0001

 1

 BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION

 2

 COMMISSION

 3

 In the Matter of the Petition of )

 4 )

 PUGET SOUND ENERGY, INC., ) DOCKET NO. UE-070725

 5 ) Volume I

 For an Order Authorizing the Use ) Pages 1 - 34

 6 of the Proceeds From the Sale of )

 Renewable Energy Credits and )

 7 Carbon Financial Instrument. )

 ---------------------------------

 8

 9

 A prehearing conference in the above matter

10

 was held on December 1, 2009, at 1:30 p.m., at 1300

11

 South Evergreen Park Drive Southwest, Olympia,

12

 Washington, before Administrative Law Judge DENNIS J.

13

 MOSS.

14

15

 The parties were present as follows:

16

 PUGET SOUND ENERGY, INC., by SHEREE STROM

17 CARSON, Attorney at Law, Perkins Coie, 10885 Northeast

 Fourth Street, Suite 700, Bellevue, Washington 98004;

18 telephone, (425) 635-1422.

19 WASHINGTON UTILITIES AND TRANSPORTATION

 COMMISSION, by ROBERT D. CEDARBAUM, Assistant Attorney

20 General, 1400 South Evergreen Park Drive Southwest,

 Post Office Box 40128, Olympia, Washington 98504;

21 telephone, (360) 664-1188.

22 PUBLIC COUNSEL, by SARAH A. SHIFLEY,

 Assistant Attorney General, 800 Fifth Avenue, Suite

23 2000, Seattle, Washington 98104; telephone, (206)

 464-6595.

24

25 Kathryn T. Wilson, CCR

0002

 1 INDUSTRIAL CUSTOMERS OF NORTHWEST UTILITIES,

 by IRION A. SANGER, Attorney at Law, Davison Van Cleve,

 2 333 Southwest Taylor, Suite 400, Portland, Oregon

 97204; telephone, (503) 241-7242.

 3

 NORTHWEST ENERGY COALITION, by DAVID S.

 4 JOHNSON, Attorney at Law, 811 First Avenue, Suite 305,

 Seattle, Washington 98104; telephone, (206) 621-0094.

 5

 RENEWABLE ENERGY PROJECT, by ANN E. GRAVATT

 6 (via bridge line), Attorney at Law, 917 Southwest Oak

 Street, Suite 303, Portland, Oregon 97205; telephone,

 7 (503) 223-4544.

 8 THE ENERGY PROJECT, by RONALD L. ROSEMAN,

 Attorney at Law, 2011 14th Avenue East, Seattle,

 9 Washington 98112; telephone, (206) 324-8792.

10 FEDERAL EXECUTIVE AGENCIES, by NORMAN J.

 FURUTA, Attorney at Law, 1455 Market Street, Suite

11 1744, San Francisco, California 94103; telephone,

 (415) 503-6994.

12

13

14

15

16

17

18

19

20

21

22

23

24

25

0003

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

 2 JUDGE MOSS: Good afternoon, everyone. My

 3 name is Dennis Moss. I'm an administrative law judge

 4 with the Washington Utilities and Transportation

 5 Commission. We are convened this afternoon in the

 6 matter styled Puget Sound Energy, Inc's amended

 7 petition for an order authorizing the use of proceeds

 8 from the sale of renewable energy credits and carbon

 9 financial instruments, Docket UE-070725. Our concern

10 is actually with an amended petition that was filed

11 fairly recently.

12 Our first order of business today will be to

13 take appearances, and we have the Company, Staff, and

14 Public Counsel present and probably some intervenors

15 who may have petitioned in writing and others who are

16 going to petition orally, I think today, I recognize by

17 counsel. Let's begin with the Company. Ms. Carson?

18 MS. STROM CARSON: Good afternoon, Your

19 Honor. Sheree Strom Carson representing Puget Sound

20 Energy. My address is 10885 Northeast 4th Street,

21 Suite 700, Bellevue, Washington, 98004. Phone is (425)

22 635-1400; fax, (425) 635-2400; e-mail,

23 scarson@perkinscoie.com.

24 JUDGE MOSS: We'll ask for Public Counsel's

25 appearance next.

0004

 1 MS. SHIFLEY: Good afternoon, Your Honor.

 2 Sarah Shifley for Public Counsel. My address is 800

 3 Fifth Avenue, Suite 2000, Seattle, Washington, 98104.

 4 Phone number is (206) 464-6595. My e-mail is

 5 sarah.shifley@atg.wa.gov.

 6 MR. CEDARBAUM: Thank you, Your Honor.

 7 Robert Cedarbaum, assistant attorney general

 8 representing Commission staff. My business address is

 9 the Heritage Plaza Building, 1400 South Evergreen Park

10 Drive Southwest, Olympia, Washington, 98504. E-mail is

11 bcedarba@utc.wa.gov. The telephone direct dial is area

12 code (360) 664-1188, and the fax is area code (360)

13 586-5522.

14 JUDGE MOSS: We have some intervenors present

15 here in the room.

16 MR. JOHNSON: Thank you, Your Honor. David

17 Johnson representing the Northwest Energy Coalition.

18 The address is 811 First Avenue, Suite 305, Seattle,

19 98104. Phone is (206) 641-0094; fax, (206) 621-0097,

20 and my e-mail address is david@nwenergy.org. Thank

21 you.

22 JUDGE MOSS: We also had an appearance from

23 Ms. Dixon?

24 MR. JOHNSON: Yes. Ms. Dixon could not be

25 here today.

0005

 1 JUDGE MOSS: Thank you. Mr. Sanger?

 2 MR. SANGER: My name is Irion Sanger. I'm

 3 here representing the Industrial Customers of Northwest

 4 Utilities. My address is 333 Southwest Taylor, Suite

 5 400, Portland, Oregon, 97204. My phone number is (503)

 6 241-7242. My fax is (503) 241-8160, and my e-mail

 7 address is ias@dvclaw.com.

 8 JUDGE MOSS: Thank you. Mr. Furuta?

 9 MR. FURUTA: Good afternoon, Your Honor. My

10 name is Norman Furuta for the Federal Executive

11 Agencies representing their consumer interests. My

12 address is 1455 Market Street, Suite 1744, San

13 Francisco, California, 94103. Telephone is (415)

14 503-6994, and fax is (415) 503-6688, and my e-mail

15 address is norman.furuta@navy.mil.

16 JUDGE MOSS: Thank you, very much.

17 Mr. Roseman?

18 MR. ROSEMAN: Thank you, Your Honor. My name

19 is Ronald Roseman, attorney at law, 2011 14th Avenue

20 East, Seattle, Washington, 98112; telephone, (206)

21 324-8792; fax, (206) 568-0138. My e-mail address is

22 ronaldroseman@comcast.net, and I'm representing The

23 Energy Project.

24 JUDGE MOSS: Thank you, very much. Now, I

25 understand we probably have some people on the

0006

 1 conference bridge line who wish to enter appearances

 2 today. I've not heard anything from a representative

 3 for Kroger. Is there anyone on the line for Kroger?

 4 Apparently not. We did have a written petition to

 5 intervene. We will take that up presently.

 6 Ms. Gravatt, are you there?

 7 MS. GRAVATT: I am, Your Honor.

 8 JUDGE MOSS: How about Mr. Amster?

 9 MS. GRAVATT: He is not able to join us

10 today.

11 JUDGE MOSS: Why don't you enter an

12 appearance for the Renewable Northwest Project.

13 MR. GRAVATT: I'm Ann Gravatt with the

14 Renewable Northwest Project. Address is 917 Southwest

15 Oak Street, Suite 303 in Portland, Oregon, 97205;

16 phone, (503) 223-4544. Fax is (503) 223-4554; e-mail,

17 ann@rnp.org.

18 JUDGE MOSS: Thank you, and with that, we've

19 had an appearance by, or at least mentioned in one

20 case, all the parties of whom I'm aware. Is there

21 anyone else on the conference bridge line who wishes to

22 enter an appearance today? Anyone else in the room?

23 That apparently does cover it.

24 MR. SANGER: I would like to note for the

25 record that Brad Van Cleve has also put in a notice of

0007

 1 appearance, and I would like to have him put on the

 2 service list as well.

 3 JUDGE MOSS: I have his name down so I can

 4 easily do that. I'll just note for the record, Kroger

 5 Company is represented by Mr. Kurtz and Mr. Boehm. I

 6 think everybody probably has that contact information.

 7 I'll include it, of course, in the prehearing

 8 conference order.

 9 I have written petitions to intervene from

10 the Industrial Customers of Northwest Utilities, the

11 Northwest Energy Coalition, the Renewable Northwest

12 Project, and Kroger Company. The FEA or The Energy

13 Project, did either of you file a written petition of

14 which I'm unaware?

15 MR. FURUTA: We did not.

16 MR. ROSEMAN: We did not.

17 JUDGE MOSS: I'm taking the written petitions

18 first. Is there any objection.

19 MS. STROM CARSON: Your Honor, the Company

20 has one concern with Kroger's petition to intervene.

21 We don't generally object to Kroger being an intervenor

22 in this case, but the interest that Kroger set forth in

23 their petition and the issues to be raised are not

24 tailored to this particular proceeding and would expand

25 the issues beyond what we would want to see here in

0008

 1 this proceeding, so to that extent, we object to their

 2 petition.

 3 JUDGE MOSS: I too noticed that their

 4 petition seemed to be the product of boilerplate

 5 instead of fine focus. To the extent there are rate

 6 implications associated with the filing under

 7 consideration here, then Kroger would certainly have an

 8 interest in that, and I'm sure that is the basis for

 9 their intervention, having had them in many cases with

10 PSE before. So with that aside and there being no

11 other objections, I'm going to grant these four written

12 petitions to intervene.

13 The next time you talk to Mr. Kurtz and

14 Mr. Boehm, you can tweak them for their...

15 MS. STROM CARSON: Well, I did e-mail them

16 about it but I never heard back.

17 JUDGE MOSS: Unfortunately, they are not here

18 to defend themselves today. In terms of our other two

19 parties, let's hear from the Federal Executive

20 Agencies.

21 MR. FURUTA: Yes, Your Honor. The main

22 reason I was considering petitioning to intervene is if

23 it develops that this case would have any direct impact

24 on the scheduling and subject matter of the general

25 rate case that is currently before the Commission, if

0009

 1 it develops during the prehearing conference that it

 2 will apparently not affect scheduling or other

 3 substantive aspects of the general rate case, then I

 4 think there will be no need for us to enter a formal

 5 appearance, so I think I'll withhold at this time

 6 making an oral petition.

 7 JUDGE MOSS: We will reserve consideration of

 8 that. There will be some discussion of that.

 9 Mr. Roseman?

10 MR. ROSEMAN: Thank you, Your Honor. As you

11 mentioned, the petitioner in this case is The Energy

12 Project, which is an organization that has appeared in

13 many of these cases on behalf of low-income customers

14 in the state of Washington. The county petition as

15 filed offers the possibility of some of the proceeds

16 from the REC sale to go to low-income energy efficiency

17 measures; therefore, The Energy Project is in these

18 difficult times for many customers in the state of

19 Washington is especially interested in trying to

20 maximize all the funding that is available to assist

21 these customers, so that is the reason for our oral

22 petition right now.

23 JUDGE MOSS: Thank you very much. Any

24 objection to The Energy Project's participation?

25 Hearing none, and Mr. Roseman has established a

0010

 1 substantial interest in the proceeding on behalf of his

 2 clients, so therefore, we will grant the oral petition

 3 to intervene by The Energy Project.

 4 I'll go ahead and take up matters in the

 5 ordinary order, I suppose; although, we will have the

 6 additional question in this case of relationship

 7 between this or potential relationship between this and

 8 the rate case. Will there be discovery required in

 9 this case?

10 MR. CEDARBAUM: Yes, Your Honor.

11 JUDGE MOSS: So we will include the standard

12 discovery paragraph in the prehearing order, and that

13 can proceed under the appropriate procedural rules.

14 What about a protective order?

15 MS. STROM CARSON: Yes, Your Honor. We

16 believe a protective order will be needed with highly

17 confidential provisions. We've had discussions with

18 Industrial Customers about possibly modifying the

19 highly confidential protective order that we've used in

20 the rate case to allow additional review of some

21 materials by parties, so we would like to have some

22 more discussions with them and then maybe propose a

23 different highly confidential protective order for this

24 proceeding.

25 JUDGE MOSS: So I'll await hearing something

0011

 1 in terms of that but with the understanding that we

 2 will enter a protective order but the parties need some

 3 additional time to discuss the terms of the provisions.

 4 MR. CEDARBAUM: Before we move on, if we

 5 could back up a second. We haven't talked case

 6 schedule yet, but depending on what schedule we agree

 7 to or get put upon us, it may be that the turnaround

 8 time for data requests would need to be accelerated, so

 9 I would like to revisit that if necessary.

10 JUDGE MOSS: We do need to discuss the

11 schedule, and I think that part of that conversation is

12 the question of the relationship between this case or

13 potential relationship between this case and the rate

14 case.

15 I did notice in reviewing the response

16 testimony -- we had testimony from Public Counsel's

17 witness, Mr. Norwood, on the issue of renewable energy

18 credits, and apparently, urging some treatment in the

19 rate case, and of course at the same time, we now have

20 this docket pending, and so I would like to hear some

21 discussion from the parties starting with the Company

22 about how we might want to consider that relationship.

23 MS. STROM CARSON: PSE has proposed in the

24 amended petition that there be a credit to customers

25 through an offset against an existing regulatory asset,

0012

 1 so PSE is very interested in having this resolved by

 2 the time the order comes out in the rate case so that

 3 the compliance filing in the rate case could

 4 incorporate whatever the Commission decides in terms of

 5 crediting customers.

 6 So I guess we don't see this as needing to be

 7 joined with the rate case, but we would like to see it

 8 on a similar track so it can be resolved. We think the

 9 issues here are very limited, and there have been

10 opportunities for discovery in the rate case on a lot

11 of the REC issues, so we aren't starting from scratch

12 here. So PSE is very interested in trying to get this

13 resolved by April.

14 JUDGE MOSS: Is there any reason not to

15 consolidate it with the rate case from PSE's

16 perspective?

17 MS. STROM CARSON: I don't believe so. I

18 think there may be objections from others in terms of

19 timing and getting their testimony done before the

20 hearings in January, but I don't believe there is from

21 PSE's perspective. I should clarify that there is no

22 objection as long as it doesn't delay the rate case

23 schedule.

24 JUDGE MOSS: Public Counsel is recommending

25 through its testimony that there be some sort of a rate

0013

 1 credit associated with the RECs as well via through

 2 another mechanism than that proposed by the Company.

 3 So I'll turn next to Ms. Shifley and see what Public

 4 Counsel thinks about whether we should consider

 5 proceeding on the same schedule; as to say,

 6 consolidating this with the rate case.

 7 MS. SHIFLEY: This amended petition was filed

 8 quite a bit after the rate case was filed, and I don't

 9 think it would be very feasible at this point to

10 consolidate or treat it on a similar schedule given the

11 time frame for the rate case at this point and where we

12 are with the filing in the rate case; unless, as PSE

13 has indicated, they are not interested in doing the

14 rate case is delayed, the schedule is drawn out to

15 allow discovery.

16 I would just note for the record that Public

17 Counsel did try to do some informal discovery in this

18 docket. After first receiving the amended petition, I

19 think we sent some informal requests for information to

20 the Company in October, and we haven't received any

21 response from that, so we have tried to begin discovery

22 in this case to at least start looking into the issues

23 that this petition raises and have been unable to

24 actually get any information from the Company.

25 So we are starting, even though we have seen

0014

 1 some of these issues in the rate case, we are starting

 2 to just look at this docket for the first time now, and

 3 we would request that sufficient time be given for

 4 discovery and preparation of a response so that the

 5 issues in this case can be properly vetted.

 6 JUDGE MOSS: Do you expect much in the way of

 7 dispute with respect to the facts that pertain to this

 8 petition matter? It seems to me it's fairly

 9 straightforward.

10 MS. SHIFLEY: I know that our expert witness

11 in this matter did have discovery or did have some need

12 for additional information, which were sent to the

13 Company in these informal requests for information, and

14 I would have to rely on his assessment of the case that

15 at least there is some additional discovery that he

16 would like to have. I don't know the extent of that.

17 JUDGE MOSS: Beyond what's already been

18 submitted?

19 MS. SHIFLEY: Beyond what we've already sent,

20 I don't know. I would have to confer with our witness.

21 JUDGE MOSS: I would like to hear from Staff

22 on this question.

23 MR. CEDARBAUM: Just purely from a scheduling

24 perspective, I think Staff is in a similar position as

25 Public Counsel with respect to putting its response

0015

 1 case on the accounting filing on a track that could

 2 then coincide with hearings in the rate case. We have

 3 had discussions of scheduling with the Company and even

 4 through e-mail copies to all other parties, and from

 5 Staff's perspective, we were looking at a filing date

 6 in late January and developing a schedule from there

 7 that would get briefs to the Commission by the latter

 8 part of March, so I don't know if it's out of the

 9 question to make the order time for the rate case under

10 that schedule or not, but just purely from a timing

11 perspective, it's not doable, quite frankly, for Staff

12 to file its testimony in the REC proceeding to coincide

13 now with the hearings in the rate case.

14 JUDGE MOSS: The hearings are currently

15 scheduled for the third week in January, I believe, and

16 the suspension date in the case is April 7th?

17 MS. STROM CARSON: Correct.

18 MR. CEDARBAUM: You are right. Hearings in

19 the rate case are January 19 through the 25th, but we

20 have two days of settlement conference on the 5th and

21 6th in January. We have cross-answering testimony on

22 December 17th. We have the holidays. If we could do

23 it sooner, I think Staff would, but it's looking

24 difficult.

25 The second point is looking more from a

0016

 1 policy perspective, I guess. The question has to be

 2 asked, is it necessary to consolidate, and from Staff's

 3 perspective, it does not seem necessary. The

 4 Commission can issue its order in the rate case and

 5 order a compliance filing in that case. Rates will

 6 change, and the Commission can issue an order in the

 7 accounting case and authorize the Company to file

 8 tariffs to implement that accounting order and rates

 9 will change. Now, they won't change necessarily at the

10 same time, but they will change, and they can change

11 twice. There is nothing legally required in these

12 cases to be consolidated, so I think you have to weigh

13 that against the burden on other parties in terms of

14 scheduling.

15 The final point I would make with respect to

16 your reference to Mr. Norwood's testimony in the rate

17 case, and it's another proceeding so I don't want to

18 get into the details of it, but he has proposed a

19 direct credit in that case of REC revenues. It's

20 Staff's position that those issues should be in the

21 accounting proceeding, and we will address that,

22 Mr. Norwood's testimony, accordingly in the rate case.

23 I'm not sure what that recommendation will be.

24 JUDGE MOSS: But we can anticipate some

25 cross-answering testimony on that subject matter.

0017

 1 MR. CEDARBAUM: I'm not sure it needs to be

 2 cross-answering. It could be during the hearings. It

 3 could be in briefs. I'm just saying I think that's a

 4 rate case issue, but since you mentioned his

 5 testimony --

 6 JUDGE MOSS: I mentioned it only to

 7 underscore the fact that there has been some indication

 8 at least that there is a relationship in terms of the

 9 subject matter, but without necessarily indicating one

10 way or the other as to what should be considered where

11 or when, that's really what I'm wanting to hear from

12 you all right now so I can decide that, and then I'll

13 ask if anyone else wants to be heard on the question

14 of the relationship between the two proceedings;

15 anybody?

16 MR. SANGER: We have no position on

17 consolidation, Your Honor.

18 MR. JOHNSON: Your Honor, we have no position

19 on consolidation in terms of what schedule is adopted

20 for this proceeding. We did not file response

21 testimony in the general rate case. We may very well

22 file cross-answering testimony due to Mr. Norwood's

23 position, but our concern is less on the issue of how

24 the two cases mesh with each other than it is just the

25 desire, all other things being equal, to get an outcome

0018

 1 on the petition earlier rather than later so that the

 2 benefits to the low-income sector as outlined in the

 3 petition can flow earlier rather than later. That's

 4 the only other issue we want to express today.

 5 JUDGE MOSS: Anybody else; Mr. Roseman?

 6 MR. ROSEMAN: Mr. Johnson basically addressed

 7 part of my concern here. I guess we do not have a

 8 specific position about a certain date, but we are

 9 extremely concerned about the evergrowing struggle that

10 ratepayers and citizens in this state are having with

11 their financial situation.

12 Assuming, and this is a big assumption, but

13 assuming that the Commission accepts the accounting

14 petition and rules on it, those moneys would allow

15 leveraging of federal and other moneys to assist this

16 population in energy efficiency. Without those moneys,

17 there is the possibility that a fair amount of the

18 federal moneys coming into the state under the stimulus

19 package for energy efficiency would be returned but for

20 a ruling on the accounting petition.

21 So we believe that during the winter heating

22 months that this issue should be resolved as soon as

23 possible. Again, we are not advocating for a specific

24 date or time frame or how it relates to the general

25 rate case, but we are extremely concerned that it be

0019

 1 decided as soon as feasible.

 2 JUDGE MOSS: Ms. Gravatt, I will give you an

 3 opportunity if you wish to say anything?

 4 MS. GRAVATT: Thank you, Judge Moss. At this

 5 point, we don't have a position on the consolidation

 6 versus not other than to point out we are not a party

 7 in the rate case, so I guess but whether we would need

 8 to be a late filed intervention involved in (inaudible)

 9 -- I was just going to say I believe RNP may not be a

10 party in the rate case, so we would just need some sort

11 of procedural direction on the best way to handle that

12 issue, but otherwise, we have no opinion on the

13 consolidation issues. I will simply reiterate what

14 Mr. Johnson and Mr. Roseman said.

15 JUDGE MOSS: I don't think I'm going to need

16 to give you any procedural guidance because I'm

17 disinclined to consolidate this with the rate case,

18 given what Staff and Public Counsel have said in

19 particular. In terms of their need to prepare the

20 case, it would seem appropriate to put it on its own

21 track. We can leave the question open as we get closer

22 and perhaps things develop more quickly than

23 anticipated.

24 I should mention, however, and I should have

25 mentioned this at the outset, the commissioners do

0020

 1 intend to sit on this petition, so that will expedite

 2 the entire decision-making process relative to what

 3 would be the case if I were hearing the case on my own,

 4 so that is something the parties should be aware of,

 5 but it does seem to me that we need to set a separate

 6 procedural schedule here, and I'm going to, as usual,

 7 give the parties an opportunity to discuss that among

 8 themselves, stressing the point that there is

 9 necessarily a balance between the parties' needs for

10 time and the need for expedition, so I will have to ask

11 everyone to work cooperatively and come up with a

12 schedule so I'm not required to impose one on you that

13 will make everybody unhappy.

14 So with that, if there is nothing further we

15 need to discuss beforehand, I'll put us in recess for a

16 bit. Apparently not. I'll ask that you include

17 Ms. Gravatt in your discussions, and how much time, 20

18 minutes?

19 MR. CEDARBAUM: Could we say 2:30 unless

20 somebody comes to get you?

21 JUDGE MOSS: We will be in recess until 2:30.

22 (Recess.)

23 JUDGE MOSS: Mr. Cedarbaum said you are going

24 to make me work. Who wants to report?

25 MR. CEDARBAUM: Your Honor, we attempted to

0021

 1 reach a full agreement on a schedule but were unable to

 2 with respect to hearing dates and briefing dates, and

 3 what I will put on the record is our two alternative

 4 schedules that are amenable to Staff. Staff is

 5 indifferent to either of these, and other parties will

 6 comment on that and maybe present their own schedule,

 7 and unfortunately, we would ask the Commission to

 8 decide for us.

 9 JUDGE MOSS: Okay.

10 MR. CEDARBAUM: The two alternatives that are

11 amenable to Staff, both would have January 28th as the

12 response date for Staff, Public Counsel, and

13 intervenors other than Northwest Energy Coalition,

14 Renewable Northwest Project, and The Energy Project,

15 and would also have February 18th as the rebuttal and

16 cross-answering date.

17 Alternative one hearing dates would be March

18 5th, which is a Friday, just a one-day hearing, with

19 briefs on March 17th, and alternative two would be

20 March 8th and 9th for hearings, recognizing that maybe

21 both days won't be necessary, and then March 23rd, or

22 two weeks after the close of hearing, for briefs,

23 whether that's the 22nd or 23rd, depending on when the

24 hearing gets over. So again, just to repeat, the

25 January 28th and February 18th dates hold for either

0022

 1 alternative. Alternative one hearings are either March

 2 5th or March 8th and 9th, and briefs are either March

 3 17th or March 23rd.

 4 I apologize to the parties. I didn't mention

 5 this while we were off the record, but with respect to

 6 the February 18th date for rebuttal, the Company along

 7 with The Energy Coalition, Renewable Northwest Project,

 8 and The Energy Project filed joint testimony, so we

 9 would assume that there would be joint rebuttal at most

10 from those same parties and not individual rebuttal

11 from each of those parties. As a practical matter,

12 perhaps that wouldn't end up mattering, but it doesn't

13 seem appropriate or fair that there should be four

14 separate rebuttal cases filed that day.

15 MR. JOHNSON: As I recall the testimony, the

16 joint testimony focused on one aspect but not all of

17 the parameters of the amended petition. Mr. DeBoer

18 submitted separate testimony for the Company dealing

19 with issues such as the regulatory offset and that sort

20 of thing, so there is somewhat of a divergence of

21 positions, and I could imagine the three intervenors

22 submitting consolidated testimony on their particular

23 issue, but I don't think that that issue is going to

24 cover all of the issues that will be dealt with when it

25 comes time to file rebuttal. The Company will have its

0023

 1 own position on issues that Mr. DeBoer discussed.

 2 MR. CEDARBAUM: That's a fair point. I'm

 3 sorry, Your Honor. I was just trying to avoid with

 4 being faced with four separate rebuttal cases, but what

 5 Mr. Johnson just said makes sense as well.

 6 JUDGE MOSS: Anybody else want to be heard?

 7 MR. ROSEMAN: Yes, Your Honor. I guess

 8 somewhat on the same line with what Mr. Johnson said,

 9 the response testimony covers areas outside of the

10 joint testimony that it seems to us that we should not

11 be lumped together as a group to try to respond to an

12 issue that only maybe one party is interested in or we

13 have different points of view on that.

14 I guess this is another take of what

15 Mr. Johnson's point is, but my recommendation would be

16 that we be allowed, if warranted and need be, to file

17 our own cross-answering testimony if necessary.

18 JUDGE MOSS: Anybody else want to be heard?

19 MS. SHIFLEY: Your Honor, Public Counsel

20 would just offer a third alternative, which I believe

21 the hearing dates have already been confirmed by Staff

22 with the Commission and the Commission is available on

23 these dates. The third alternative that Public Counsel

24 would ask for would be response on January 28th,

25 rebuttal on February 23rd, hearings scheduled for March

0024

 1 16th and 17th with the understanding that they could be

 2 shortened to one day if it appears that it's feasible,

 3 and briefs due after the hearings, and to accommodate

 4 some possible conflicts from ICNU, we would ask for the

 5 briefs to be due April 6th or 7th.

 6 And I'll just point out that the amended

 7 petition was filed by the Company and the intervenors

 8 late in the game and they didn't ask for consolidation

 9 with the rate case, and these issues have been around,

10 so as far as the timing of when this was filed and

11 brought to Public Counsel's attention, this is

12 something that we would only have been able to begin

13 looking at at the time the amended petition was filed,

14 and we have tried informally to start discovery to try

15 to find out if there are going to be extensive issues,

16 and we don't know at this point because we haven't

17 gotten answers to some of those questions.

18 We do understand that there is discovery that

19 is taking place in the rate case already that deals

20 somewhat with RECs, but there are definitely unique

21 issues in this docket that we are still trying to

22 figure out how complex they are going to be. We just

23 don't know at this point, so it seems more appropriate

24 to air on the side of caution to give time to fully

25 consider what might be precedential issues in this

0025

 1 case.

 2 MS. STROM CARSON: Your Honor, the Company is

 3 agreeable to either the first or second alternative

 4 that Staff proposed. Our preference would be the first

 5 alternative, which would have briefs completed by the

 6 17th of March. Our goal is to have this decided as

 7 soon as possible. The petition was originally filed in

 8 2007. The amended petition was filed in early October

 9 of 2009, so we still would have a six-month time period

10 for this case.

11 There has been extensive discovery on REC

12 issues in the rate case, so we think Staff's first

13 proposal is a schedule that works for everyone except

14 Public Counsel.

15 MR. SANGER: Your Honor, we have attorney

16 unavailability issues in the last couple weeks of March

17 which has posed a bit of a problem. The first schedule

18 that Staff has suggested is a schedule we think we can

19 make work. It would require us to get our brief done

20 early, but I think we can make that work.

21 The schedule proposed by Public Counsel, we

22 could possibly make that work. The second schedule, we

23 would need to change our current plans to make that

24 work. Having the hearing on the 8th and 9th and having

25 the brief on the 23rd would not give us sufficient time

0026

 1 to prepare our brief in that amount of time, so we

 2 would ask that you not adopt the second schedule.

 3 JUDGE MOSS: I guess that leaves me a little

 4 bit confused. You can do a hearing on March 5th and

 5 have your brief ready by the 17th, but you can't do a

 6 hearing on the 8th and have your brief ready by the

 7 22nd; is that what you are telling me?

 8 MR. SANGER: I believe so, Your Honor. We

 9 would like to have our brief due the week of the 8th.

10 We would have our brief done by the end of that week or

11 that weekend, but I think if we had the hearing on the

12 8th and 9th, that would be insufficient time for us to

13 be able to draft our brief without changing our plans

14 that we have.

15 JUDGE MOSS: You mean in other matters?

16 MR. SANGER: Yes. If the hearing isn't going

17 to be over until the 9th, we will have to change our

18 other plans and other schedules in order to get the

19 brief done.

20 MR. ROSEMAN: Your Honor, The Energy Project

21 would be satisfied with either one of Staff's

22 proposals.

23 JUDGE MOSS: Mr. Cedarbaum, did you do any

24 further checking on hearing dates?

25 MR. CEDARBAUM: I did ask Nancy Mullen about

0027

 1 March 5th, and that was available.

 2 JUDGE MOSS: Well, there is some possibility

 3 of course that the hearing will require more than one

 4 day. I sort of hesitate to schedule a hearing on a

 5 Friday, and certainly I would want to back that up on

 6 the 8th. Considering everything I've heard, I think I

 7 will go ahead and set that.

 8 Let's see, if we do the March 5th hearing,

 9 the proposal of everybody but Public Counsel is to have

10 the response testimony on the 28th of January and the

11 rebuttal on February 18th, right, and cross-answering,

12 and then hearing could be on March 5th.

13 MR. CEDARBAUM: Perhaps we could set aside

14 the 8th as a safety backup date without changing the

15 briefing date.

16 JUDGE MOSS: And then briefs would be due on

17 the 17th?

18 MR. JOHNSON: I just wanted to mention the

19 Coalition's position. The schedule you are discussing

20 right now is acceptable to the Coalition with just one

21 caveat. Ms. Dixon, who will likely be the Coalition's

22 witness, she normally is unavailable due to child care

23 issues on Fridays and Mondays and Wednesdays, for that

24 matter. Tuesdays and Thursdays are the days she is

25 available, but she has testified many times before via

0028

 1 the bridge line, and it would be a heads-up to you and

 2 the parties that she would likely do so if we did have

 3 the hearings on the 5th and the 8th.

 4 JUDGE MOSS: We will be able to work that

 5 out, I'm sure. Witness availability is something we

 6 are able to accommodate.

 7 MR. JOHNSON: Thank you.

 8 JUDGE MOSS: I think based on everything I've

 9 heard here, I will go ahead and set March 5th. That's

10 going to work better for me too looking at my schedule.

11 I'm presiding in the PSE rate case as well, and given

12 the date of reply briefs in that case is March 2nd, I'm

13 going to be pretty busy in this time frame with that,

14 so if we could have this hearing a little earlier, that

15 would be better for me, and I face a suspension date in

16 that proceeding, so I have to be sensitive to the

17 Commission's need for time, and we do prefer to have 30

18 days to work on these decisions and orders in these

19 major rate cases. I notice from the response testimony

20 there seems to be quite a few issues now.

21 So we will go ahead and set the 5th, and I'm

22 going to set the 8th as a backup date with the briefing

23 on the 17th, and Ms. Shifley, I'm sensitive to your

24 concerns. If problems develop in terms of getting

25 responses to discovery or something like that, you can

0029

 1 bring those to my attention. Procedural schedules are

 2 subject to change for a good cause, or by agreement of

 3 the parties, of course, so I want to encourage the

 4 Company in that regard to try to respond promptly. I

 5 don't know how much informal discovery is pending out

 6 there, but if you could get answers to Public Counsel

 7 promptly, that would be helpful to them, I'm sure, but

 8 I don't think this schedule is overly ambitious.

 9 So we will set January 28th as the date for

10 response testimony for parties that are not aligned

11 with the Company in terms of its petition; February

12 18th for rebuttal and cross-answering testimony, which

13 will include an opportunity as appropriate for parties

14 to put on such case they believe they need to put on.

15 I do want to, consistent with the conversation we've

16 had though, encourage those of you who are aligned on

17 this, to file jointly to the extent that's feasible,

18 but I understand, Mr. Roseman. Your point is well

19 taken. There may be some things that come up in

20 response that would prompt one or more of you.

21 Mr. Furuta, we don't want to forget about

22 you. It does not appear to me that you are going to

23 need to intervene in this, given what you said earlier.

24 MR. FURUTA: That's correct, Your Honor.

25 JUDGE MOSS: You will be able to protect your

0030

 1 interests in the rate case to the extent these issues

 2 are implicated there.

 3 MR. FURUTA: Yes.

 4 JUDGE MOSS: Do we need to resolve anything

 5 else today?

 6 MR. SANGER: Yes, Your Honor. Mr. Cedarbaum

 7 raised the issue of data response times, and I have not

 8 looked at the calendar, but given our due ends of

 9 January, now we may want to look at shortening response

10 times.

11 JUDGE MOSS: We often do that. Does anybody

12 have any concern about shortening response times?

13 MR. CEDARBAUM: Certainly after the February

14 18th filing date, but then the Company will say after

15 the January 28th filing date.

16 It would be Staff's proposal that the data

17 request response time be reduced to five business days

18 upon the filing of rebuttal and cross-answering on

19 February 18th.

20 JUDGE MOSS: Mr. Cedarbaum is anticipating

21 the Company will counter with a proposal and it be

22 shortened after the January 28th responsive filing

23 time, but that may or may not be the case. Ms. Carson?

24 MS. STROM CARSON: That would be the case; we

25 would ask for that. I think that's reasonable. It's a

0031

 1 pretty short time period between response filing and

 2 rebuttal, and so we would ask that that be shortened at

 3 that time to five days.

 4 I guess one other issue I would like to raise

 5 in terms of outstanding discovery, one reason

 6 outstanding informal requests for information haven't

 7 been responded to is we do need a protective order

 8 issued in this case, and we are going to work on that,

 9 but that does need to be issued before these responses

10 go out under this docket.

11 JUDGE MOSS: What I would ask that you all do

12 to expedite things -- I don't know if we have ever had

13 this procedure with PSE before or not, but we could go

14 ahead and have the parties execute the standard

15 confidentiality agreement under the standard form of

16 protective order considering that there will be an

17 order in place, which is something of a formal

18 commitment on the part of the parties to give

19 appropriate protections.

20 If that's agreeable to everyone, we can go

21 ahead and get that process started. Public Counsel,

22 for example, could go in and file anything they need to

23 file and get that process rolling, and then you all get

24 back to me within a few days or whatever it takes as

25 you try to modify or attempt to work out some modifying

0032

 1 language for the highly confidential. I don't want to

 2 issue two orders.

 3 MS. STROM CARSON: That's agreeable to the

 4 Company. We have done that before.

 5 JUDGE MOSS: So we will do that. You all

 6 have copies of the standard confidentiality agreement.

 7 If you need a copy of it, contact Ms. Walker in our

 8 shop and she will send you one and get that process

 9 rolling, and I'll order the shortened response time

10 after the 28th.

11 MS. SHIFLEY: Your Honor, I don't know if

12 this is something we need to handle here, but as far as

13 setting up an electronic service list and providing

14 names, should we follow up with you?

15 JUDGE MOSS: We've been following this

16 procedure for a few cases. If you all let me know in

17 the next two days any additional contacts you want to

18 have on the electronic service list, I'll include that.

19 I'll postpone the prehearing conference order until

20 later in the week and include all that information. We

21 are now following as a standard procedure the

22 electronic submission on the stated dates in the

23 procedural schedule followed by the hard copy the next

24 day.

25 My recollection is that if you are seeking

0033

 1 service only by electronic means that you still need to

 2 file a brief letter with the Commission saying that you

 3 waive the paper service. So if any of you want to

 4 proceed in that way, please file something with the

 5 Commission stating that you waive paper service.

 6 Anything else?

 7 All right. Let's see, I did check on copies.

 8 We need original plus ten copies in this proceeding.

 9 Hopefully that won't go up. If you are filing material

10 that includes confidential information, the ten copies

11 should be of the unredacted version, and then we need

12 one copy each of the confidential version redacted, or

13 highly confidential as appropriate redacted.

14 No need to remind you all of the Commission's

15 filing requirement for the records center. As we get

16 closer to the hearing, I'll follow my usual practice of

17 establishing a deadline for the exchange of

18 cross-examination exhibits and that sort of thing.

19 MR. SANGER: There is one additional thing

20 that we have not discussed about the schedule, and

21 that's the possibility of a issue discussion or

22 settlement conference.

23 JUDGE MOSS: Thank you. That is something we

24 do need to include as part of our standard prehearing

25 order. We do like to identify a date for parties to

0034

 1 talk settlement. Did you all have a date in mind or

 2 anybody want to propose one?

 3 MR. SANGER: I would propose that it be after

 4 the date for which Staff and Intervenors file their

 5 testimony on January 28th, but besides that, I don't

 6 have any specific proposal.

 7 MR. CEDARBAUM: We didn't discuss anything

 8 specifically.

 9 JUDGE MOSS: How about something during the

10 week of February 8th or February 15th?

11 MR. CEDARBAUM: I would prefer the 8th just

12 because it's farther away from the opening briefs in

13 the rate case.

14 MR. JOHNSON: The 15th is also a holiday.

15 JUDGE MOSS: Eight is a very nice number.

16 Let's make it February the 8th. You might all want to

17 change that. You are free to change that. Just make

18 sure everybody is informed, and keep me apprised of any

19 positive developments in that regard, and we will

20 adjust the procedural schedule or do whatever we need

21 to do if that becomes evident we should do that.

22 Anything else? Thank you all for being here

23 today. I know that you all will let me know if there

24 are any problems along the way. We will be in recess.

25