

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

WASHINGTON UTILITIES AND	)	DOCKET UG-101644
TRANSPORTATION COMMISSION,	)	
	)	
Complainant,	)	ORDER 03
	)	
v.	)	
	)	PREHEARING CONFERENCE
PUGET SOUND ENERGY, INC.,	)	ORDER; NOTICE OF HEARING
	)	<b>(Set for March 14, 2011)</b>
Respondent.	)	
	)	
.....	)	

1     **NATURE OF PROCEEDING.** On October 1, 2010, Puget Sound Energy, Inc. (PSE), filed with the Washington Utilities and Transportation Commission (Commission) certain tariff revisions designed to increase rates for gas service to customers in Washington. The proposed revisions provide for a rate increase of approximately 2.3 percent. The Commission suspended operation of the tariffs by Order 01 entered in this docket following the October 28, 2010, open meeting.

2     **PREHEARING CONFERENCE/PRESIDING OFFICER.** The Commission convened a prehearing conference in this proceeding at Olympia, Washington on November 19, 2010, before Administrative Law Judge Dennis J. Moss, whom the Commission appoints as presiding officer in this proceeding.

3     **PARTY REPRESENTATIVES.** Sheree Strom Carson and Donna Barnett, Perkins Coie, Bellevue, Washington, represent PSE. Simon ffitch, Assistant Attorney General, Seattle, Washington, represents the Public Counsel Section of the Washington Office of Attorney General (Public Counsel). Robert D. Cedarbaum, Senior Assistant Attorney General, Assistant Attorney General, Olympia, Washington, represents the Commission’s regulatory staff (Commission Staff or Staff).<sup>1</sup>

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<sup>1</sup> In formal proceedings, such as this, the Commission’s regulatory staff participates like any other party, while the Commissioners make the decision. To assure fairness, the Commissioners, the presiding administrative law judge, and the Commissioners’ policy and accounting advisors do not discuss the merits of this proceeding with the regulatory staff, or any other party, without giving notice and opportunity for all parties to participate. *See, RCW 34.05.455.*

4 Chad M. Stokes and Tommy Brooks, 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). Ronald L. Roseman, Attorney, Seattle, Washington, represents the Energy Project. John A. Cameron, Davis Wright Tremaine LLP, represents Cost Management Services, Inc. (CMS). Damon E. Xenopoulos, Brickfield, Burchette, Ritts & Stone, PC, Washington, DC, represents Nucor Steel Seattle, Inc. (Nucor Steel).

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

Seattle Steam Company                      Cost Management Services, Inc.

Nucor Steel of Seattle, Inc.              The Energy Project

NWIGU

6 PSE and Staff objected to intervention by Cost Management Services, Inc., stating similar reasons for their objections. CMS states in its Petition to Intervene that its specific interest in this proceeding is PSE's conservation-grant program, which originated in 2001 as a negotiated component of a general rate case settlement in Dockets UE-011570 and UG-011571 (*consolidated*). CMS contends this program, as currently administered, creates barriers to competition and is otherwise unlawful. Because PSE did not place its conservation tariffs in issue and they are not subject to the Commission's suspension order in this docket, both the Company and Staff expressed concerns that granting CMS's petition would unnecessarily and inappropriately broaden the issues in this proceeding. The Commission, sharing these concerns, denies CMS's petition.<sup>2</sup>

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<sup>2</sup> The Commission notes that a regulated company's filing of a rate case does not amount to an opportunity for any and all persons who have one dispute or another with the company to raise it and have it adjudicated. There are other procedural vehicles that may be available to CMS to pursue its claims that PSE's conservation program is unduly discriminatory, or otherwise unlawful. These include the possibility of filing a complaint under RCW 80.04.110, to the extent CMS is PSE's competitor in the sale of natural gas to industrial customers in Washington.

7 There was no objection to the remaining petitions to intervene. The Commission finds that these petitioners each demonstrated their substantial interest in this proceeding and that their participation will be in the public interest. The petitions to intervene by NWIGU, Seattle Steam Company, Nucor Steel, and the Energy Project are granted.

8 **PROTECTIVE ORDER.** The Commission has entered simultaneously with the entry of this Order, a protective order under RCW 34.05.446, RCW 80.04.095, WAC 480-07-420 and WAC 480-07-423, to facilitate discovery.

9 **DISCOVERY.** Discovery will continue pursuant to the Commission’s discovery rules, WAC 480-07-400 – 425. The response time for data requests is five business days. 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. The Commission urges the parties to work cooperatively together to avoid having to bring discovery matters forward for formal resolution. After the date for response testimony, February 7, 2011, the time for responses will be five calendar days.

10 **PROCEDURAL SCHEDULE.** The parties agreed on a procedural schedule. The Commission adopts this procedural schedule as set forth below and in Appendix B to this Order. The Commission will provide due notice of any change in this schedule.

Prefiled Direct Testimony	October 1, 2010
Settlement Conference	January 14, 2011
Staff, Public Counsel, and Intervenor Response Testimony	February 7, 2011
Company, Rebuttal and Cross- Answering Testimony	February 23, 2011
Evidentiary Hearing	March 14-15, 2011
Public Comment Hearing	March 14, 2011
Briefs	TBD

- 11 **NOTICE OF HEARING.** The Commission will hold evidentiary hearings in this matter beginning **March 14, 2011, 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. The Commission may alter this schedule by subsequent notice.
- 12 **PUBLIC COMMENT HEARING.** The Commission will hold a public comment hearing in this matter on **March 14, 2011, at 6:30 p.m.**, in the Commission's Hearing Room, Second Floor, Richard Hemstad Building, 1300 S. Evergreen Park Drive S.W., Olympia, Washington. The Commission may alter this schedule by subsequent notice.
- 13 **DOCUMENT PREPARATION AND FILING REQUIREMENTS.** Parties must file the original plus nine (9) copies of the unredacted versions of all pleadings, motions, briefs, and other prefiled materials. Parties must also file the original and one (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.
- 14 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.
- 15 An electronic copy of all filings must be provided through the Commission's Web Portal ([www.utc.wa.gov/e-filing](http://www.utc.wa.gov/e-filing)) or by e-mail delivery to [records@utc.wa.gov](mailto: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.
- 16 **ELECTRONIC SUBMISSION OF DOCUMENTS.** 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](http://www.utc.wa.gov/e-filing)) or by e-mail to [records@utc.wa.gov](mailto:records@utc.wa.gov), and file an original,

plus nine (9) paper copies,<sup>3</sup> 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 judge and the parties to the proceeding.

- 17 **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 360-664-1355.
- 18 **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 November 24, 2010.

WASHINGTON STATE UTILITIES AND TRANSPORTATION COMMISSION

DENNIS J. MOSS  
Administrative Law Judge

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<sup>3</sup> See, supra, ¶ 13 for detailed filing requirements when documents include material designated confidential.

**APPENDIX A**

**PARTIES' REPRESENTATIVES  
DOCKET UG-101644**

<b>PARTY</b>	<b>REPRESENTATIVE</b>	<b>PHONE</b>	<b>FACSIMILE</b>	<b>E-MAIL</b>
<b>Puget Sound Energy</b>	Sheree Strom Carson Donna Barnett Perkins Coie LLP 10885 NE Fourth Street Suite 700 Bellevue, WA 98004-5579	425-635-1400	425-635-2400	<a href="mailto:scarson@perkinscoie.com">scarson@perkinscoie.com</a> <a href="mailto:dbarnett@perkinscoie.com">dbarnett@perkinscoie.com</a>  <a href="mailto:psedrs@perkinscoie.com">psedrs@perkinscoie.com</a>
<b>Commission Staff</b>	Robert D. Cedarbaum 1400 S. Evergreen Park Dr. SW P.O. Box 40128 Olympia, WA 98504-0128	360-664-1188	360-586-5522	<a href="mailto:bcedarba@wutc.wa.gov">bcedarba@wutc.wa.gov</a>
<b>Public Counsel</b>	Simon J. ffitich Public Counsel Section Office of Attorney General 800 Fifth Avenue, Suite 2000 Seattle, WA 98104-3188	206-389-2055	206-464-6451	<a href="mailto:simonf@atg.wa.gov">simonf@atg.wa.gov</a>
	Senior Regulatory Analyst Mary Kimball			<a href="mailto:maryk2@atg.wa.gov">maryk2@atg.wa.gov</a>
	Regulatory Analyst Mary Harper			<a href="mailto:Maryh2@atg.wa.gov">Maryh2@atg.wa.gov</a>
	Legal Assistant Carol Williams			<a href="mailto:carolw@atg.wa.gov">carolw@atg.wa.gov</a>
<b>Northwest Industrial Gas Users (NWIGU)</b>	Chad M. Stokes Tommy Brooks Cable Huston Benedict Haagensen & Lloyd LLP 1001 SW Fifth Avenue Suite 2000 Portland, OR 97204-1136	503-224-3092	503-224-3176	<a href="mailto:cstokes@cablehuston.com">cstokes@cablehuston.com</a> <a href="mailto:tbrooks@cablehuston.com">tbrooks@cablehuston.com</a>
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	Don Schoenbeck			<a href="mailto:dws@r-c-s-inc.com">dws@r-c-s-inc.com</a>

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	Robert Sheppard			<a href="mailto:rbsheppard@comcast.net">rbsheppard@comcast.net</a>
<b>The Energy Project</b>	Ronald L. Roseman Attorney At Law 2011 14 <sup>th</sup> Avenue East Seattle, Washington 98112	206-324-8792	206 568-0138	<a href="mailto:ronaldroseman@comcast.net">ronaldroseman@comcast.net</a>
	Chuck Eberdt			<a href="mailto:Chuck_Eberdt@oppco.org">Chuck_Eberdt@oppco.org</a>
<b>Nucor Steel of Seattle, Inc.</b>	Damon E. Xenopoulos Brickfield, Burchette, Ritts & Stone, P.C. 1025 Thomas Jefferson Street, N.W. 8 <sup>th</sup> Floor, West Tower Washington, D.C. 20007	202-342-0800	202-342-0807	<a href="mailto:dex@bbrslaw.com">dex@bbrslaw.com</a>

**APPENDIX B  
PROCEDURAL SCHEDULE  
DOCKET UG-101644**

<b><u>EVENT</u></b>	<b><u>DATE</u></b>	<b><u>INTERVAL</u> <b>(Days)</b></b>
Company Direct Testimony and Exhibits	October 1, 2010	
Settlement Conference (parties only)	January 14, 2011	
Staff, Public Counsel and Intervenor Response Testimony and Exhibits (including workpapers)	February 7, 2011	129
Company Rebuttal Testimony and Exhibits (including workpapers) Staff, Public Counsel and Intervenor Cross-Answering Testimony and Exhibits (including workpapers)	February 23, 2011	16
Evidentiary Hearing	March 14-15, 2011	19
Public Comment Hearing	March 14, 2011	
Briefs	TBD	