

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION  
COMMISSION

In the Matter of the Joint Application of	)	
	)	
PACIFICORP and PACIFICORP,	)	DOCKET NO. UE-001878
WASHINGTON, INC.	)	
	)	
for an Order Approving (1) the Transfer	)	
of Distribution Property from PacifiCorp	)	
to an Affiliate, PacifiCorp, Washington,	)	
Inc., (2) the Transfer by PacifiCorp of	)	
Certain Utility Property to an Affiliate,	)	THIRD SUPPLEMENTAL ORDER
the Service Company, and (3) the	)	
Proposed Accounting Treatment for	)	PREHEARING CONFERENCE
Regulatory Assets and Liabilities, and an	)	ORDER
Order Granting an Exemption under	)	
RCW 80.08.047 for the Issuance or	)	
Assumption of Securities and	)	
Encumbrance of Assets by PacifiCorp,	)	
Washington, Inc. and/or PacifiCorp.	)	
.....	)	

- 1      **Proceeding.** Docket No. UE-001878 is a joint application filed by Pacificorp and PacifiCorp, Washington, Inc. requesting approval to restructure PacifiCorp into six separate state electric companies, a generation company, and a service company.
- 2      **Conferences.** The Commission convened a prehearing conference in this docket at Olympia, Washington on October 30, 2001, before Administrative Law Judge Karen M. Caillé. Prior prehearing conferences were held on 1) May 1, 2001, for the limited purpose of receiving petitions to intervene, triggering discovery, and issuance of a protective order, and 2) September 13, 2001, for detailed scheduling and the formulation of substantive issues. The September 13, 2001, conference addressed the formulation of substantive issues and deferred procedural scheduling until the schedules for Utah and Oregon were set. The Commission issued a prehearing conference order for the May 1, 2001, conference on August 13, 2001. This prehearing conference order addresses the conferences held on September 13, 2001, and October 30, 2001.
- 3      **Appearances.** James M. Van Nostrand, Stoel Rives LLP, Seattle, Washington represents Applicants. Robert D. Cedarbaum, Senior Counsel, Office of the Attorney General, Olympia, Washington, represents Staff of the Washington Utilities and Transportation Commission (Staff). Robert Cromwell, Assistant Attorney General,

Seattle, Washington, represents Public Counsel. Irion Sanger, Davison Van Cleve, P.C., Portland, Oregon, represents Industrial Customers of Northwest Utilities (ICNU). Charles Eberdt, The Energy Project, Bellingham, Washington, represents the Yakima Opportunities and Industrialization Center (OIC).

4       **Issues.** Prior to the September 13, 2001, prehearing conference, the ALJ requested parties to submit a list of potential issues to facilitate issues' discussions with the Commissioners at the conference. After reviewing the issues' lists submitted by the parties, the Commissioners felt it was not necessary for them to participate in an issues' discussion. Likewise, the parties represented that they were satisfied with the issues submitted. The ALJ assured the parties that if other relevant issues should arise, the parties would be permitted to raise them in a timely manner. Commission Staff suggested that the Commission advise the parties, by means of a Bench Request, should the Commission discover any issues not included by the parties that the Commission wishes the parties to address. A consolidated list of the issues submitted by the parties is attached to this order as Appendix A.

5       **Dispositive Motion.** During the October 30, 2001, prehearing conference, Commission Staff informed the parties and the Commission that it intended to file a motion to dismiss the Joint Application. A schedule for the filing of the motion, responses, and replies is set forth below.

6       **Hearing schedule.** The parties were unable to agree to a procedural schedule and requested the October 30, 2001, prehearing conference to discuss scheduling. Commission Staff, Public Counsel, ICNU, and Yakima OIC proposed hearings be held in mid-November 2002. In support of its proposal, Commission Staff argues that 1) there is no statutory time clock on this proceeding, 2) the Commission resources and those of Public Counsel will be taxed because of the expected filing of the PSE and Avista rate cases, along with a formal Complaint filed by Public Counsel against PSE, and an expected filing on the Northwest Natural/Portland GE merger, and 3) since the bulk of PacifiCorp's territory is in other jurisdictions, and those states are likely to make amendments to the application, it would be more efficient to follow the Utah and Oregon proceedings. Commission Staff suggested that if the Commission believes hearings in November 2002 are not workable, then the hearings could be scheduled in October 2002, following the Wyoming hearings.

7       Applicants argued that hearings in November were unacceptable given that the Joint Application was filed in December 2000, and Applicants' testimony was completed on June 30, 2001. Applicants noted that the cases referenced by Commission Staff and the other parties had not yet been filed. Applicants also argued that this case is uniquely focused on Washington's interests with respect to PacifiCorp Washington, so it does not matter what the other states do. Applicants indicated that hearings following the Wyoming hearings, sometime in October 2002, would be preferable to hearings in November 2002.

8 The Commission sets the following schedule for the proceedings.

<u>Deadline for</u>	<u>Date</u>
Commission Staff's Motion to Dismiss	November 20, 2001
Responses to Motion to Dismiss	December 14, 2001
Reply by Commission Staff	December 28, 2001
Commission Staff, Public Counsel and Intervenors File responsive testimony and exhibits	August 19, 2002
Company and cross-rebuttal	September 16, 2002
Prehearing Conference to mark exhibits and resolve objections and process issues	October 8, 2002
Hearing begins	October 14, 2002 <sup>1</sup>
Hearing(s) for members of the public	To be determined
Brief outline of issues	at end of hearing
Simultaneous briefs	November 15, 2002

9 The Commission observes that it is unusual for it to establish a hearing schedule this far from the date the Applicants filed their Application. Even though the Application was not complete until June 30, 2001, the Commission still considers hearings in the fourth quarter of 2002 to be undesirable. Nonetheless, with the number of complex cases the Commission will need to process in the next eight months, the Commission cannot ignore the limits on the resources of Commission Staff, Public Counsel, and other parties who will be engaged in some of all of these proceedings. The Commission intends to give the Application the attention it deserves. Accordingly, the most efficient and reasonable way to meet this commitment will be for the Commission to hold hearings in October 2002.

10 **Document preparation and process issues.** Parties must file an original plus 17 copies of each document filed with the Commission. Appendix B states relevant Commission rules and other directions for the preparation and submission of evidence and for other process in this docket. Parties will be expected to comply with these provisions.

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<sup>1</sup> The Commission has blocked out October 14-18, 2002, for the evidentiary hearing.

Dated at Olympia, Washington, and effective this 18th day of December, 2001.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

KAREN M. CAILLÉ  
Administrative Law Judge

**NOTICE TO PARTIES:** Any objection to the provisions of this Order must be filed within ten (10) days after the date of mailing of this statement, pursuant to WAC 480-09-460(2). Absent such objections, this prehearing conference order will control further proceedings in this matter, subject to Commission review.