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1 BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION

2 COMMISSION

3 In the Matter of the Joint)
4 Application of)
) DOCKET NO. UG-061721
5 MDU RESOURCES GROUP, INC.,) Volume I
6 AND CASCADE NATURAL GAS) Pages 1 - 17
7 CORPORATION,)
)
8 For an Order Authorizing)
9 Proposed Transaction)

10 A prehearing conference in the abovematter
11 was held on December 6, 2006, at 10:30 a.m., at 1300
12 South Evergreen Park Drive Southwest, Olympia,
13 Washington, before Administrative Law Judge DENNIS
14 MOSS.

15 The parties were present as follows:

16 MDU RESOURCES GROUP, INC., and CASCADE
17 NATURAL GAS CORPORATION, by JAMES M. VAN NOSTRAND,
18 Attorney at Law, Perkins Coie, 1120 Northwest Couch
19 Street, 10th Floor, Portland, Oregon 97209-4128;
20 telephone, (503) 727-2162.

21 WASHINGTON UTILITIES AND TRANSPORTATION
22 COMMISSION, by GREGORY J. TRAUTMAN, Assistant Attorney
23 General, 1400 South Evergreen Park Drive Southwest,
24 Post Office Box 40128, Olympia, Washington 98504-0128;
25 telephone, (360) 664-1187.

26 PUBLIC COUNSEL, by JUDITH KREBS, Assistant
27 Attorney General, 800 Fifth Avenue, Suite 2000,
28 Seattle, Washington 98104-3188; telephone, (206)
29 464-6595.

30 Kathryn T. Wilson, CCR
31 Court Reporter

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1 NORTHWEST INDUSTRIAL GAS USERS, by LINDSAY R.
2 KANDRA, Attorney at Law, Cable, Huston, Benedict,
3 Haagensen & Lloyd, 1001 Southwest Fifth Avenue, Suite
 2000, Portland, Oregon 97204-1136; telephone, (503)
 224-3092.

4 BOISE CASCADE CORPORATION, LONGVIEW FIBRE,
5 WEYERHAEUSER COMPANY, by MATTHEW W. PERKINS, Attorney
6 at Law, Davison Van Cleve, 333 Southwest Taylor, Suite
 400, Portland, Oregon 97204; telephone, (503) 241-7242.

7 COST MANAGEMENT SERVICES, by JOHN A. CAMERON
8 (via bridge), Attorney at Law, Davis, Wright, Tremaine,
 1300 Southwest Fifth Avenue, Suite 2300, Portland,
 Oregon 97201-5682; telephone, (503) 778-5206.

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

2 JUDGE MOSS: Good morning, everybody. I'm
3 Dennis Moss. I'm an administrative law judge with the
4 Washington Utilities and Transportation Commission. We
5 are convened this morning in our first prehearing
6 conference in the matter of the joint application of
7 MDU Resources Group and Cascade Natural Gas for an
8 order authorizing transaction. Our docket is No.
9 UG-061721.

10 Let's begin by taking appearances, and we'll
11 start with the applicants; Mr. Van Nostrand?

12 MR. VAN NOSTRAND: Good morning, Your Honor.
13 On behalf of joint applicants, James M. Van Nostrand
14 with Perkins Coie, LLP, 1120 Northwest Couch Street,
15 Tenth Floor, Portland Oregon, 97209-4128. Phone is
16 (503) 727-2162. Fax is (503) 346-2162. E-mail is
17 jvannostrand@perkinscoie.com.

18 JUDGE MOSS: We had Mr. Reichman's name on
19 some of the papers. Is he entering an appearance?

20 MR. VAN NOSTRAND: Yes.

21 JUDGE MOSS: We will just take that on behalf
22 of him today and include him on the service list. Is
23 that appropriate?

24 MR. VAN NOSTRAND: Yes.

25 JUDGE MOSS: And that's L-a-u-r-e-n-c-e.

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1 Last name is R-e-i-c-h-m-a-n, and for the record, his
2 number, I believe, is (503) 727-2019.

3 MR. VAN NOSTRAND: That is correct, and fax
4 would be (503) 346-2019, and e-mail is
5 lreichman@perkinscoie.com.

6 JUDGE MOSS: Are you entering an appearance
7 for Cascade and MDU?

8 MR. VAN NOSTRAND: Yes, Your Honor.

9 JUDGE MOSS: For Weyerhaeuser, and I believe
10 you also have a second company, Mr. Perkins?

11 MR. PERKINS: Actually, Your Honor, I have
12 three companies this morning. Here for Weyerhaeuser,
13 Longview Fibre, and Boise Cascade, my name is Matt
14 Perkins with the law firm of Davison Van Cleve. Our
15 address is 333 Southwest Taylor, Suite 400, Portland,
16 Oregon, 97204. Our phone is (503) 241-7242. Our fax
17 is (503) 241-8160. Our e-mail is mail@dvclaw.com, and
18 also appearing in this proceeding but not here today
19 will be Melinda Davison from our office, and her
20 contact information is the same.

21 JUDGE MOSS: I had an appearance from Sarah
22 Yasutake?

23 MR. PERKINS: That is correct, Your Honor.
24 She is here today as well and will be participating in
25 the proceeding also.

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1 JUDGE MOSS: We should include her name on
2 the list?

3 MR. PERKINS: That sounds good.

4 JUDGE MOSS: Mr. Cameron, I'll go ahead and
5 get to you. Mr. Cameron is on the bridge line today.
6 I spoke with him yesterday and authorized his
7 participation by telephone. Go ahead with your
8 appearance, Mr. Cameron.

9 MR. CAMERON: Thank you, Your Honor.
10 Appearing for Cost Management Services, Inc., John A.
11 Cameron with the law firm of Davis Wright Tremaine,
12 LLP. The address is 1300 Southwest Fifth Avenue, Suite
13 2300, Portland, Oregon, 97201. My phone number is
14 (503) 778-5206. My fax number is (503) 778-5299, and
15 my e-mail address is johncameron@dwt.com.

16 JUDGE MOSS: Thank you. And I'll ask again
17 if there is anyone else on the bridge line who would
18 seek to intervene today and wish to enter an
19 appearance? Hearing nothing, we will turn to you,
20 Ms. Krebs, for Public Counsel.

21 MS. KREBS: Thank you, Judge Moss. Judy
22 Krebs, assistant attorney general, representing the
23 Public Counsel section of the attorney general's
24 office. My address is 800 Fifth Avenue, Suite 2000,
25 Seattle, Washington, 98104-3188. Phone number is (206)

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1 464-6595. Fax is (206) 389-2079, and e-mail is
2 judyk@atg.wa.gov.

3 JUDGE MOSS: For staff, Mr. Trautman?

4 MR. TRAUTMAN: Thank you, Your Honor.

5 Gregory J. Trautman, assistant attorney general for
6 Commission staff. My address is 1400 South Evergreen
7 Park Drive Southwest, Post Office Box 40128, Olympia,
8 Washington, 98504. My telephone number is area code
9 (360) 664-1187. My fax number is area code (360)
10 586-5522, and my e-mail address is
11 gtrautma@wutc.wa.gov.

12 JUDGE MOSS: That completes our appearances.

13 Let me ask if there are any matters we should take up
14 prior to considering petitions to intervene.

15 MS. KANDRA: Your Honor, I would like to make
16 an appearance on behalf of the Northwest Industrial Gas
17 Users.

18 JUDGE MOSS: Excuse me. Please go ahead and
19 enter your appearance.

20 MS. KANDRA: With Cable, Huston, Benedict,
21 Haagensen and Lloyd on behalf of the Northwest
22 Industrial Gas Users, my name is Lindsay Kandra. I'm
23 also making an appearance on behalf of Ed Finklea and
24 Chad Stokes. Our address is 1001 Southwest Fifth
25 Avenue, Suite 2000, Portland, Oregon, 97204-1136.

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1 Telephone number is (503) 224-3092. Fax number is
2 (503) 224-3176. My e-mail address is lkandra@chbh.com.

3 JUDGE MOSS: Could you tell me your last name
4 again?

5 MS. KANDRA: Kandra, K-a-n-d-r-a.

6 JUDGE MOSS: Also at the close of our
7 procedures today, if you would give me your business
8 card, I couldn't get all that down. Any other
9 appearances? Thank you.

10 All right, petitions to intervene. We have a
11 written petition from Weyerhaeuser, and although it was
12 just filed, I guess yesterday or even today,
13 Mr. Cameron, Cost Management Services did file. In
14 addition to that, I suppose, are we going to entertain
15 the Longview Fibre and Boise? Are you all intervening
16 as a group or individually?

17 MR. PERKINS: Your Honor, each company plans
18 to file a separate petition to intervene, but the
19 petition in the proceeding will likely be collective as
20 a group. I believe we submitted a written petition on
21 behalf of Longview Fibre as well as Weyerhaeuser.

22 JUDGE MOSS: That hadn't reached me by this
23 morning, but that's fine. Then Northwest Industrial
24 Gas Users apparently intends to intervene; is that
25 correct?

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1 MS. KANDRA: Yes, sir.

2 JUDGE MOSS: I'll just ask collectively,
3 Mr. Van Nostrand, whether the Company objects to any of
4 these intervenors' participation?

5 MR. VAN NOSTRAND: No, Your Honor.

6 JUDGE MOSS: Any other objections? Then we
7 won't bother to go into the details of the various
8 petitions. I understand and assume the interests of
9 Longview Fibre and Boise Cascade would be similar if
10 not identical with those of Weyerhaeuser's?

11 MR. PERKINS: That's correct.

12 JUDGE MOSS: Northwest Industrial Gas Users,
13 would you like to make a brief statement of your
14 organization's interest, please?

15 MS. KANDRA: The Northwest Industrial Gas
16 Users is a nonprofit association comprised of 32
17 end-users of natural gas with major facilities in the
18 states of Washington, Oregon, and Idaho. NIGU members
19 include diverse industrial interests including food
20 processing, pulp and paper, wood products,
21 electrogeneration, aluminum, steel, chemicals,
22 electronics, and aerospace.

23 The association provides information service
24 to its members and participates in various regulatory
25 matters that affect its members' interests.

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1 Association member companies purchase natural gas sales
2 and transportation services from local distribution
3 companies, including Cascade.

4 JUDGE MOSS: That's fine. Thank you very
5 much. There being no objections to the various
6 petitions to intervene, they will be granted. I would
7 imagine that there will be some need for discovery in
8 this proceeding?

9 MR. TRAUTMAN: Yes, Your Honor.

10 JUDGE MOSS: So discovery will proceed in
11 accordance with our procedural rules governing
12 discovery at WAC 480-07-400 through 425.

13 Mr. Van Nostrand, do the companies perceive a need for
14 a protective order?

15 MR. VAN NOSTRAND: Yes, Your Honor, and I
16 believe with the sensitive due-diligence material that
17 will likely be involved in this proceeding that we will
18 likely need a highly confidential version of that.

19 JUDGE MOSS: Anybody want to be heard on that
20 idea?

21 MR. PERKINS: Your Honor, this is Matt
22 Perkins for Weyerhaeuser, Longview Fibre, and Boise
23 Cascade. We haven't seen a specific proposal as far as
24 a protective order with a highly confidential
25 designation.

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1 As intervenors in the past, we've had some
2 concerns about those types of protections. I'm
3 confident that we will be able to work something out
4 with Mr. Van Nostrand. If a proposal is made that we
5 are not able to agree to, I would like to reserve our
6 opportunity to object or comment on that.

7 JUDGE MOSS: To avoid having to do this more
8 than once -- Mr. Van Nostrand, we've been through this
9 exercise a few times together -- why don't you propose
10 something in the next day or so, send me a copy, send
11 the parties a copy, and we will see if there are any
12 details that need to be worked out before I sign it.

13 MS. KREBS: Your Honor?

14 JUDGE MOSS: Ms. Krebs?

15 MS. KREBS: I was wondering if the Company
16 was proposing something besides the standard protective
17 order.

18 JUDGE MOSS: As I say, Mr. Van Nostrand has
19 been through this with us many times. I imagine you
20 would do something in line with what we typically do.

21 MR. VAN NOSTRAND: Yes. There are additional
22 restrictions that will apply for highly confidential.
23 For example, the number of copies made the purchaser
24 has access to on -- it's on pink paper instead of blue,
25 but there is a pretty standard set of provisions that

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1 will include probably based on what we worked out with
2 ICNU in a couple of cases ago.

3 JUDGE MOSS: You are right, Ms. Krebs, to ask
4 because there are several versions of the highly
5 confidential provisions circulating over as we've
6 developed them over the years, but I think we can
7 expect it will be consistent with one of those you've
8 seen before, but I would encourage you to focus on that
9 part of it. The rest of it will be pretty much stock,
10 standard material, and just for the record, it's a
11 yellow for confidential and blue for highly
12 confidential. That's in the rules.

13 MR. VAN NOSTRAND: Okay.

14 JUDGE MOSS: So we will take care of that in
15 the next couple of days. All right. I guess that does
16 bring us then to our process and procedural schedule.
17 Of course, the Company filed its direct case with the
18 Application. The date I have is November 9; although I
19 didn't look at the file stamp, that's the date on the
20 papers. It's close anyway.

21 I have several notes down here for potential
22 process steps that might be taken, some with question
23 marks. The first being whether the parties will want
24 any technical workshops in the schedule. We can talk
25 about it; although, it's really not part of the

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1 official schedule. We do like to make a part of the
2 official procedural schedule at least one date for
3 settlement conference to encourage the parties if they
4 are not otherwise so inclined to have those discussions
5 fairly early and see if there is some room at least to
6 narrow issues if not make progress beyond that.

7 We will need a date for response testimony
8 and rebuttal testimony, and with the rebuttal, we often
9 allow for cross-answering if people perceive the need
10 for that. I'll provide that so we don't have a
11 controversy down the line.

12 I like to schedule a final prehearing
13 conference prior to any evidentiary hearing usually
14 about the Wednesday before a Monday hearing, so a few
15 days, at least, and this gives us an opportunity to
16 exchange our cross-examination exhibits and line up our
17 witness order and cross-examination estimates and so
18 forth. We usually do this by correspondence and
19 courier delivery as opposed to meeting live and save on
20 time, and then we will need some dates for our
21 evidentiary hearing. Does Public Counsel see a need
22 for a public comment hearing, Ms. Krebs?

23 MS. KREBS: No, we do not.

24 JUDGE MOSS: Then of course we will want to
25 talk about briefs. Have the parties had any

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1 opportunity to discuss among themselves the possibility
2 of a procedural schedule; Mr. Van Nostrand?

3 MR. VAN NOSTRAND: There are proposals
4 circulating, Your Honor.

5 JUDGE MOSS: No agreement circulating, I take
6 it?

7 MR. VAN NOSTRAND: We haven't really had a
8 chance to discuss the various proposals that are
9 circulating.

10 JUDGE MOSS: I think I will give you an
11 opportunity to do that now. Why don't I give you 15
12 minutes, until eleven o'clock, and then I will come
13 back, but if we know that we are at loggerheads, then
14 we can proceed.

15 MR. TRAUTMAN: No. I think that's fine.

16 JUDGE MOSS: If you want to get me sooner,
17 you will probably find me down the hall.

18 (Discussion off the record.)

19 JUDGE MOSS: We talked off the record
20 briefly, and the parties have had an opportunity to
21 talk among themselves and apparently have reached an
22 agreement on a procedural schedule, and we have set
23 aside the dates May 14th through 16th for any
24 evidentiary hearings that may be required.
25 Mr. Van Nostrand, would you be the one to summarize the

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1 other dates for me?

2 MR. VAN NOSTRAND: I would be pleased to,
3 Your Honor. We have established a technical
4 conference, unofficial, on February 20th for that day;
5 March 5th for a settlement conference. April 6th is
6 responsive testimony from Staff, Public Counsel and
7 Intervenors; rebuttal testimony, April 25th. Hearings
8 you've got, and then we were looking at June 8th for
9 one round of simultaneous briefs.

10 JUDGE MOSS: That sounds like a reasonable
11 schedule. I will just note that we will go ahead and
12 include cross-answering opportunity on the same day as
13 rebuttal in case anybody feels the need for that so we
14 don't have a problem down the line, and I gather that
15 everyone is in agreement on this procedural schedule.

16 MR. TRAUTMAN: Yes, Your Honor.

17 MS. KREBS: Yes, Your Honor.

18 MR. PERKINS: I believe we discussed
19 shortening the response time for discovery requests to
20 five working days after the rebuttal cross-answering
21 testimony as well.

22 JUDGE MOSS: All right. I will write that
23 down in the order.

24 MR. VAN NOSTRAND: We don't want to give you
25 an aspirational date for the order.

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1 JUDGE MOSS: You want to give me an
2 aspirational date for the order? I will be pleased to
3 add that; although, it will not appear in the
4 procedural schedule. Go ahead and tell me.

5 MR. VAN NOSTRAND: Probably mid July, 60 days
6 from the evidentiary hearings.

7 MS. KREBS: I always put this on the record,
8 Your Honor. Mr. Van Nostrand agreed to expedited
9 transcripts for the briefing.

10 JUDGE MOSS: All right. I'll schedule the
11 final prehearing conference later. I always send out
12 an elaborate e-mail describing everything I want done
13 so the new generation of paralegals will be adequately
14 guided.

15 MR. VAN NOSTRAND: The comprehensive e-mail
16 is much appreciated.

17 JUDGE MOSS: Good. That looks good. I
18 checked with our records center, and for purposes of
19 this proceeding, we will need the original plus 12
20 copies of any paper filings that you make. That is for
21 the internal distribution requirements here at the
22 Commission.

23 Everyone here is well familiar with the
24 protocol for filing with the Commission secretary
25 through the records center, so I won't give all the

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1 details on that. You are all also well familiar with
2 the requirements for electronic documents, so I won't
3 discuss that, and you all know too that service to all
4 parties must be simultaneous with filing.

5 I will encourage you if you are so inclined,
6 you can agree among yourselves to accept service by
7 electronic means. Actually, we may as well go ahead
8 and resolve now the question of whether the parties
9 want to file their briefs electronically. It's become
10 almost standard procedure, it seems.

11 MR. TRAUTMAN: It's fine with Staff.

12 MR. VAN NOSTRAND: Yes.

13 JUDGE MOSS: So we will go ahead and
14 authorize the electronic filing of briefs, which
15 automatically extends the day for the paper copies to
16 arrive, which is the official filing, by one day, so
17 when we say June 8th, that will be drop a note
18 electronic.

19 MS. KREBS: Your Honor, is it possible to get
20 the same procedure for cross-exhibits?

21 JUDGE MOSS: Yes. With the understanding
22 that to the extent paper copy is the only available
23 copy, that will need to be provided earlier.

24 MS. KREBS: Thank you.

25 JUDGE MOSS: You need to give me courtesy

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1 copies. I appreciate that very much. On that note, if
2 you are filing a document with the Commission and it's
3 in PDF format and includes some confidential
4 information, I would very much appreciate it if my
5 courtesy copy is in a Word format. That's helpful to
6 me. If that's not how it was created, that's another
7 issue, but if it was created in that format, please
8 provide it to me in that format. I take very good care
9 of your files.

10 Is there any other business we need to
11 conduct? Apparently not. I appreciate you all being
12 here today and look forward to working with you all to
13 resolve this matter expeditiously. We are off the
14 record.

15 (Prehearing conference adjourned at 11:39 a.m.)

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