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1                                   BEFORE THE WASHINGTON STATE  
2                                   UTILITIES AND TRANSPORTATION COMMISSION  
3   WASHINGTON UTILITIES AND        )  
4   TRANSPORTATION COMMISSION,    )   DOCKET NO. PG-041624  
5                                    )     
6                                    )   Complainant,   )   Volume V  
7                                    )   Pages 67 to 78  
8                                    )     
9                                    )   vs.             )  
10                                   )     
11                                   )   PUGET SOUND ENERGY,    )  
12                                   )     
13                                   )   Respondent.    )  
14                                   )     
15                                   )   \_\_\_\_\_ )

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10                                   A hearing in the above matter was held on  
11   June 24, 2005, from 12:30 p.m to 12:45 p.m., at 1300  
12   South Evergreen Park Drive Southwest, Room 108, Olympia,  
13   Washington, before Administrative Law Judge THEODORA  
14   MACE.

15                                   The parties were present as follows:

16                                   THE COMMISSION, by DONALD T. TROTTER,  
17   Assistant Attorney General, 1400 South Evergreen Park  
18   Drive Southwest, P.O. Box 40128, Olympia, Washington  
19   98504-0128, Telephone (360) 664-1189, Fax (360)  
20   586-5522, E-mail dtrotter@wutc.wa.gov.

21                                   PUGET SOUND ENERGY, via bridge line by JAMES  
22   E. WILLIAMS, Attorney at Law, Perkins Coie LLP, 1201  
23   Third Avenue, Suite 4800, Seattle, Washington  
24   98101-3099, Telephone (206) 359-3543, Fax (206)  
25   583-8500, E-mail jwilliams@perkinscoie.com.

26                                   CITY OF BELLEVUE, via bridge line by CHERYL  
27   ZAKRZEWSKI, Attorney, City Attorney's Office, City of  
28   Bellevue, 11511 Main Street, Bellevue, Washington 98004,  
29   Telephone (425) 452-4081, Fax (425) 452-7256, E-mail  
30   czakrzewski@ci.bellevue.wa.us.

31   Joan E. Kinn, CCR, RPR  
32   Court Reporter

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

2 JUDGE MACE: Let's be on the record in Docket  
3 Number PG-041624, Washington Utilities and  
4 Transportation Commission versus Puget Sound Energy.  
5 This is June 24th, 2005. We are convened at the offices  
6 of the Washington Utilities and Transportation  
7 Commission in Olympia, Washington. My name is Theodora  
8 Mace, I'm the Administrative Law Judge who has been  
9 assigned to this case.

10 And now I would like to have the oral  
11 appearances of counsel, and I will begin with the  
12 company, and then I will ask Staff and then the City to  
13 enter their appearances. The counsel for Commission  
14 Staff and the company need only enter their short form  
15 appearance, but, Ms. Zakrzewski, since this is the first  
16 time you have entered an appearance in this case, I need  
17 to ask you to give us your name, address, who you  
18 represent, and your phone, fax, and E-mail addresses  
19 when I call on you.

20 MS. ZAKRZEWSKI: Yes, ma'am.

21 JUDGE MACE: All right, thank you.

22 Let me hear first from Commission Staff, I  
23 believe I said Commission Staff first.

24 MR. TROTTER: This is Don T. Trotter,  
25 Assistant Attorney General.

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1 JUDGE MACE: Thank you.

2 And for the company.

3 MR. WILLIAMS: James Williams and Amanda  
4 Beane of Perkins Coie on behalf of Puget Sound Energy.

5 JUDGE MACE: Thank you.

6 And Ms. Zakrzewski.

7 MS. ZAKRZEWSKI: Yes, this is Cheryl  
8 Zakrzewski from the City of Bellevue. My last name is  
9 spelled Z-A-K-R-Z-E-W-S-K-I. The address of the City of  
10 Bellevue is 11511 Main Street, Bellevue, Washington  
11 98004. My direct phone line is (425) 452-4081. My fax  
12 number is (425) 452-7256.

13 JUDGE MACE: And do you have an E-mail  
14 address?

15 MS. ZAKRZEWSKI: I do, it's C as in Cheryl  
16 Zakrzewski, Z-A-K-R-Z-E-W-S-K-I, @ci.bellevue.wa.us.

17 JUDGE MACE: Okay, thank you.

18 Very well, and is there anyone else on the  
19 conference bridge who wants to enter an appearance?

20 MR. SEACREST: Not to enter an appearance,  
21 but this is Steve Seacrest, I'm Assistant General  
22 Counsel with Puget Sound Energy working with James and  
23 Amanda.

24 JUDGE MACE: Thank you. The purpose of the  
25 hearing today, as I mentioned earlier, was to discuss

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1 scheduling. I had had a request from Commission Staff  
2 that the scheduling be changed in view of the fact that  
3 the company had not been able to provide certain  
4 information that it had agreed to provide at a certain  
5 time. My understanding is that the company has agreed  
6 to provide that information and will be or has already  
7 provided the information, and I also have had a proposed  
8 schedule from Staff.

9           Before I go any further though, let me ask  
10 Mr. Trotter, Mr. Trotter, would you please give me an  
11 update on the status of discovery and the receipt of  
12 information from the company and also the revised  
13 schedule or the proposed revised schedule.

14           MR. TROTTER: Yes, Your Honor. As our motion  
15 stated, there were two specific items, the riser study  
16 and the coating survey. We expected the riser study  
17 around the 6th of May and the coating survey around the  
18 13th, but we understood that those were estimates when  
19 we set the schedule together. I don't think those were  
20 necessarily promised dates but rather the company's best  
21 estimate at the time.

22           As we rolled on through time, we were  
23 contacted by the company, the information simply was not  
24 completed and could not be provided. And so by June  
25 15th, we were facing a June 28th distribution date that

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1 we could not meet, so we filed the motion.

2           Shortly after the motion was filed on June  
3 15th, we received the riser study, and last Tuesday,  
4 June 21st, we received the coating survey. So after we  
5 had a chance to evaluate those, we had a discussion of  
6 how this would affect the schedule. And so I came up in  
7 consultation with Staff with the schedule that I  
8 distributed to you by E-mail today, and this was also  
9 circulated to the parties yesterday, which kept the  
10 current hearing dates intact. I did consult the  
11 Commission's Kippi Walker of the ALJ section to see what  
12 hearing dates were available, and due to other cases and  
13 other dates already scheduled, the next possible hearing  
14 dates were the first week of November. And from Staff's  
15 perspective, we just simply didn't want this case to go  
16 on that long, so we tried, made our best effort to put a  
17 schedule together that would accommodate the dates that  
18 are available. There are some dates in October that are  
19 scheduled now that by the time we get to October may be  
20 freed up, but Ms. Walker indicated there's no way to  
21 double schedule those dates now, it simply can't be  
22 done. I certainly understand that. So given those  
23 parameters, this is the schedule we came up with.

24           As you know by now, we circulated that to the  
25 other parties. It is my understanding that PSE is

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1 willing to agree to it. The City of Bellevue, however,  
2 has some concerns about it. So I think that's where we  
3 are.

4 JUDGE MACE: All right, thank you.

5 Mr. Williams, is it true that the company is  
6 in agreement with this schedule?

7 MR. WILLIAMS: It is true. The only thing  
8 that we would ask be added by you, Judge Mace, is a  
9 settlement conference date that Mr. Trotter and I have  
10 spoken about and agreed upon. I didn't speak to the  
11 City of Bellevue about it because it just happened  
12 before the call, so.

13 JUDGE MACE: Well, I may give you time to  
14 discuss that today yet, but one additional item I would  
15 have to add would be a prehearing conference for the  
16 marking of exhibits, which I'm not sure if we included  
17 in the original schedule. But if it's not included, I  
18 will have to insert a date sometime a few days prior to  
19 the hearing date. I will make a note about that.

20 Ms. Zakrzewski, let me turn to you now and  
21 ask you to state your concerns about the proposed  
22 schedule change.

23 MS. ZAKRZEWSKI: The problem is I don't know  
24 if I have any concerns. We did not receive the coating  
25 survey until this morning. I have not had the

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1 opportunity to pass it on to anybody so that we can  
2 review it and have our expert look at it. I may not  
3 have a problem, we may not be submitting anything  
4 separately. I don't know that, because we haven't had  
5 any time to digest anything, and I need to leave myself  
6 some opportunity to send this on to my expert and to  
7 have him review it, get back to me, and in my case  
8 representing the City, if there's any recommendations, I  
9 need to meet with my city council. My concern is the  
10 July date for the City to submit anything isn't feasible  
11 in light of -- it may not be feasible if there is any  
12 concern. I simply don't know if there is any concern  
13 yet, because I just got the information that we need to  
14 digest.

15 JUDGE MACE: Surely. Well, let me ask you  
16 this, the proposed new date for filing is July 21st, do  
17 you think that you would have the information at least  
18 to know whether the City would have a concern prior to  
19 that date so that what we could do is stay with the date  
20 right now, and then as soon as you discovered you had a  
21 concern, you could advise me, and we could revisit the  
22 schedule.

23 MS. ZAKRZEWSKI: That sounds perfectly  
24 acceptable to me. I will be passing on the information  
25 as soon as we get off this call today and start that

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1 process rolling, and hopefully I should get an answer in  
2 a week or two. And then as soon as I get an answer and  
3 I feel that I will need some additional time, I will be  
4 glad to bring it to your attention and to the attention  
5 of all of the parties.

6 JUDGE MACE: All right, if that works for you  
7 then what I would like to do is go ahead and revise the  
8 schedule according to this proposal with the caveat that  
9 if the City finds that it has a problem with the  
10 schedule, it can request additional time, and presumably  
11 you would work with the parties to determine what would  
12 be an appropriate solution. I'm not saying that if you  
13 needed additional time I could automatically grant it  
14 because that is something that's in the Commission's  
15 purview, but that certainly would be considered.

16 MS. ZAKRZEWSKI: Okay.

17 JUDGE MACE: Is there anything else that we  
18 need to address as far as the schedule is concerned?

19 MR. TROTTER: I think Mr. Williams had an  
20 idea about the settlement.

21 JUDGE MACE: Do you need time to discuss that  
22 among yourselves, and if so, how much?

23 MR. TROTTER: I would just propose  
24 Mr. Williams put it on the table.

25 MR. WILLIAMS: It's not a real hard concept,



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1 Your Honor, we just want a settlement conference two  
2 days, August 22nd and August 23rd.

3 JUDGE MACE: I'm sorry, August? Say it  
4 again, I didn't hear you.

5 MR. WILLIAMS: August 22nd and August 23rd.

6 JUDGE MACE: And I unfortunately don't have a  
7 calendar in front of me, but it's more something that  
8 the parties would be concerned about. I'm presuming  
9 that you want to set this up so that the parties would  
10 attend.

11 MR. WILLIAMS: Correct, Monday and Tuesday.

12 JUDGE MACE: Mr. Trotter?

13 MR. TROTTER: That is acceptable to Staff.

14 JUDGE MACE: Ms. Zakrzewski?

15 MS. ZAKRZEWSKI: I'm available on those  
16 dates.

17 JUDGE MACE: And do you have a proposed  
18 location, Mr. Williams?

19 MR. WILLIAMS: Yes, Your Honor, Olympia,  
20 Mr. Trotter's office.

21 MR. TROTTER: Yeah, we'll find a room here at  
22 the Commission that will fit the number of people that  
23 will be involved.

24 JUDGE MACE: Yes, if you need to, you can  
25 contact Kippi Walker, and she can set up a room like

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1 this. Well, you know how to do that.

2 MR. TROTTER: Yeah.

3 JUDGE MACE: Ms. Zakrzewski, would that be  
4 suitable?

5 MS. ZAKRZEWSKI: That's fine.

6 JUDGE MACE: All right, then I will include  
7 that in the schedule as well.

8 MR. WILLIAMS: Your Honor, is there any way  
9 you can also try to get Judge Wallis to do it?

10 JUDGE MACE: Well, okay, I guess I didn't  
11 understand that you wanted to have his assistance. I  
12 can ask him if the parties are in agreement.

13 MR. TROTTER: Yeah, Staff believes that a  
14 settlement judge would be useful.

15 JUDGE MACE: All right.

16 And, Ms. Zakrzewski, do you have any  
17 objection to that?

18 MS. ZAKRZEWSKI: No.

19 JUDGE MACE: You probably don't know Judge  
20 Wallis, he is the director of this division, and he has  
21 presided as settlement judge on several cases at the  
22 Commission thus far, so he's pretty experienced in that  
23 area.

24 MR. TROTTER: And, Your Honor, we certainly  
25 have no problem with Judge Wallis assuming he is

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1 available.

2 JUDGE MACE: If he's available. If he's not  
3 available, there is the possibility it might be Judge  
4 Moss, conceivably Judge Rendahl, I don't know, but I'm  
5 sure the Commission would want to try to work with you  
6 on this. I can't guarantee it, but I will certainly  
7 discuss it with him.

8 MR. TROTTER: But PSE has stated a preference  
9 for Judge Wallis, and that's perfectly fine with us. We  
10 have a lot of confidence in his abilities.

11 JUDGE MACE: And if it turned out that Judge  
12 Wallis was unable to preside, would the parties have an  
13 objection to asking Judge Moss?

14 MR. WILLIAMS: Your Honor, I haven't spoken  
15 to my client about that yet.

16 JUDGE MACE: Okay, well, let's start with  
17 Judge Wallis, and let's see where we go from there.

18 All right then, it looks like there's a  
19 settlement conference scheduled for August 22nd and  
20 23rd. I'm assuming the parties will discuss the exact  
21 parameters of that, when it will start precisely in the  
22 morning on August 22nd. Also I will contact Judge  
23 Wallis to see if he can be available on those two dates  
24 to assist the parties in their settlement negotiations.  
25 I will advise you I hope next week, early next week, of

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1 his availability.

2 MR. TROTTER: Thank you, Your Honor.

3 JUDGE MACE: All right, is there anything  
4 else?

5 MR. TROTTER: Well, it sounds to me like  
6 you're predisposed to grant this request.

7 JUDGE MACE: Yes, it seems reasonable because  
8 there's no change in the hearing date. It's the hearing  
9 dates that I would be concerned about.

10 MR. TROTTER: So could you simply strike  
11 Tuesday's distribution date for Staff in the meantime?

12 JUDGE MACE: Yes, certainly.

13 All right, anything else?

14 MR. WILLIAMS: We thank you for your time,  
15 Your Honor.

16 JUDGE MACE: All right, thank you very much.

17 (Hearing adjourned at 12:45 p.m.)

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