Suite 1510 Cincinnati, OH 45202	513-421-2255	513-421-2764	mkurtz@bklawfirm.com Kboehm@bklawfirm.com
Federal Executive Agencies (FEA)	Norman Furuta Associate Counsel Department of the Navy 1455 Market Street San Francisco, CA Scott Johansen Associate Counsel Department of the Navy 1220 Pacific Highway San Diego, CA 92132	415-503-6994 619-532-4018	415-503-6688 619-532-1663	Norman.furuta@navy.mil Scott.johansen@navy.mil
The Energy Project	Ronald L. Roseman Attorney At Law 2011 14 th Avenue East Seattle, Washington 98112	206-324-8792	206 568-0138	ronaldroseman@comcast.net
Nucor Steel Seattle, Inc.	Damon Xenopolous Shaun Mohler Brickfield Burchette Ritts & Stone 1025 Thomas Jefferson St. NW 8 th Floor, West Tower Washington, D.C. 20007	202-342-0800	202-342-0807	DEX@BBRSLaw.com SCM@BBRSLaw.com

APPENDIX A-2

**INTERESTED PERSONS
DOCKETS UE-072300 and UG-072301**

IP	REPRESENTATIVE	PHONE	FACSIMILE	E-MAIL
Washington and Northern Idaho Council of Laborers	Dmitri Iglitzin Schwerin Campbell Barnard & Iglitzin West Mercer St., Suite 400 Seattle, WA 98119	206-285-2828	206-378-4132	

**APPENDIX B
PROCEDURAL SCHEDULE
DOCKET UE-072300 and UG-072301**

<u>EVENT</u>	<u>DATE</u>	<u>INTERVAL</u> (Days)
Company Direct Testimony and Exhibits	December 3, 2007	
Issue Discussion/Settlement Conference (parties only)	March 5, 2008	
Public Comment Hearing	To Be Determined	
Staff, Public Counsel and Intervenor Response Testimony and Exhibits	May 23, 2008	171
Company Rebuttal Testimony and Exhibits Staff, Public Counsel and Intervenor Cross-Answering Testimony and Exhibits	June 20, 2008	28
Settlement Conference (parties only)	July 7-11 and 16-18, 2008	
Evidentiary Hearing	August 25-29, 2008	66
Opening Briefs	September 24, 2008	26
Suspension Date	November 3, 2008	41