

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

WASHINGTON UTILITIES AND)	DOCKET UG-060256
TRANSPORTATION COMMISSION,)	
)	ORDER 01
Complainant,)	
)	
v.)	PREHEARING CONFERENCE
)	ORDER;
CASCADE NATURAL GAS)	
CORPORATION,)	NOTICE OF PREHEARING
Respondent.)	CONFERENCE
)	(Set for October 5, 2006)
)	
)	NOTICE OF HEARING
)	(Set for October 9, 2006)
)	

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1 **NATURE OF PROCEEDING.** Docket UG-060256 involves the filing of tariffs seeking a general increase in the rates and charges of Cascade Natural Gas Corporation. The Commission suspended the proposed tariffs and directed that the proposal be set for hearing.

2 **CONFERENCE.** The Washington Utilities and Transportation Commission (Commission) convened a prehearing conference in this docket at Olympia, Washington on April 11, 2006, before Administrative Law Judge C. Robert Wallis upon notice to all interested parties.

3 **APPEARANCES.** James Van Nostrand, Stoel Rives LLP, Portland, Oregon, represents Cascade Natural Gas Corporation (“Cascade” or “Company”). Judith Krebs, Assistant Attorney General, Seattle, Washington, represents the Public Counsel Section of the Washington Office of the Attorney General. Greg Trautman,

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

4 Vincent J. Diaz, Fox Island, Washington, represents the International Chemical Workers Union Council/UFCW Local 121-C. Ed Finklea and Chad Stokes, attorneys, Cable Huston Benedict Haagensen & Lloyd LLP, Portland, Oregon, represent the Northwest Industrial Gas Users ("NWIGU"). Nancy Glaser and Danielle Dixon, staff members, Seattle, WA, represent the NW Energy Coalition. Brad Purdy, attorney, Boise, Idaho, represents the Energy Project. Scott Magie, project director, Longview, Washington, represents the Mint Farm Energy Center LLC. The majority of the contact information provided at the conference for the parties' representatives is attached as Appendix A to this order.² Appendix A will be updated on receipt of the transcript, and sent to parties via e-mail.

5 **PETITIONS FOR INTERVENTION.** Five entities petitioned in writing to become intervenors. They included the International Chemical Workers Union, Northwest Industrial Gas Users, NW Energy Coalition, Energy Project, and the Mint Farm. In addition, Doug Betzold of Cost Management Services, Inc. petitioned orally at the conference.

6 No parties objected to any proposed intervention. Each of the petitioning entities identified a substantial interest in the proceeding, and the petitions are granted.

7 **MOTION TO COMPEL.** Public Counsel filed a motion to compel Cascade to supplement its rate case filing. The Company and several other parties, including petitioners for intervention, with the approval of the bench, responded. The parties updated and repeated their arguments during the conference.

¹ In formal proceedings, such as this case, the Commission's regulatory staff functions as an independent party with the same rights, privileges, and responsibilities as any other party 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 advocacy Staff. *RCW 34.05.455*.

² We also attach as Appendix C a list of contact information for attorneys and paralegals and client contact persons, for informal distribution of information. Only the lead counsel will receive service of Commission-generated communications; counsel and the party's designated client representative will receive formal service of Commission orders.

8 Ms. Krebs, for Public Counsel, argued that Cascade failed to follow the practice that other companies follow in distributing work papers with prefiled testimony and exhibits. She concluded that the Commission should order Cascade to provide certain supplementary information. Other parties supported the motion, noting that having information at an early stage reduces procedural effort and time. Cascade pointed out that its filing complied with the letter of the existing rule, acknowledged confusion resulting from inadvertent mislabeling, produced copies of work papers for distribution at the conference, and pledged to provide requested material promptly on request. As indicated at the conference, we deny the motion to compel in light of Cascade's compliance with the rule and willingness to provide the requested documents speedily.³

9 Parties also asked for a "working" model of Cascade's cost of service ("COS") study, which they represented is critical to the proposed tariff filing. They sought a version in which they could enter proposed changes and determine the result. Cascade responded that its model is proprietary, not Cascade-owned. Cascade indicated that it has no right to allow the use proposed release of the proprietary model. The Company offered to pay the cost of having the consultant make model runs for other parties, and pledged to facilitate such runs.

10 The Company must provide documentation for the restrictions on use of the study. Subject to doing so, and to providing speedy runs to parties at Cascade's expense, it need not provide working models. Cascade must also provide reasonable access to persons knowledgeable with the model if questions arise about its operation or the results of specific model runs, and arrange for confidential runs if necessary during the deliberative phase of this proceeding.

11 **PROTECTIVE ORDER.** We will enter a standard form protective order in this docket at the request of the parties. If it appears to parties that additional protections appear to be needed, they may seek modification.

12 **DISCOVERY.** The parties asked that the discovery rules be invoked, under WAC 480-07-400. The matter is one that qualifies for discovery, and the discovery rules,

³ We urge all counsel with procedural concerns to speak with opposing counsel to determine whether they may be accommodated without the need for motions and responses.

WAC 480-07-400 through 425, are invoked. The parties agreed to reduce the time for responses to discovery requests to seven days after August 15, 2006 and to five days after September 12, 2006. All parties pledged to make best efforts to comply with the deadlines. It is especially important in times of tight deadlines that counsel be proactive about discussing potential delays with persons needing the data. Doing so will avoid the need for litigation and may identify less time-consuming alternatives.

13 **PROCEDURAL SCHEDULE.** The Commission adopts the following procedural schedule (all dates are 2006 except as noted):

Deadline for firming schedule for public hearing(s)	May 19, 2006
Date reserved for parties' settlement discussions	July 25, 2006 ⁴
Answering testimony from staff, Public Counsel, intervenors	August 15, 2006
Rebuttal (company) and cross rebuttal (others)	September 12, 2006
Prehearing Conference	October 5, 2006
Hearing to begin (five days reserved for use if needed)	October 9, 2006
Simultaneous initial briefs ⁵	November 15, 2006
Simultaneous answering briefs	December 1, 2006
Suspension date	January 16, 2007

NOTICE OF PREHEARING CONFERENCE: The Commission will convene a prehearing conference in this docket on October 5, 2006, beginning at 9:30 a.m. in the hearing room, Room 206, in the Commission's headquarters office, 1300 South

⁴ The parties agreed that they would make any necessary scheduling arrangements.

⁵ Cascade agreed to fund the costs of an expedited transcript to enable a speedy briefing schedule.

Evergreen Park Drive SW, Olympia, Washington. for the purpose of distributing exhibits to be used on cross examination, for marking exhibits, and for addressing any procedural questions the parties or the commission may raise. Objections to prefiled exhibits must be made no later than the time of this conference.

NOTICE OF HEARING: Hearing in this matter is set for October 9, 2006, beginning at 9:30 a.m. in the hearing room, Room 206, in the Commission's headquarters office, 1300 South Evergreen Park Drive SW, Olympia, Washington. The Commission has reserved October 9 through 13, if needed, for the hearing at that location.

14 **SERVICE AND COMMUNICATION AMONG PARTIES AND WITH BENCH.** Parties must include the administrative law judge and advisory staff when providing electronic copies of filed materials to the Commission and other parties. Failure to do so may cause delays and could render the filing insufficient. **Please note:** merely filing via the Commission's web portal is **not** sufficient to satisfy this requirement. E-mail contact information for the advisory staff is included in Attachment C.

15 **FORMAT OF ELECTRONIC DOCUMENTS.** Parties must include an electronic file of each document in Word or Excel, as appropriate, unless such a file is not available and cannot be reasonably created (an extensive passage from a printed document not created by the parties, for example). Excel files must include and enable all entries and formulas necessary to produce the result shown on the printed version. Parties should take care to delete metadata not needed for hearing purposes, such as identities of authors and editing trails.

16 **DOCUMENT PREPARATION AND FILING REQUIREMENTS.** Parties must file an original plus **eleven** copies of all pleadings, motions, briefs, and other prefiled materials. These materials must conform with the format and publication guidelines set forth in WAC 480-07-395 and 480-07-460, and must 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.

- 17 Parties must also file **one** copy of a complete redacted version of any document containing confidential information, plus the needed appropriate electronic versions of the redacted text. Each redacted document must be plainly labeled on its cover sheet, first page, and media.
- 18 All filings must be mailed to the Commission Secretary, Washington Utilities and Transportation Commission, P.O. Box 47250, 1300 S. Evergreen Park Drive, S.W. Olympia, Washington 98504-7250, or delivered (by hand or courier) to the Commission's Records Center at the Washington Utilities and Transportation Commission, 1300 S. Evergreen Park Drive, S.W., Olympia, Washington, 98504. Both the post office box and street address are required to expedite deliveries by the U.S. Postal Service.
- 19 Parties must provide an electronic copy of all filings by web portal or e-mail delivery to <records@wutc.wa.gov>. Alternatively, parties may furnish an electronic copy by delivering with each filing a 3.5-inch IBM-formatted high-density diskette including the filed document(s). Parties must furnish an electronic file in MS Word or MS Excel, supplemented by a separate file in .pdf (Adobe Acrobat) format. Parties must organize and identify electronic files as specified in WAC 480-07-140(5).
- 20 **ELECTRONIC FILING.** Parties may only file documents electronically with the Commission in this proceeding with the permission of the administrative law judge. Under WAC 480-07-145(6), electronic filing of documents provides a one-day extension of the paper-filing requirement. If, at any time during this proceeding, parties are authorized to file documents with the Commission electronically under WAC 480-07-145(6), Parties must submit the document to records@wutc.wa.gov, and file an original, plus **eleven** copies, of the document with the Commission by the following business day. Parties must also file the required redacted version of any confidential document.
- 21 **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 360-664-1142.

22 **NOTICE TO PARTIES: Any objection to the provisions of this Order must be filed within ten (10) days after the service date of this Order, pursuant to WAC 480-07-430 and WAC 480-07-810. Absent such objection, this Order will control further proceedings in this matter, subject to Commission review.**

Dated at Olympia, Washington, and effective April 13, 2006.

WASHINGTON STATE UTILITIES AND TRANSPORTATION COMMISSION

C. ROBERT WALLIS
Administrative Law Judge

APPENDIX A				
PARTIES' REPRESENTATIVES⁶				
DOCKET UG-060256				
PARTY	REPRESENTATIVE	PHONE	FACSIMILE	E-MAIL
Cascade Natural Gas	James Van Nostrand Stoel Rives LLP 900 S.W. Fifth Avenue Suite 2600 Portland, OR 97204	(503) 294-9679	(503) 220-2480	jmvannostrand@stoel.com
International Chemical Workers Union Local 121-C	Vincent J. Diaz 1095 Makah Place Fox Island, WA 98333			
Northwest Industrial Gas Users	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) 224-3092	(503) 224-3176 (503) 224-3176	efinklea@chbh.com cstokes@chbh.com
NW Energy Coalition	Nancy Glaser Danielle Dixon 219 First Avenue South Suite 100 Seattle, WA 98104	(206) 621-0094 (206) 621-0094	(206) 621-0097 (206) 621-0097	nglaser@nwenergy.org danielle@nwenergy.org
The Energy Project	Brad M. Purdy Attorney at Law 2019 N 17 th Street Boise, ID 83702	(208) 384-1299	(208) 384-8511	bmpurdy@hotmail.com
Mint Farm Energy Center LLC	Scott Magie, Project Director 1200 Prudential Boulevard Longview, WA	(605) 359-0200	(605) 336-1014	SMMagie@mintfarmenergy.com

⁶ Parties are asked to provide missing information to the bench and administrative support.

APPENDIX A (CONTINUED)

**PARTIES' REPRESENTATIVES
DOCKET UG-060256**

PARTY	REPRESENTATIVE	PHONE	FACSIMILE	E-MAIL
Cost Management Services, Inc.	John A. Cameron Davis Wright Tremaine LLP 1300 SW Fifth Avenue Suite 2300 Portland, OR 97201 P. Douglas Betzold Chief Executive Officer 2737 78 th Avenue SE Mercer Island, WA 98040	(503) 241-2300 (206) 236-8808	(503) 778-5299 (206) 236-8807	johncameron@dwt.com
Public Counsel	Judy Krebs Public Counsel Section Office of Attorney General 900 Fourth Avenue Suite 2000 Seattle, WA 98164-1012	(206) 464-6595	(206) 389-2079	judyk@atg.wa.gov
Commission Staff	Greg Trautman Assistant Attorney General 1400 S. Evergreen Pk. Dr. SW P.O. Box 40128 Olympia, WA 98504-0128	(360) 664-1187	(360) 586-5522	gtrautma@wutc.wa.gov

**APPENDIX B
PROCEDURAL SCHEDULE
DOCKET UG-060256**

EVENT	DATE	INTERVAL
Deadline for firming schedule for public hearing(s)	May 19, 2006	
Date reserved for parties' settlement discussions	July 25, 2006 ⁷	67 days
Answering testimony from staff, Public Counsel, intervenors	August 15, 2006	21 days
Rebuttal (company) and cross rebuttal (others)	September 12, 2006	28 days
Prehearing Conference	October 5, 2006	17 days
Hearing to begin (five days reserved for use if needed)	October 9, 2006	4 days
Simultaneous initial briefs ⁸	November 15, 2006	37 days
Simultaneous answering briefs	December 1, 2006	16 days
Suspension date	January 16, 2007	46 days

⁷ The parties agreed that they would make any necessary scheduling arrangements.

⁸ Cascade agreed to fund the costs of an expedited transcript to enable a speedy briefing schedule.

APPENDIX C

**INFORMAL DISTRIBUTION LIST (In addition to counsel of record)
DOCKET NO. UG-060256**

PARTY	REPRESENTATIVE	PHONE	FACSIMILE	E-MAIL
Cascade Natural Gas	Jon Stoltz (Company Contact)	(206) 381-6823	(206) 654-4039	jstoltz@cng.com
	Jason B. Keyes (Attorney)	(503) 386-7681	(206) 386-7500	jbkeyes@stoel.com
	Jennifer Fry (Attorney Staff)	(503) 294-9273	(503) 220-2480	jlfry@stoel.com
Public Counsel	Steve Johnson (Attorney Staff)	(206) 464-6253	(206) 389-2079	stevenj@atg.wa.gov
	Kathryn Zsoka	(206) 389-3972	(206) 389-2079	kathrynz@atg.wa.gov
Northwest Industrial Gas Users	Paula Pyron (Company Contact)	(503) 636-2580	(503) 636-0703	ppyron@nwigu.org
	Chad Stokes (Attorney)	(503) 224-3092	(503) 224-3176	cstokes@chbh.com
	Nancy Herzberg (Attorney Staff)	(503) 224-3092	(503) 224-3176	nherzberg@chbh.com
	Donald W. Schoenbeck	(503) 232-6155	(360) 737-7628	dws@r-c-s-inc.com
NW Energy Coalition	Nancy Glaser (Lead Representative and Company Contact)	(206) 621-0094	(206) 621-0097	nglaswer@nwenergy.org
	Danielle Dixon (Associate Representative)	(206) 621-0094	(206) 621-0097	danielle@nwenergy.org
Cost Management Services	John Cameron (Lead Counsel)	(503) 241-2300	(503) 778-5299	johncameron@dwt.com
	Doug Betzold (Company Contact)	(206) 236-8808		

APPENDIX C (CONTINUED)

**INFORMAL DISTRIBUTION LIST (In addition to counsel of record)
DOCKET NO. UG-060256**

PARTY	REPRESENTATIVE	PHONE	FACSIMILE	E-MAIL
Commission Advisory Staff	Karen Caille (Admin. Law Judge)	(360) 664-1136	(360) 664-2654	kcaille@wutc.wa.gov
	Dick Byers (Policy)		(360) 664-3604	dbyers@wutc.wa.gov
	Nicolas Gardia (Policy)		(360) 664-3604	ngarcia@wutc.wa.gov
	Maurice Twitchell (Accounting adviser)			mltwitch@comcast.net
	Kippi Walker (Administrative Support)	(360) 664-1139	(360) 664-2654	kwalker@wutc.wa.gov