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BEFORE THE WASHINGTON UTILITIES AND

2

TRANSPORTATION COMMISSION

3

4 KIMBERLY-CLARK TISSUE COMPANY,) Docket No. UG-990619
Complainant,) Volume III
5 v.) Pages 222-376

6 PUGET SOUND ENERGY, INC.,)

7 Respondent,)

8 _____)

9

10 A hearing in the above matter was
11 held on November 2, 1999, at 9:14 a.m., at 1300
12 Evergreen Park Drive Southwest, Olympia, Washington,
13 before Administrative Law Judge KAREN CAILLE.

14

15 The parties were present as
16 follows:

17 KIMBERLY-CLARK TISSUE COMPANY, by
18 Carol S. Arnold, Attorney at Law, Preston, Gates &
19 Ellis, 701 Fifth Avenue, Suite 5000, Seattle,
Washington, 98104, and HOWARD L. SHARFSTEIN, Attorney
at Law, 1400 Holcomb Bridge Road, Roswell, Georgia,
30076.

20

21 PUGET SOUND ENERGY, by Andree G.
22 Gagnon and James M. Van Nostrand, Attorneys at Law,
Perkins Coie, One Bellevue Center, 411 108th Avenue
N.E., Suite 1800, Bellevue, Washington 98004.

23

24 BARBARA SPURBECK, CSR

25 COURT REPORTER

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1 JUDGE CAILLE: On the record. We are here
2 today for the continuance, second day of evidentiary
3 hearings in Docket UG-990619. This is a complaint
4 case between Kimberly-Clark and Puget Sound Energy.
5 I don't think I need to ask for your appearances
6 again. Same people are here as yesterday. So why
7 don't we begin. My understanding is Ms. Caswell will
8 be the first witness.

9 MS. GAGNON: Yes. Ms. Caswell, if you
10 could take your seat.

11 JUDGE CAILLE: And I think, Ms. Gagnon,
12 instead of my reading these into the record, I'll
13 just let you go ahead and present your witness and
14 the exhibits, because you do have the numbers.

15 MS. GAGNON: And I'll just move them in.

16 JUDGE CAILLE: Right.

17 MS. GAGNON: Okay.

18 Whereupon,

19 HEIDEMARIE C. CASWELL,
20 having been first duly sworn, was called as a witness
21 herein and was examined and testified as follows:

22 JUDGE CAILLE: Thank you.

23 D I R E C T E X A M I N A T I O N

24 BY MS. GAGNON:

25 Q. Ms. Caswell, do you have before you the

00228

1 exhibits that have been identified for the record as
2 Exhibits T-91, T-92, 93, C-94, 95, C-96, 97, and 98?

3 A. I do.

4 Q. Do you recognize these exhibits to consist
5 of your prefiled direct and supplemental testimony
6 and associated exhibits?

7 A. I do.

8 Q. Do you have any corrections or additions to
9 make orally at this time to these exhibits?

10 A. I have one correction on the direct
11 testimony, I guess T-92, which would be on page one,
12 line 16, where it says manager. After manager of
13 engineering special projects, manager of corporate
14 capital planning. My next position was actually
15 manager of system planning and corporate capital
16 planning. I apparently stuttered when I was doing
17 this.

18 Q. Does that complete your additions or
19 corrections --

20 A. It does.

21 Q. -- to your testimony? Now, if I ask you
22 the questions today set forth in Exhibits T-91 and
23 T-92 of your testimony, would you give the answers
24 set forth therein?

25 A. I would.

00229

1 Q. And are your Exhibits 93 through 98
2 exhibits that were prepared and/or assembled under
3 your direction or supervision?

4 A. They were.

5 Q. Are they true and accurate, to the best of
6 your knowledge?

7 A. To the best of my knowledge.

8 MS. GAGNON: I move, Your Honor, for the
9 admission of Exhibits T-91, T-92, 93, C-94, 95, C-96,
10 97 and 98.

11 JUDGE CAILLE: Is there any objection to
12 the admission of those exhibits?

13 MS. ARNOLD: No objection.

14 JUDGE CAILLE: Then the aforesaid exhibits
15 are admitted into the record.

16 MS. GAGNON: The witness is now available
17 for cross-examination.

18 C R O S S - E X A M I N A T I O N

19 BY MS. ARNOLD:

20 Q. Good morning, Ms. Caswell.

21 A. Good morning.

22 Q. I'm looking at your direct testimony, page
23 two, lines 21 and 22. You say conditions -- PSE
24 responded properly in managing the curtailment.
25 Conditions were constantly evaluated and senior

00230

1 management was involved with respect to key
2 decisions. Do you consider yourself to be senior
3 management?

4 A. I do not.

5 Q. You do not. Who do you consider to be
6 senior management who was involved with respect to
7 key decisions?

8 A. Primarily, Mr. Hogan. Additionally,
9 individuals such as Sue McLean, Gary Swofford, and
10 others that were participating in various meetings
11 that I addressed in both my deposition and my
12 testimony.

13 Q. Is Sue McLean an engineer?

14 A. She's not.

15 Q. Is Gary Swofford an engineer?

16 A. He is.

17 Q. He is. And you're an engineer?

18 A. I am.

19 Q. At page five of your testimony, beginning
20 at line eight, you list the factors that PSE
21 considered in evaluating and making the curtailment
22 decision. You mentioned forecasted weather
23 conditions?

24 A. To read my answer, I state that, first and
25 foremost, PSE considers the current state of the

00231

1 distribution system, then PSE evaluates forecasted
2 weather conditions, accuracy of weather forecasts,
3 general and recent, effect of different weather
4 conditions on the system, such as snow cover, wind,
5 cloud cover, the condition of the system, both at the
6 time of the curtailment and throughout the
7 curtailment, estimated system recovery times, effect
8 of customers' equipment on the gas distribution
9 system, numbers and types of customer service calls,
10 ability to communicate with customers, the day of the
11 week, the estimated load peaks and profiles, the
12 estimated customer usage and the expected customer
13 compliance with curtailment. We also consider how
14 the tariff influences our actions.

15 Q. What did you mean when you said the current
16 state of the distribution system?

17 A. The current state of the distribution
18 system is evaluated by many different things, some of
19 which are in the list. That can include the feedback
20 the company is receiving from our customers, it also
21 includes the monitoring that is undertaken through
22 our SCADA systems and, for a very small amount of
23 isolated problems, can be specific evaluations by
24 customer field service personnel who may be deployed
25 or by evaluation of localized pen gauges.

00232

1 Q. The curtailment was called for December
2 19th; is that correct?

3 A. There were a couple of different
4 curtailment decisions that took place. The very
5 first one that occurred, that was addressed in the
6 meeting on December 18th, I believe, actually
7 intended to be in place on -- was called for the
8 21st, at just after midnight. Then the actual
9 subsequent actions that took place included a second
10 plan for a curtailment that would have taken place on
11 the 20th, on the start of gas day, I guess at seven
12 o'clock, and the one that actually was implemented
13 took place on the 19th, at ten o'clock, according to
14 my records.

15 Q. According to your records?

16 A. Right.

17 Q. And when was the decision made to begin the
18 curtailment on December 19th?

19 A. The ten o'clock action?

20 Q. Uh-huh.

21 A. I believe that that took place somewhere on
22 the evening of the 19th, around five or six o'clock.

23 Q. Was there a meeting at which that decision
24 was made?

25 A. As I addressed in my deposition testimony,

00233

1 we had conference calls during the day that led to
2 that action.

3 Q. On the 19th?

4 A. On the 19th.

5 Q. Which was a Friday, I believe; is that
6 right?

7 A. No, I believe the 19th was on a Saturday.

8 Q. Okay. So these meetings took place Friday
9 night and Saturday morning; is that right?

10 A. No.

11 Q. Am I mixed up?

12 A. I'm not going to testify to that, but we
13 had several different things going on. On Friday
14 morning, there was a meeting where several people
15 participated. Mr. Hogan addressed some of the
16 participants yesterday. That was -- the original
17 plan was that we would curtail effective the 21st, at
18 0000:1.

19 And then, on Saturday, as we were
20 evaluating reports of the distribution system and
21 understanding the magnitude of customer calls and
22 reevaluating the forecasts, which had changed
23 significantly, then there were conference discussions
24 where a second and then a subsequent third
25 curtailment plan was developed to respond to the

00234

1 changing conditions.

2 Q. Would it be accurate to say that the cold
3 front arrived faster than it was expected?

4 A. It would be correct.

5 Q. Now, the Friday morning meeting that Mr.
6 Hogan testified about, is that the one where Gary
7 Swofford attended?

8 A. He was in attendance at the Friday morning
9 meeting, yes.

10 Q. And Sue McLean was there?

11 A. I believe so.

12 Q. And were you there?

13 A. I was there.

14 Q. Okay. And at the Saturday morning meeting,
15 were you there?

16 A. I was a part of the conference call.

17 Q. You were part of the conference call. Was
18 Mr. Swofford on that call?

19 A. He was.

20 Q. He was. And was Mr. Hogan on that call?

21 A. He was.

22 Q. So once it was decided to call the
23 curtailment for the 19th, what was done?

24 A. In what respect?

25 Q. Well, first of all, how were the customers

00235

1 notified of the curtailment?

2 A. By what would be the typical method, I
3 believe. Mr. Riley can actually address that when
4 he's on the stand.

5 Q. You weren't involved in that part?

6 A. I was part of the planning for the
7 curtailment to take place. I'm not part of an
8 implementation plan for that.

9 Q. Okay. Were you involved in setting up the
10 emergency operations center?

11 A. I was.

12 Q. And would you tell us where the emergency
13 operations center was located?

14 A. As I addressed in my deposition testimony,
15 the emergency operations center was located at the
16 Mercer Street building.

17 Q. And was that in the basement of that
18 building?

19 A. No, we actually got windows. It was on the
20 fourth floor of the building.

21 Q. Okay. And who was assigned to work at the
22 emergency operations center during the --

23 A. The piece that was going on at Mercer
24 Street included people that report to me, include
25 fellow managers, my boss, myself, customer field

00236

1 service supervision, a corporate communications
2 person.

3 Q. Were they physically stationed in the
4 emergency operations center?

5 A. They were -- yes, they were.

6 Q. Okay. But that's not their usual place
7 where they work, is it?

8 A. No.

9 Q. Were you the person that was primarily
10 responsible for the operations of the emergency
11 operations center?

12 A. Probably primarily.

13 Q. Primarily. Now, what date was the
14 operations center opened? Would that have been
15 Monday, the 21st?

16 A. No, I believe that preliminary planning was
17 going on on Sunday, the 20th.

18 Q. Okay.

19 A. And actual operations took place on that
20 Sunday, because the weather was significant and the
21 system was having a very difficult time reacting to
22 that, I guess.

23 Q. Were there computers available in the
24 emergency operations center?

25 A. Certainly.

00237

1 Q. And were the computers available to read
2 the SCADA information as it was generated?

3 A. The information that's readily available to
4 the people that are located at the Mercer building,
5 the EOC West, include SCADA, include Stoner, include
6 our customer information system, anything that is
7 required, any of the normal company systems that are
8 required to manage those actions.

9 Q. And were you there full-time or did you
10 spend part of your time in your regular office during
11 the early days of the curtailment?

12 A. My regular office is on the fourth floor of
13 Mercer Street.

14 Q. So that's your regular place anyway?

15 A. Yes.

16 Q. Now, the emergency operations center was
17 open on the 21st and the 22nd and the 23rd; is that
18 correct?

19 A. I believe it was opened on the 20th, 21st,
20 22nd and 23rd.

21 Q. And then you closed it down the 23rd?

22 A. On the 23rd, we went back to what would be
23 a more normal sort of operation, where at eastside
24 operations, the gas control and gas dispatchers would
25 be managing the system and pulling in appropriate

00238

1 teams to respond to whatever action.

2 Q. Okay. Now, you said that you were at the
3 emergency operations centers, and I think in your
4 deposition you said you arrived there while it was
5 open at 6:30 in the morning each day; is that right?

6 A. Can you point me to a line where you --

7 Q. Well, in your deposition, I asked you on
8 page 28.

9 A. Okay.

10 Q. You said, Frankly I didn't feel like I
11 stopped working for days on end. And then you said,
12 I guess I probably got there at 6:30 in the morning
13 or so.

14 A. Yes, yes, that's what I said.

15 Q. Okay. And you worked continuously every
16 day while the emergency operations center was open;
17 is that correct?

18 A. I don't know what you mean by continuously.

19 Q. Well, I mean, that's where you were working
20 every day. You didn't work in other parts of the
21 company during the time that the emergency operations
22 center was open?

23 A. At the point in time that we go into this
24 sort of situation, then it's kind of all hands on
25 deck, and other things get dropped to deal with the

00239

1 situation, so --

2 Q. Does the emergency operations center deal
3 with things like where CNG needs to be injected in
4 the system to get pressures back up?

5 A. The call that's made in order to identify
6 where CNG or any other cold weather actions need to
7 be taken don't need to be taken from the emergency
8 operations center. They're part of the normal
9 planning process that my department is responsible
10 for. We identify those and monitor and manage the
11 adjustments to that plan on a regular basis.

12 Q. Okay. I'm going to show you what has been
13 marked Cross-examination Exhibit Number 54. This is
14 a memorandum, I guess you'd call it, called Big Chill
15 1998.

16 MS. GAGNON: I'm just going to object to
17 the characterization of this as a memorandum. It
18 doesn't have a to or from or re or any of those
19 things on it. I would just say it's a document with
20 a title.

21 Q. There's a document with a title Big Chill
22 1998, December 19 to 23, 1998. Are you the author of
23 part or all of this document?

24 A. I believe in my deposition testimony I
25 address that I was a primary author. I started the

00240

1 kind of chronicling of some of the events associated
2 with the cold weather that we experienced last
3 December, and sent it out for additions, essentially.
4 It was a work in progress, or is -- never did become
5 finalized, never got cleaned up for the things that
6 were gross inaccuracies.

7 Q. Do you remember when you wrote this, the
8 part of it that you wrote?

9 A. I can't recall specifically. It was
10 somewhere in this time frame.

11 Q. Now, you have a description of what was
12 done on Friday, December 18th. You say weather
13 forecasts were reviewed, curtailment lists were
14 created, emergency teams were notified that a Sunday
15 morning emergency preparation would be held,
16 logistics issues were under way. Is your account of
17 what happened on December 18th essentially correct,
18 as you remember, or were there inaccuracies in that
19 account?

20 A. I say -- I do not think that there are
21 gross inaccuracies there. However, it does not
22 encompass the full depth of the actions that were in
23 place.

24 Q. Okay. Now, I'd like to ask you the same
25 question for Saturday, December 19th. Is that

00241

1 essentially accurate?

2 A. The portions that I can recall being
3 focally involved in were accurate. I was -- I was
4 not heavily involved with how many phone calls had
5 been received and only know afterwards, from
6 discussion with individuals, what those numbers were.

7 Q. Did you draft the section for Saturday,
8 December 19th?

9 A. I think I addressed in my deposition
10 testimony that I started what I would call a straw
11 man document and sent it out for review, and others
12 commented and shipped that back.

13 Q. Okay.

14 A. It was an e-mail document that people cut
15 and pasted as they felt they needed to, I guess.

16 Q. Would you review the section for Sunday,
17 December 20th, and see if, as best as you know now,
18 if that is essentially accurate?

19 A. I think, again, the parts that I was
20 heavily involved in look correct to me. Those
21 included the discussion about the issue of elevating
22 the pressure on the system supplying Gig Harbor and
23 the actions taken with Northwest Pipeline, as well as
24 some of those above-ground facilities that were
25 installed. One thing that I can see that needs to be

00242

1 perhaps clarified was that Rate Schedule 86es were
2 also curtailed prior to then, but the calling process
3 or the time to get the calls made may have meant that
4 some were still being called on Sunday. But Mr.
5 Riley can address that more.

6 Q. You say somewhere in the middle, Monitoring
7 of pressures through the morning peak continued.
8 What do you recall was done to monitor the pressure,
9 monitor pressures? How do you monitor pressures?

10 A. On this day, like any other day where we're
11 monitoring pressures, we review the SCADA system,
12 look at how the realtime data is, I guess, looking in
13 the context of the system design that exists.

14 Q. Is the SCADA output from the remote
15 telemetry unit?

16 A. The SCADA -- SCADA is the system and RTUs
17 are the equipment that send information to the SCADA
18 system for display of various things. We pull
19 pressures, temperatures, flows, even some operational
20 conditions, like whether or not there's a battery
21 that's operating properly or communications
22 equipment. So those are the things that any person
23 using the SCADA system would be able to evaluate.

24 JUDGE CAILLE: Excuse me. Ms. Caswell,
25 just for the record, could you tell me what RTUs are?

00243

1 Is that remote --

2 THE WITNESS: RTUs are remote telemetry
3 units. And to be clear, also the SCADA is an acronym
4 for supervisory control and data acquisition.

5 JUDGE CAILLE: Thank you.

6 Q. Would you look at the account for Monday,
7 December 21st, and see whether that is essentially
8 accurate?

9 A. To the best of my knowledge, it is
10 accurate. I would have no information about the
11 meters that were being read. Somebody else would
12 need to address that.

13 Q. Okay. Where it says meters were read by
14 meter readers for curtailed interruptible customers,
15 that part is what you're referring to?

16 A. Right, and subsequent portions about order
17 calls.

18 Q. All right. December 22nd, is that
19 paragraph essentially accurate?

20 A. Again, the piece that I can address, it is
21 accurate, to the best of my knowledge.

22 Q. Okay. Now, this is Tuesday. Wednesday,
23 December 23rd, I think in your deposition you said
24 you didn't write this paragraph; is that right?

25 A. I don't --

00244

1 Q. Or did you write part of it?

2 A. I think -- can you direct my attention to
3 where in my deposition you're --

4 Q. Well, let me -- rather than recharacterize
5 your testimony, let me just ask you. Did you write
6 the paragraph labeled Wednesday, December 23?

7 A. I think, as I addressed earlier, I wrote a
8 starting document that people added pieces to. I
9 don't know that I recall any specific lines, other
10 than probably where it says that Caswell faxed --
11 excuse me. Other than, Caswell wrote letter
12 authorizing Williams to raise pressure and faxed to
13 Salt Lake City. That would be -- there is a lot of
14 information here that I am sure I reviewed, but I do
15 not know that I authored.

16 Q. Now, you're looking at Exhibit 54 here;
17 right?

18 A. Mm-hmm.

19 Q. That I just handed you?

20 A. Mm-hmm.

21 Q. Did you write the sentence that says,
22 System pressures remained high through the peak?

23 A. I don't know that I did. I can't recall.

24 Q. Is that correct, as far as you know?

25 A. As far as I know, and in subsequent

00245

1 evaluations, while the pressures did not fall as
2 dramatically as they did on Tuesday or on Sunday,
3 they certainly were not indicative of a very stable
4 system.

5 Q. Okay. Is there any other part of the
6 paragraph on Wednesday, December 23rd, that you think
7 you did write?

8 A. I probably wrote the Woodinville and
9 Puyallup jumpers were complete.

10 Q. Okay. Do you know who wrote the sentence
11 that says, Based on this, as well as the relatively
12 small distribution system problems and the logistics
13 involved to resume all customers on Christmas
14 weekend, after the significant amount of overtime
15 employees had already worked, the decision was made
16 to extend the curtailment through Monday at five
17 p.m.?

18 A. I do not know who wrote that.

19 Q. You didn't, though?

20 A. I don't believe I did.

21 Q. Actually, wasn't the decision to extend the
22 curtailment made the following day, Thursday,
23 December 24th, or was it?

24 A. The decision was actually made the next
25 day.

00246

1 Q. On the 24th?

2 A. Yes.

3 Q. And I believe you talk about that in your
4 testimony at -- maybe you don't talk about it in your
5 testimony. Were you involved in the decision on the
6 24th to continue the curtailment through the weekend?

7 A. I was involved in the pre-planning to the
8 discussion that took place on the 24th, on December
9 23rd.

10 Q. Okay. Now, the 24th, actually, you were
11 working out of your house, weren't you, at home?

12 A. That's correct.

13 Q. And the operations center had closed the
14 day before; is that right?

15 A. The emergency operations center had closed
16 and moved control back to the gas control and gas
17 dispatch center, like normal.

18 Q. That was Wednesday, the 23rd?

19 A. That's correct.

20 Q. And Thursday, the 24th, you worked out of
21 your home?

22 A. That's correct.

23 Q. Do you have a computer at your home that
24 you communicate with the office?

25 A. Right, yes. I also have phones and pagers

00247

1 and all that stuff to be fully connected.

2 Q. So when the decision to continue the
3 curtailment was made, you were actually working out
4 of your house; right?

5 A. That's correct.

6 Q. And your involvement in the decision ended
7 about noon on Christmas Eve; is that right?

8 A. Can you restate your question?

9 Q. Your involvement in the discussions ended
10 about noon on Christmas Eve; is that right?

11 A. That's correct.

12 Q. Did you stay at home on Christmas Eve or
13 did you go out?

14 A. No, I was gone later in the day.

15 Q. You left later in the day on Christmas Eve?

16 A. Mm-hmm.

17 Q. Were you still in Seattle?

18 A. No, I was not.

19 Q. Where were you?

20 A. I was in the wonderful town of Chehalis.

21 Q. For Christmas Eve in Chehalis, huh?

22 A. Somebody has to go there.

23 Q. And were you in Chehalis on Christmas Day,
24 the 25th?

25 A. Part of the day.

00248

1 Q. Where were you the rest of the day?

2 A. At home.

3 Q. Back at your home in Seattle?

4 A. (Nodding head.)

5 Q. You weren't in the office on the 25th?

6 A. No, I was not.

7 Q. And you weren't in the office on Sunday,
8 the 26th, either, were you? Or Saturday's the 26th.
9 You weren't in your office on Saturday, the 26th,
10 were you?

11 A. I was not.

12 Q. And you weren't in your office on Sunday,
13 the 27th, were you?

14 A. I was not.

15 Q. And you did not talk with anyone about the
16 curtailment conditions during that period, did you?

17 A. To be real clear, I would not talk about
18 curtailment conditions. I would talk about cold
19 weather on the system behavior to -- I consider
20 curtailment a natural part of a cold weather action.

21 Q. Did you talk with anyone about the cold
22 weather action on Christmas Eve, Christmas Day,
23 Saturday or Sunday?

24 A. I don't recall any specific discussions.

25 Q. But you did go back to work on Monday

00249

1 morning and conferred with people about the cold
2 weather events then, didn't you?

3 A. Correct.

4 Q. I'm going to show you now what have been
5 marked Cross-examination Exhibits 60 and 61.

6 MS. GAGNON: Your Honor, I'm just going to
7 take this opportunity to object before we get too far
8 down this road. Counsel for Kimberly-Clark has
9 marked a number of exhibits, I believe 55 through 65,
10 that all appear to have come out of one document
11 which was produced to Kimberly-Clark, and I think the
12 problem with using all of these little pieces of
13 documents is that it essentially violates the
14 original document rule.

15 We produced a document, and that document
16 looks like this, and it is numbered page one through
17 44, and it all pertains to the same complaint. And
18 by breaking it up into numbers, separate little
19 pieces of documents, it, one, changes the type of
20 document that it actually is, because this, in fact,
21 was not printed out by Ms. Caswell or any of the
22 people I think that are here, and was stored in
23 someone else's e-mail box, and there was obviously a
24 process of editing and authoring that was going on.

25 Now, to the extent these witnesses can

00250

1 identify statements that they made, obviously those
2 are statements that would be adopted by the
3 witnesses. But there are many, many statements in
4 here that are not marked or identified, and this
5 document has been in someone else's e-mail box where
6 they could cut and paste anything they wanted in and
7 out of it. So while I do object to the document just
8 for the record on hearsay grounds, because I think
9 it's fairly unreliable in all, I just think that we
10 should use the document that is the document.

11 MS. ARNOLD: Well, Your Honor, I don't have
12 any objection to using that whole document, except
13 that it disrupts the numbering system. And frankly,
14 I was trying to separate out parts of that that
15 individuals were connected with, so that I could ask
16 them about it, because other parts of the document --
17 you know, I don't mind using the big document, but it
18 seems like it's more practical to use the short
19 pieces of it.

20 JUDGE CAILLE: Well, can we use the pieces,
21 but still -- but admit the full document?

22 MS. ARNOLD: That would be a good --

23 MS. GAGNON: The one thing I would like,
24 Your Honor, is that the witnesses should at least be
25 able to have this next to them, because I don't --

00251

1 depending on where they are in the chain, they may
2 want to check what's behind it or in front of it that
3 they actually see in the documentation.

4 MS. ARNOLD: I don't have any problem with
5 that at all, Your Honor.

6 MS. GAGNON: Okay. I've made copies.

7 JUDGE CAILLE: All right. Why don't you go
8 ahead and distribute those. Let's see. What we'll
9 mark this as -- why don't we mark this as 99, under
10 Ms. Caswell's exhibits.

11 MS. ARNOLD: Oh, I forgot. I'd like to
12 move the admission of Exhibit 54 into evidence.

13 JUDGE CAILLE: Any objection to 54?

14 MS. GAGNON: I would -- I just object that
15 we haven't ascertained all the statements in that
16 document, so it's just an objection at this time. If
17 we can get through all of them and figure out who
18 wrote what, then I think it's --

19 JUDGE CAILLE: This is -- 54 is the
20 previous?

21 MS. GAGNON: Yes.

22 JUDGE CAILLE: Okay. Ms. Gagnon, this is
23 the Big Chill journal that is Exhibit 54, and you're
24 saying that you need to ascertain what?

25 MS. GAGNON: No, I would just object, in

00252

1 that there are a number of statements -- I'm making a
2 general hearsay objection. I understand that the --

3 JUDGE CAILLE: Okay, thank you. Then
4 Exhibit 54 is admitted with the objections noted.

5 Q. Okay. Ms. Caswell, if you can refer to
6 Exhibit 99, and I would call attention to page 22 of
7 that document. Do you see the "from" with your name,
8 and it says, I've added mine in blue italics, Heidi.

9 A. I see that.

10 Q. Can you tell us where in the document were
11 the blue italics that you added?

12 A. As Ms. Gagnon pointed out, this was not an
13 e-mail that came out of my files. I did not print it
14 out, so while my comments are in a differing font, I
15 can't be sure that this is exactly the e-mail that I
16 sent or received, so --

17 Q. Okay. With that caveat, can you point out
18 where you -- what you think you added to that
19 document?

20 A. I can point out what appears to be small
21 blue -- or small italics that may be mine.

22 Q. Okay.

23 A. On page 23, it would be after the phrase,
24 On Saturday, there's a comma, accelerating the
25 criticality of the curtailment.

00253

1 Q. And you think you added that?

2 A. No, I think that that is small italics.

3 Q. Oh.

4 A. And I may have added that.

5 Q. Okay. Is there anything on page 24, in
6 small italics, that you may have added?

7 A. There's more on 23.

8 Q. Oh, okay.

9 A. After the paragraph that starts, PSE's
10 unwritten policy, and there's a comma, while enabling
11 these customers as much access to the distribution
12 system as practical.

13 Q. Okay.

14 A. Then, on page 24, after the very first
15 phrase that says, Weather forecasts are imperfect,
16 there's, in italics, additionally, inconsistency
17 within the forecasts tended to lessen the credence of
18 all forecasts, resulting in more conservative
19 actions.

20 Q. All right.

21 A. Obviously, somebody was trying to draw my
22 attention to the big font that says Heidi.

23 Q. Do you know who wrote, Heidi, is this safe,
24 quote, public information, given the WUTC/PSE back
25 and forth presented in 1/1 Seattle PI?

00254

1 A. I don't know.

2 Q. You don't know who drew your attention to
3 that?

4 A. No, I'd have to trail back through the
5 e-mails to see if it made any sense.

6 Q. Do you know what the back and forth
7 presented in the 1/1 Seattle PI was?

8 A. What is being alluded to -- and I don't
9 know what the 1/1 means. I'm unable to discern that.
10 But there was a series of articles by the PI about
11 the loss of firm service during the cold spell in
12 PSE's service territory.

13 Q. Do you know if you gave an answer about
14 whether this was safe public information?

15 A. I'm sure I responded to whatever was needed
16 to be responded to.

17 Q. Okay. Is the small italics in the next
18 paragraph what you may have added, where it says,
19 Puget Sound Energy elected. Do you see that?

20 A. Yeah, I see that.

21 Q. Did you delete where it says, The decision
22 was made by upper management?

23 A. I don't know that. I was not part of the
24 discussion that took place on the 24th, so I wouldn't
25 have known anything. And Mr. Hogan addressed

00255

1 yesterday what was considered part of the decision.
2 I would presume that since the parameters never
3 changed, there wasn't a reason to call meter readers
4 in to have them read meters since the curtailment
5 wasn't ended.

6 Q. Did you add the sentence in small italics
7 that says, *These employees, as well as other staff,*
8 *were heavily burdened to ensure a high quality of*
9 *service had been delivered to our customers. The*
10 *company, however, attempts to balance the needs of*
11 *its employees with its customers. Did you add that?*

12 A. I don't recall adding it.

13 Q. Did you delete the words "to read meters
14 over the Christmas weekend and take them away from
15 their families?"

16 A. I don't recall deleting that. I mean, I
17 don't recall -- I don't recall this paragraph at all.

18 Q. All right.

19 A. And my history at PSE and at WNG, meter
20 readers are geared to work overtime, as necessary, to
21 serve our customers.

22 Q. Okay. On page 25, did you add the
23 paragraph that starts, *The company's balancing*
24 *provisions?*

25 A. Yes, I actually did add that. I recall

00256

1 evaluating that.

2 Q. All right. Do you know if this e-mail on
3 page 23 that starts with the words, Response to
4 Commission complaint, do you know if your Big Chill
5 document was part of that response to Commission
6 complaint? In other words, do you know if anybody
7 used your Big Chill document to prepare this
8 response?

9 A. To prepare this response?

10 Q. Yes.

11 A. I don't know that they did. I wouldn't be
12 surprised if they considered it.

13 Q. Look now at page 16 of Exhibit 99. It
14 appears to be an e-mail from you to various
15 individuals, and on page 17, it says, More comments,
16 period, Heidi. Do you recall, does that mean you
17 added more comments or you were forwarding on
18 somebody else's comments?

19 A. I would not have been forwarding on
20 somebody else's comments. Those would have been
21 mine.

22 Q. Can you tell where on this e-mail chain you
23 added comments?

24 A. If I were to compare the fonts again, on
25 page 19, it looks like the second to the last

00257

1 paragraph, where it says, PSE does not hold contracts
2 for design conditions for its interruptible
3 customers. Notwithstanding this issue, supply
4 constraints did not limit PSE's operation during this
5 time frame. The company was limited in its ability
6 to deliver both firm and interruptible volumes to
7 customers. Thus, it executed the appropriate
8 curtailment activities to ensure its firm commitments
9 were met.

10 Q. Okay. At the top of page 19, there's some
11 more italic writing. Did you write, Interruptible
12 customers' needs are addressed. Unfortunately for
13 the interruptible, the interruptible may not be
14 treated as well as they'd hoped for, but as a
15 company, I believe that, quote, sole discretion piece
16 needs to be reiterated?

17 A. Can you point me to a specific line where
18 that's occurred?

19 Q. Page 19, it's the third sentence down from
20 the top of the page.

21 A. This is a different font than I was using,
22 so --

23 Q. So you probably didn't add that?

24 A. I'm presuming that's not mine.

25 MS. ARNOLD: Okay. Your Honor, I guess we

00258

1 won't try to put 60 and 61 in. Instead, we would
2 move for the admission of Exhibit 99 into evidence.

3 JUDGE CAILLE: All right. Is there any
4 objection?

5 MS. GAGNON: Yes, Your Honor. I'll be
6 brief. I think that this document is completely
7 unreliable, in that it's obviously from someone
8 else's e-mail box and changes can be made to those
9 documents at any time. In other words, they can be
10 cut, pasted and collected. And there's clearly a
11 problem with what's going on in terms of parallel
12 time, because I think you're seeing a lot of changes,
13 and not as much sending back and forth. So I don't
14 think if you trace through this you can necessarily
15 figure out who's made every change, so that leads me
16 to believe that there may have been changes made
17 where pieces were cut out, so you can't always follow
18 which person had it.

19 And I think that, to the extent that Ms.
20 Caswell or anyone else can identify actual statements
21 in this, that's one thing. But to assume that
22 there's a company position based on this or that
23 there are admissions by the company based on this
24 document, I think, as an evidentiary matter, this is
25 too unreliable to make that kind of assessment. With

00259

1 those objections --

2 MS. ARNOLD: Well, Your Honor, I'm happy to
3 put in 60 and 61, because those are e-mails from the
4 witness with the e-mail chain attached to them and
5 with the caveats the witness has made, but I thought
6 that Puget wanted Exhibit 99 instead of 60 and 61.
7 So in either event, the document speaks for itself,
8 and the parts that the witness has identified, we
9 know about, and the other parts, you know, Counsel's
10 objection is on the record, that it is an e-mail and
11 e-mail chain.

12 JUDGE CAILLE: All right. I will take your
13 objection into consideration when relying on this
14 document, but it is admitted into evidence as Exhibit
15 99. Ms. Arnold, then are you not going to offer,
16 what was that, 61 and 62?

17 MS. ARNOLD: Sixty and 61 are actually
18 incorporated into 99. They're parts of 99, so no, I
19 won't need to.

20 JUDGE CAILLE: All right.

21 MS. ARNOLD: Thank you. That's all my
22 questions.

23 JUDGE CAILLE: I have a couple questions.
24 Just a moment.

25 E X A M I N A T I O N

00260

1 BY JUDGE CAILLE:

2 Q. Good morning.

3 A. Good morning.

4 Q. I want to ask just a few questions about
5 the Stoner model, Ms. Caswell. Were you responsible
6 for monitoring what was going on with the Stoner
7 model during or preceding -- well, I guess during the
8 curtailment?

9 A. Could I give some background in how Stoner
10 and SCADA kind of fit together?

11 Q. Yes, you could, yes.

12 A. The company uses the Stoner model to
13 simulate how the pipes will work under various
14 conditions. Inherent in it, and I address it in my
15 testimony, are things like pipe diameters, pipe
16 roughnesses, lengths, interconnections, district
17 regulation equipment, things like that. And when you
18 subject the model to various conditions, you can
19 identify what the output -- whether the output is
20 going to work effectively. So do you have minimum
21 pressures that will meet the requirements of customer
22 equipment.

23 We use that simulation tool in companion
24 with the SCADA system, so evaluating the pressures
25 that we see under various conditions, the flows that

00261

1 we see, the temperatures, to determine how the system
2 is operating.

3 And we -- just to give some background on
4 its use, we use Stoner every day of the week. There
5 are probably -- we actually hold, like, 25 licenses
6 to the software. There are ten people that work for
7 me that use it on a basically hundred percent of
8 their day basis. They prepare models, evaluate -- or
9 using the company model, they subject it to various
10 conditions, so adding a customer here, experiencing
11 high load or cold conditions in the various area, and
12 from that we develop system plans.

13 Those system plans include facilities that
14 we would install, as well as cold weather actions
15 that we would take, including curtailing customers.
16 So we will remove certain customers from the model,
17 see if then the simulation will work, and then, with
18 that, make sure that we're able to meet our
19 commitment to providing service to our firm
20 customers. So on a day-to-day basis, it's being
21 used.

22 As we get into a cold weather situation
23 like this, we were actually trying to benchmark the
24 system against what's happening. We don't save all
25 of those plots. We're balancing all the time and

00262

1 evaluating, now, if you did this, what's happening.
2 And from that, we'll trouble-shoot things, like is a
3 district regulator improperly set, dispatch a person
4 to go fix that. Does a pipe need to be replaced. We
5 address the fact that there were pipes installed
6 during the time frame.

7 So as we're seeing what the system's doing
8 under the various load conditions and running the
9 model, we're evaluating and preparing plans to
10 mitigate the situation.

11 Q. Okay, thank you. That helps. So you said
12 that it's used every day. So would your testimony be
13 that it was used every day during the curtailment?

14 A. Oh, absolutely.

15 Q. Okay.

16 A. This is a standard tool for anybody in a
17 local distribution system or in a -- actually, our
18 transmission supplier uses this same modeling tool.
19 And without it, you cannot make guesses as to what's
20 happening on the system.

21 Q. Could you refer back to -- I think it was
22 Exhibit 54. I just realized, your testimony was that
23 you -- well, let me just ask. On page three of that
24 exhibit, under December the 23rd, the line that
25 begins with, Based on this, it's the third line down,

00263

1 were you the author of this sentence or do you recall
2 if --

3 A. I don't recall that I wrote this sentence
4 or anything subsequent to it.

5 JUDGE CAILLE: All right, thank you. I'm
6 not sure if Counsel will have this available, but I'm
7 referring to Exhibit 3 that was from yesterday. It
8 was from Mr. -- it's Mr. Faddis's exhibit.

9 MS. GAGNON: I have a copy from his
10 testimony.

11 JUDGE CAILLE: All right.

12 MS. GAGNON: It's not marked, but --

13 JUDGE CAILLE: Just for the witness to
14 refer to. Mine's all marked up.

15 MS. GAGNON: This would be DJF-2.

16 JUDGE CAILLE: DJF-2, correct.

17 MS. ARNOLD: Is it DJF-2 or DJF-3.

18 JUDGE CAILLE: It's Exhibit 3, but DJF-2 is
19 the witness's designation.

20 Q. If you'll refer to the second page, there's
21 a mention of your name, as well as Mr. Riley -- well,
22 Mr. Riley's is about a white paper, and then there's
23 a notation that you were to review this for
24 politically-sensitive information. Do you recall
25 what that is in reference to?

00264

1 A. I don't recall.

2 Q. Okay. Are you familiar with the e-mails
3 that involved Molly -- that have Molly Bork involved,
4 that were discussed yesterday?

5 A. I'm vaguely familiar with them.

6 Q. Did you provide any review of those
7 e-mails, do you recall?

8 A. I don't believe that I reviewed any
9 e-mails. I'm not sure, however. During the time
10 frame, there were a lot of communications going back
11 and forth that, as you can see with the Big Chill
12 document, maybe got mischaracterized along the way,
13 so --

14 JUDGE CAILLE: All right, thank you. Do
15 you have any follow-up cross before --

16 MS. ARNOLD: Just very brief.

17 JUDGE CAILLE: This will be follow-up to my
18 cross.

19 MS. ARNOLD: Okay.

20 JUDGE CAILLE: Yes?

21 MS. ARNOLD: Yes.

22 JUDGE CAILLE: Okay.

23 C R O S S - E X A M I N A T I O N

24 BY MS. ARNOLD:

25 Q. Ms. Caswell, at page six of your direct

00265

1 testimony, you refer to the Stoner models in your
2 exhibit, and you say, These Stoner models were
3 developed using the same distribution system data
4 available to operations planning in December '98. Do
5 you see that?

6 A. Yeah, I see that.

7 Q. When was this exhibit prepared, HCC-2,
8 which is Exhibit Number C-94?

9 A. These particular plots were prepared
10 sometime prior to my deposition testimony.

11 Q. Was that in August of 1999?

12 A. Subject to check, I think it was September
13 3rd of 1999. As I addressed when Judge Caille asked
14 about Stoner, the question for me is not what plots
15 do we have on hand, but what studies have we run,
16 what evaluations have we prepared as we are
17 performing our work, and the normal preparation for
18 us is to take the company's model, generate the load,
19 identify the forecast conditions, add customers on at
20 appropriate levels for those that don't correlate
21 well to certain temperatures, and then, with that
22 base model, compare it against how the system is
23 operating with the RTU information that we're seeing,
24 and then, from that forecast, forward into the next
25 time period of temperatures and customer load

00266

1 conditions and such.

2 Q. Look at page ten of your direct testimony,
3 please, lines six through nine. You were asked, At
4 some point after the curtailment, did you use the
5 Stoner model, and your answer was yes. Is that the
6 Stoner model that you prepared in August 1999 that
7 you're referring to there?

8 A. This particular question --

9 Q. September '99, sorry.

10 A. Excuse me. This particular question is
11 referring to my exhibit -- let me find it -- HCC-4,
12 where the particular evaluation that was being done
13 attempted to show what, with the weather conditions
14 that we actually experienced, what the system
15 performance would have been like.

16 Q. And was this evaluation prepared in the
17 summer of 1999?

18 A. This particular plot was, yes.

19 Q. The Stoner models are a simulation; is that
20 correct?

21 A. That's correct.

22 MS. ARNOLD: That's all my questions.

23 JUDGE CAILLE: Redirect?

24 MS. GAGNON: Yes, I have some redirect.

25 R E D I R E C T E X A M I N A T I O N

00267

1 BY MS. GAGNON:

2 Q. Since we're on the subject of Stoner
3 models, if we could just stay on that subject. When
4 you are entering into the decision-making to call a
5 curtailment, do you use Stoner modeling?

6 A. As I stated before, we use Stoner every day
7 of the year, and during cold weather action, we are
8 also using the Stoner system to monitor what's
9 happening.

10 Q. If I could just direct you to page 13 of
11 your testimony, when you provided input to Mr. Riley
12 about continuation of the curtailment on December
13 24th, 1998, could you just tell the court what
14 information you provided him?

15 A. The information that was provided was an
16 evaluation of the company's simulation tool, the
17 Stoner model, as a function of the forecast
18 temperatures that were provided to us. And it also
19 included such things as what load conditions would we
20 expect on a Monday morning after the holiday where
21 snowpack had existed, so we tried to factor that into
22 that evaluation.

23 Q. And the data that you relied on is the data
24 that would be based on the December 1998 conditions;
25 is that correct?

00268

1 A. That's correct.

2 Q. Okay. Now, is the Stoner modeling
3 information made available to others in the company
4 during cold weather planning?

5 A. The Stoner system output is made available
6 to others in various forms.

7 Q. And who would those -- only for the people
8 who are involved in cold weather action, who are
9 those individuals that would be involved in reviewing
10 Stoner modeling information?

11 A. It would include senior management, gas
12 controllers, managers at district operations,
13 personnel such as that, anybody who is responsible
14 for carrying out specific actions in the cold weather
15 action plan, so the people that are out bypassing
16 regulators or injecting CNG or whatever.

17 Q. Well, would Mr. Riley have access to that
18 information and participate in reviewing Stoner
19 modeling as part of cold weather action plan
20 preparation?

21 A. Absolutely.

22 Q. Now, you mentioned that exhibit -- you have
23 identified it as HCC-4, and it's in your testimony, I
24 believe, as C-96. Now, you state that it was
25 prepared in the summer of 1999. Why was this exhibit

00269

1 prepared?

2 A. This particular exhibit was prepared in
3 reviewing -- or attempting to respond to data
4 requests regarding the curtailment.

5 Q. And what does it show?

6 A. Well, it shows total system failure at
7 various locations. It also shows areas where
8 customers would be experiencing not absolutely zero
9 pressure, but inadequate pressure to operate the
10 equipment properly. It actually points to specific
11 areas where the distribution system capacity is
12 constrained. To be real clear about the heading on
13 it, it is a 27-degree day or 38-degree Fahrenheit
14 condition, adding interruptible customers on with
15 cold weather actions in place, a six percent peak
16 hour factor, and with Kimberly-Clark and another
17 customer at their curtailment consumption levels.

18 Q. And how does it relate to the issues in
19 this case?

20 A. What it is attempting to identify is the
21 fact that, given the weather that we actually
22 experienced, that resumption of interruptible
23 customers at that temperature with the levels of
24 consumption that Kimberly-Clark and this other
25 customer were using, that system failures on for firm

00270

1 customers would have existed.

2 Q. Now, is the 38 degrees actual or forecasted
3 temperature?

4 A. I believe it was the 24-hour forecast,
5 which is like an eight hour ahead of time forecast we
6 get, I'm sorry.

7 Q. And I don't think -- and why were the --
8 you can provide the name of the other customer that
9 you used in this study. It's confidential
10 information, but everybody here can hear that
11 information. So why don't you go ahead and provide
12 the name?

13 A. The other customer that was added into this
14 study at their curtailment consumption levels was the
15 University of Washington.

16 Q. And why were those two customers added in?

17 A. They were added in because they are two
18 customers that were very significant users of gas
19 during the curtailment time frame, and they impact
20 significantly on the supply system.

21 Q. Okay.

22 JUDGE CAILLE: Can I ask -- interject a
23 question?

24 MS. GAGNON: Of course.

25 JUDGE CAILLE: Just so I have it clear in

00271

1 my mind, even though this exhibit was prepared in
2 September '99, it reflects the customers that were on
3 the system in December '98?

4 THE WITNESS: That's correct.

5 JUDGE CAILLE: Okay.

6 MS. GAGNON: I just have a few questions.

7 Q. If I could direct your attention to Exhibit
8 54, can you tell the Court what the purpose of this
9 document is, if you know, or what was the intended
10 purpose of this document?

11 A. I was asked to prepare essentially a
12 chronicle of events that had occurred during the cold
13 weather time in 1998 by my boss, Sue McLean. It was
14 a work in progress, it never did get finalized, and
15 as you can see through some of the grammar and the
16 statements made, is not -- was not cleaned up, if you
17 will.

18 Q. And was this document -- does Ms. McLean
19 have a background in gas operations?

20 A. No, she does not.

21 Q. And would it be fair to say that this
22 document was initially intended to provide people who
23 had never been involved in gas operations some
24 information about how a curtailment would happen?

25 A. To be real clear, the document was intended

00272

1 to characterize for people the actions that are taken
2 during a cold weather emergency on the gas system,
3 which would include curtailment and cold weather
4 action plan steps, so not just curtailment.

5 Q. Was it your understanding that this was
6 just supposed to be an internal document?

7 A. Yes.

8 Q. Okay. And do you know how many people
9 actually received this document?

10 A. I don't have any knowledge of that.

11 Q. And do you know how many people actually
12 may have worked on this document?

13 A. I don't know that either.

14 Q. Now, on Exhibit 99, which you had referred
15 to earlier, do you recall the questions Counsel asked
16 you about that document?

17 A. Yes.

18 Q. And can you just state for the record who
19 the customer is that these e-mails deal with?

20 A. Yeah, these -- this e-mail or the series of
21 e-mails was for Providence Health Care Systems.

22 Q. So all of these e-mails were for one
23 customer; is that correct?

24 A. That's correct.

25 Q. If you go to the back page of the exhibit,

00273

1 the last page, and if you just read the date at the
2 top of the e-mail, it says from Elaine Kaspar to Lael
3 Saulsman. What date is at that address?

4 A. January 6th, 1999.

5 Q. And if you go to the very first page,
6 what's the date under Lael Saulsman's name at the top
7 of the page in that address?

8 A. January 8th, 1999.

9 Q. So would it be fair to say that there was a
10 -- well, there appears to be a short time frame in
11 which a number of people were asked to comment on a
12 particular customer complaint?

13 A. That's correct.

14 Q. Okay. And to your knowledge, did all the
15 people who were sent this e-mail comment on it?

16 A. Not to my knowledge. They're certainly not
17 shown in this -- in the trail that you can read
18 through here.

19 Q. I'm now going to provide the witness with
20 Exhibit 66, which is a cross-examination exhibit that
21 Kimberly-Clark has provided. Does this appear to be
22 -- well, at least according to Ms. Saulsman, if, in
23 fact, she wrote this, it says, Molly, here's the
24 final compilation. Does this appear to be the final
25 response to the Providence complaint?

00274

1 A. It does.

2 Q. If you could just take a moment to look
3 through that, is there anything in this about meter
4 readers?

5 A. No, there's not, in the response.

6 Q. And if you go back to Exhibit 99 and go to
7 the last page of that exhibit, that's page 44 on the
8 e-mail. Do you have 99?

9 A. Mm-hmm.

10 Q. And at the very bottom of that, can you
11 tell, from this document, what the resolution of that
12 complaint was?

13 A. It indicates that the complaint was closed
14 and the company position was upheld.

15 Q. Now, do you know Ms. Bork?

16 A. I don't know Ms. Bork.

17 Q. Was she at Washington Natural Gas when you
18 were at Washington Natural Gas?

19 A. She was not.

20 Q. Okay. And so you don't know if she had any
21 experience with gas curtailment?

22 A. No.

23 MS. GAGNON: Just one moment, Your Honor.
24 At this time, I'd like to move the admission of
25 Exhibit 66.

00275

1 MS. ARNOLD: No objection.

2 JUDGE CAILLE: Exhibit 66 is admitted.

3 Q. Now, in your experience at Washington
4 Natural Gas, and then at PSE, has the availability of
5 meter readers ever been a factor in deciding to
6 continue a curtailment?

7 A. It never was, never has been.

8 Q. I'd like to go back to the SCADA data that
9 we were talking about earlier. And I believe that
10 you testified that SCADA data is one of the criteria
11 that you use to evaluate the condition of the system?

12 A. It's one of them.

13 Q. And when you're trying to evaluate the
14 condition of the system during a curtailment, how
15 many data points are available to you for that
16 review?

17 A. Subject to check, the company has 212 SCADA
18 sites.

19 Q. And if you were going to evaluate the
20 condition of the system, would you evaluate the
21 information from all of those SCADA sites?

22 A. At some point in time, in order to
23 understand how it works, yes, or how it's working.

24 Q. And when you evaluate information from
25 SCADA, would you rely, for example, solely on

00276

1 information from the intermediate pressure system in
2 order to do that?

3 A. Absolutely not.

4 Q. What other data points would be necessary
5 for you to look at in SCADA?

6 A. In looking at SCADA, one would need to look
7 at customer flows, the high-pressure backbone to
8 determine how strong it is at the point in time, the
9 intermediate pressure system. You'd also be looking
10 at actual temperatures on the system. So those are
11 some of the indicia.

12 Q. I'm going to show you what's Exhibit C-21
13 in this case.

14 JUDGE CAILLE: Excuse me. Is it necessary
15 to exclude anyone from the room --

16 MS. GAGNON: No.

17 JUDGE CAILLE: -- with reference to this?

18 MS. GAGNON: No, Your Honor. Thank you.

19 Q. What does this graph tell you about PSE's
20 distribution system?

21 A. Well, first off, let me characterize the
22 information properly, at least to my understanding.
23 This appears to be the low points at these nine RTU
24 sites across a period of time. And it is not
25 actually what one would see if one were looking at

00277

1 the SCADA data. You'd see more curvy lines going on
2 that would show highs and lows and other performance
3 of the system. But if you -- even looking at it with
4 that understanding, it occurs to me that the system
5 was starting to be stressed prior to December 18th,
6 and that, for instance, at Kayak on December 18th,
7 into the 19th, there would have been losses of
8 pressure such that firm service would have been
9 imperiled or nonexistent, I guess.

10 You need to -- the system is designed
11 around a 15-pound minimum pressure in the main, so
12 any time you're seeing anything below 15 pounds, it
13 means loss of firm service is going on. As I look at
14 the chart, I can see that pressures or losses as high
15 as 17 pounds in a 24-hour period occurred, and then,
16 essentially, if you consider that the system was
17 starting to fail prior to the 18th, and then move
18 forward, it would indicate to me that the system was
19 still under fairly significant stress as late as the
20 27th, mid-day through the 27th, and then into the
21 28th, it started -- on the lows, started to rebuild
22 back.

23 Q. And is it your understanding that on the
24 18th, firm customers were taking -- I'm sorry,
25 interruptible customers were taking service; is that

00278

1 correct?

2 A. That's correct.

3 Q. But on the 26th, interruptible customers,
4 with the exception of those who violated the
5 curtailment, were not taking service; is that
6 correct?

7 A. That's correct.

8 Q. So this doesn't exactly compare apples to
9 apples; would that be a fair assertion?

10 A. That would be a fair assertion.

11 Q. Okay. And in terms of the data points, how
12 many data points were reviewed for this chart?

13 A. This chart portrays nine data points.

14 Q. So to the extent you're talking about the
15 gas distribution system, you would want to have more
16 information than just this information in order to
17 make an evaluation of, for example, whether the
18 system had rebounded sufficiently to put on
19 interruptible customers; is that correct?

20 A. That's correct. I think it's important to
21 note, as well, that these are really small systems
22 that are being measured. None of them has the
23 capability of serving even 1/20th of the load that's
24 consumed by Kimberly-Clark's meter set.

25 Q. Let me just check my notes. Ms. Caswell,

00279

1 does the fact that the emergency operation center was
2 closed on Wednesday, the 23rd, mean that condition of
3 the system had rebounded sufficiently to put
4 interruptible customers back on?

5 A. No, it doesn't. It only means that we had
6 gone to a state where the eastside operations center
7 personnel were able to handle the bulk of the
8 problems with normal sorts of operations. So they
9 paged people or whatever was necessary.

10 Q. And in your experience at Washington
11 Natural Gas, and then at PSE, would it be unusual for
12 gas control to monitor a curtailment?

13 A. No, it's part of their job.

14 Q. Would it be unusual for gas control to
15 resume service to interruptibles once parameters had
16 been set by senior management?

17 A. That also is part of their job.

18 Q. Now, you were asked about where the
19 decision to inject CNG would be made. Do you recall
20 that?

21 A. Yeah.

22 Q. Can you just give the Court an idea how
23 much CNG can be injected into the system on any one
24 day?

25 A. The company has, subject to check, five

00280

1 trailers that have 8,000 cubic feet capacity, two
2 tube trailers that have 67,000 cubic feet capacity,
3 and one flatbed that has 1,000 cubic feet. I think
4 it totals at about 170,000 cubic feet. My
5 calculations show that that would sustain
6 Kimberly-Clark's load for 11 and a half minutes.

7 Q. So do you know what that is, approximately,
8 in MMBtus?

9 A. God, I hate those conversions. It equates
10 -- one cubic foot equates to about 1,040 Btus.

11 Q. Okay. Now, there was some discussion about
12 politically-sensitive issues in one of the e-mails, I
13 think, that we looked at in Exhibit 99, and there was
14 a discussion about the Seattle PI. Do you recall
15 that?

16 A. Yes, I do.

17 Q. Do you recall, at that time, that there was
18 some concern about PSE overpressuring the system?

19 A. I do.

20 Q. And was there an ongoing dialogue with the
21 Commission, this Commission, about how and why that
22 decision was made?

23 A. I do. There was.

24 MS. GAGNON: We're done, Your Honor, if
25 there's any --

00281

1 MS. ARNOLD: I do have some re-cross.

2 JUDGE CAILLE: Go right ahead, Ms. Arnold.

3 R E C R O S S - E X A M I N A T I O N

4 BY MS. ARNOLD:

5 Q. Ms. Caswell, I'd like you to refer to
6 Cross-examination Exhibit Number 70. Would you agree
7 that this appears to be an e-mail regarding the
8 complaint of Kimberly-Clark Corporation to the UTC?

9 A. It's another of those e-mail chains that
10 looks like it started out being a complaint, and then
11 there was subsequent e-mail that looks like -- tried
12 to talk about having some sort of meeting to talk
13 with customers.

14 Q. What is the subject in the subject line at
15 the top?

16 A. The subject line says that it's a forward
17 of a WA-UTC Complaint 50871 for Kimberly-Clark
18 Corporation.

19 Q. And the second mail in the chain, the
20 subject is also WA-UTC Complaint 50871 for
21 Kimberly-Clark Corporation, is it not, the one that
22 goes from Molly Bork to Roger Kouchi?

23 A. Yes, it's a forwarded -- the second part is
24 a forwarded e-mail, and the first part looks like a
25 response or something to an e-mail.

00282

1 Q. Right. The first one says, This is the
2 response sent to the Commission in regards to the
3 Kimberly-Clark Corporation complaint. Doesn't it say
4 that?

5 A. Right.

6 Q. The first line after the word "Roger" says,
7 This is another complaint regarding our curtailment
8 decision from December 19th to 28, and essentially
9 the same response that I gave earlier for -- and the
10 customer's name is blocked out; right?

11 A. Correct.

12 Q. And down below, it says in bold, Background
13 on the Big Chill, December 19 to the December 24,
14 doesn't it?

15 A. That's what it says.

16 Q. Do you know whether your Big Chill document
17 was the source of that information?

18 A. I don't know that it was the source of it.
19 It may have been factored in to the e-mail.

20 MS. ARNOLD: Your Honor, we would move
21 Exhibit Number 70 into evidence.

22 JUDGE CAILLE: Is there any objection?

23 MS. GAGNON: I'm just going to make my
24 hearsay objection for the record.

25 JUDGE CAILLE: Your objection is noted, and

00283

1 Exhibit 70 is admitted into evidence.

2 Q. Now, Ms. Caswell, you commented on the
3 exhibit that shows the RTU pressure data, and you
4 noted that it contained data for several designated
5 points, Kayak, Smoke, Juanita, and some others, and
6 you said -- you noted that it contained only that
7 data; right?

8 A. I think what I said was that it appeared to
9 contain the low points for --

10 Q. The low pressures; right?

11 A. The lowest pressures for the day, was my
12 presumption.

13 Q. The lowest pressures for the day. So it
14 didn't show the high pressures for the day?

15 A. Right. Nor did it show the loss of
16 pressure through the day.

17 Q. Do you know, did that show the pressures at
18 nine a.m. each morning?

19 A. I don't -- I don't recall. I don't know
20 that.

21 Q. Look, if you will, please, at Exhibit 23,
22 which is JTO-9. This is Puget Sound's response to
23 Kimberly-Clark's data request, asking whether Puget
24 contends a distribution system was insufficient
25 between December 24 and December 28, and it goes on

00284

1 to say, If the answer is in the affirmative, please
2 provide copies of documents that demonstrate that.
3 Okay.

4 A. Mm-hmm.

5 Q. You were the one that selected the
6 documents in response to this data request, were you
7 not?

8 A. I believe that in my deposition testimony,
9 I address the fact that we were quite confused as to
10 what exact information you were looking at to
11 understand what factors led to that decision, and
12 started out by supplying a certain set of information
13 and then subsequently identified in a supplement to
14 that data request that there are thousands of pieces
15 of data that actually support the decision.

16 Q. And you selected certain RTU readouts, did
17 you not, that Puget supplied?

18 MS. GAGNON: I'm going to object. At what
19 point in time are we talking about? The point in
20 time to the response for the first data request or
21 the supplement?

22 Q. The response to the first. Aren't you the
23 one that selected the RTU readout printouts?

24 A. I selected a set of them to begin with,
25 yes.

00285

1 Q. And they were for -- including Kayak,
2 Smoke, and so forth, were they not?

3 A. These are the puny ones in the whole
4 scheme. We selected, I think, to begin with, 54 data
5 points.

6 Q. And weren't some of those data points for
7 the high-pressure distribution system?

8 A. They were for the high-pressure, they were
9 for customers, they were for temperatures.

10 Q. No, I'm just talking about the RTU data.
11 I'm not talking about all the rest of it.

12 A. I am, as well.

13 Q. Okay. Isn't it true that the high-pressure
14 system was stable enough by December 23rd?

15 A. I think you're mischaracterizing my
16 testimony, my deposition testimony again. If I would
17 bring you back to that, I would point out that we had
18 a benchmark study for December 22nd, a date which
19 preceded the penalty -- or the curtailment violations
20 by at least a couple of key customers, where we were
21 trying to understand how the high-pressure system was
22 working. It was not characterized as the entire
23 distribution system was stable enough. I think I
24 also addressed that in my direct testimony.

25 Q. I asked you in your deposition, What is

00286

1 your evaluation of how the high-pressure distribution
2 system was performing on December 22nd, and you said,
3 My evaluation would be that, primarily, it's okay.
4 You don't disagree with that, do you?

5 A. That was what I said at that point in time.

6 Q. Now, going back to Exhibit JTO-8-A, which
7 is Exhibit C-21, would you agree that on December
8 24th, pressures, as shown on these RTU readouts, were
9 going up?

10 A. Remember, this is not the RTU readout.
11 This is actually somebody doing some sort of a data
12 reduction on the RTU data.

13 Q. Well, would you agree that this person's
14 data reduction on the RTU data shows that pressures
15 were going up on December 24th?

16 A. It would indicate that they were climbing.

17 Q. And isn't it correct that December 24th is
18 the date that Kimberly-Clark actually came on line
19 and started using penalty gas?

20 A. I do not know the exact time that the
21 curtailment violation began.

22 Q. RTU data is actual realtime data, is it
23 not?

24 A. That's correct.

25 Q. Look, if you will, please, at JTO-8-B,

00287

1 which is Exhibit C-22. Would you agree that this
2 compilation of temperature data shows that the
3 temperatures on the distribution system were rising
4 on December 24th?

5 A. They rose on December 24th, and they appear
6 to have fallen on December 27th and 31st.

7 Q. At any time were the temperatures on the
8 distribution system, as shown on this compilation of
9 data, above approximately 40 degrees after December
10 25th?

11 A. I don't know what you're -- it looks like
12 some of them are right around 40 degrees.

13 Q. Are those temperature data realtime
14 temperatures?

15 A. They're what the RTU site recorded or
16 reported back to the SCADA system. I think it's
17 important to note, and I have it in my testimony,
18 that PSE, or WNG at the time, advised Kimberly-Clark,
19 in 1995, that even as warm as 45 degrees, load
20 restrictions could be placed on them in order to
21 maintain the stability of the distribution system.

22 Q. Turning now to your testimony on the Stoner
23 models, you said that Exhibit C-96 was based on an
24 input of 27-degree days; right?

25 A. That's correct.

00288

1 Q. And I think you said that that was 38
2 degrees Fahrenheit; right?

3 A. That's correct.

4 Q. Based on the 24-hour forecast?

5 A. That's correct.

6 Q. Would you turn, please, to Exhibit Number
7 PAR-2, which is Exhibit Number 103, and look at page
8 two of two.

9 JUDGE CAILLE: Excuse me, Ms. Arnold. Do
10 you have much more?

11 MS. ARNOLD: About two minutes.

12 JUDGE CAILLE: But you're going to have
13 some?

14 MS. GAGNON: The tiniest amount.

15 JUDGE CAILLE: Okay. I'm in need of a
16 break.

17 MS. ARNOLD: Let's take a break. I always
18 say two minutes, and then it's more.

19 JUDGE CAILLE: Could we take ten minutes?
20 Thank you.

21 (Recess taken.)

22 JUDGE CAILLE: Let's go back on the record
23 and resume the re-cross. Ms. Arnold.

24 Q. I think we confirmed before the break, Ms.
25 Caswell, that your Exhibit 4, which is Exhibit C-96,

00289

1 was run at 27-degree days, in degree days; is that
2 right?

3 A. Correct.

4 Q. And I think you confirmed that's 38 degrees
5 Fahrenheit?

6 A. That's correct.

7 Q. Am I correct that that's based on 24-hour
8 forecasts?

9 A. That's correct.

10 Q. Now, would you turn, please, to Exhibit
11 103, which is PAR-2, and look at the lower chart, the
12 24-hour advance. Am I correct that those are the
13 24-hour forecasts provided by WeatherNet?

14 A. This isn't the form I'm used to seeing them
15 in. I'm used to seeing them in something like this,
16 where Paul has summarized them.

17 Q. A heating degree day is calculated by
18 taking an average of the temperatures during the day,
19 is it not?

20 A. A heating degree day is calculated that
21 way. Just for clarification, from a distribution
22 capacity planning purpose, the critical thing,
23 though, is not how the cold has stacked up through a
24 day, but how the cold hits at peak condition. So for
25 distribution design purposes, if we see ten degrees

00290

1 Fahrenheit at seven o'clock in the morning, it's a
2 55-degree-day day for the distribution system. If we
3 see 38, then it's a 27-degree day. It's important
4 what's happening at peak hour, which, for us, is
5 those morning hours.

6 Q. But for purposes of doing the Stoner model,
7 when you use the 27-degree day, you're using a degree
8 day which is the average of the daily temperature;
9 right?

10 A. No, that's not correct.

11 Q. Oh, so you weren't using 24-degree day?

12 A. Well, what we are using is the temperature
13 that's forecast at the time that peak hours or that
14 peak flows will be occurring.

15 Q. So would it be correct, then, to say that
16 you're not using 27-degree day in this exhibit? You
17 used, instead, a forecasted point in time?

18 A. No, I think what I was trying to explain is
19 that, for purposes of modeling distribution capacity,
20 because it's all about, you know, a few minutes in
21 time, we identify what's happening when the peak is
22 occurring, temperature-wise, and use that, and it is
23 our de facto degree day review. It does not consider
24 average through the day. And that's also the basis
25 on which we benchmark the system.

00291

1 Q. And you also added the six percent load to
2 take into account the peak; right?

3 A. In this particular review, six percent was
4 factored in. As I addressed in my testimony, those
5 peaks vary from five to ten percent. For Monday
6 morning, a fairly significant peak, on the order of
7 seven and a half percent.

8 Q. At what hour do you take the peak
9 temperature? I mean, at what hour do you take the
10 degree day -- or strike that.

11 At what hour do you use -- when you
12 prepared C-96, at what hour of the day did you take
13 the temperature in order to reach what you call
14 27-degree day?

15 A. Historical observations would indicate
16 that, under the sort of cold front that we had during
17 the December time frame, that right about 7:30 is
18 when we experience the cold temperature on the
19 system, 7:30 a.m., which is just after the start of
20 the gas day. So when you're looking at this chart,
21 it correlates to that 38, pretty close to that 38
22 that's there.

23 Q. Does the actual temperature on the
24 distribution system impact the operation of the
25 system? Actual, rather than forecasted?

00292

1 A. Does it impact the operation?

2 Q. Yes.

3 A. Certainly.

4 Q. The actual temperature does?

5 A. Right. Excuse me, the forecast will impact
6 our planning. The actual will impact the operation
7 and our subsequent planning.

8 Q. Look at page one of two of Exhibit Number
9 103, and look at the line at the top -- or look at
10 the chart at the top, Gas Day Low Temperature. Do
11 you see that?

12 A. I see that.

13 Q. Would you agree that, on December 25th,
14 Christmas Day, the low temperature was 41 degrees?

15 A. That's what this exhibit shows.

16 Q. And on the 26th, the low was 40 degrees?

17 A. That's what it shows.

18 Q. And on the 27th, the low was 42 degrees?

19 A. That's what it shows.

20 Q. Look down at the high temperatures on
21 December 25th. Would you agree the actual high
22 temperature was 48 on Christmas Day?

23 A. That's what it shows.

24 Q. And the day after Christmas, the actual
25 high was 44?

00293

1 A. Mm-hmm.

2 Q. And on Sunday, December 27th, the high was
3 52 degrees?

4 A. That's what it shows.

5 MS. ARNOLD: That's all my questions.

6 R E D I R E C T E X A M I N A T I O N

7 BY MS. GAGNON:

8 Q. Ms. Caswell, let's just stay right on that
9 exhibit that you were on. I think it's 103. Does
10 PSE make curtailment determinations based on the
11 actual temperature of the day that they are going to
12 curtail a customer?

13 A. PSE makes all of its plans around the
14 forecasts that it receives, whether it's forecasted
15 low, forecasted temperature, even our forecasted
16 pressure is embodied in our simulations.

17 Q. And isn't it correct that this is just --
18 this document here just provides WeatherNet forecast
19 data; is that correct?

20 A. That's correct.

21 Q. And is it your understanding that those
22 individuals who are responsible for forecasting rely
23 on information in addition to a WeatherNet forecast?

24 A. That would be correct.

25 Q. And what are the types of information, if

00294

1 you know, that they rely on?

2 A. Mr. Riley will be able to address that more
3 completely.

4 Q. And in terms of the 38 degrees on the
5 12/27/1998 line, where did you get that information
6 from? The information in this chart, you had said
7 that you would have relied on something that looked
8 like this?

9 A. Oh, that information comes from Paul Riley
10 and gas control daily.

11 MS. GAGNON: At this time, Your Honor, I'd
12 just move Exhibit 131 in. That's a PSE exhibit.
13 This is both the response to data request one -- oh,
14 I'm sorry, it's 132. Both PSE's response to data
15 request one and the supplemental response to that
16 data request.

17 MS. ARNOLD: No objection.

18 JUDGE CAILLE: Then Exhibit 132 is admitted
19 into evidence.

20 Q. And I just have one other question, Ms.
21 Caswell. If we go to your exhibits and we go to the
22 exhibit that you have as HCC-5, which is Exhibit 97,
23 do you know who prepared this, the information in
24 paragraph four of this memorandum?

25 MS. ARNOLD: I'm going to object to exhibit

00295

1 HCC-5. This is outside the scope of the re-cross.

2 JUDGE CAILLE: Just a second. Let me get
3 to my exhibit.

4 MS. ARNOLD: Furthermore, Exhibit 97 is
5 talking about conditions in June 1995.

6 MS. GAGNON: Your Honor, I believe that if
7 you look at -- it was a follow-up to the statement
8 that Ms. Caswell made that Scott Paper was advised
9 that they could be curtailed at 45 degrees
10 Fahrenheit. So I don't believe it goes beyond the
11 scope.

12 MS. ARNOLD: I don't recall her saying
13 that. But if she did, then it's within the scope.

14 THE WITNESS: I actually said it in
15 response to when you were asking about whether I saw
16 40 degrees on that one temperature chart.

17 JUDGE CAILLE: Objection is overruled.
18 Before you go any further, can I ask, Exhibit 132, I
19 just want to check, in your description that you
20 faxed to me, or I think it was faxed to me, it did
21 not include the fourth supplemental response. That
22 is to be included?

23 MS. GAGNON: No, the fourth was
24 inadvertently put in there.

25 JUDGE CAILLE: Okay, thank you.

00296

1 Q. Now, was this information prepared by
2 individuals that -- who was this information prepared
3 by in paragraph four?

4 A. In paragraph four, it was prepared by
5 individuals reporting to me about -- this would have
6 been conducted as a -- or it would have been an
7 output of an evaluation of a Stoner simulation, and
8 would have been the planning engineers' response to
9 how the system would fare even at fairly high
10 temperatures.

11 Q. When it refers to the existing gas supply
12 system, is it your understanding that that's
13 referring to PSE's gas distribution system?

14 A. That's correct. We often incorrectly call
15 our high-pressure system that supply system.

16 Q. And so that would not be describing
17 particular Kimberly-Clark equipment; is that correct?

18 A. That's correct.

19 Q. And from 1995 until now, has PSE's load,
20 customer load, increased or decreased?

21 A. I think I testified in my direct testimony
22 that it's increased at about the rate of ten percent
23 in the entire area served by that particular
24 high-pressure system.

25 Q. And so --

00297

1 A. It has increased.

2 Q. Your expectation, then, would not be that
3 you could now serve Kimberly-Clark at this level at
4 lower temperatures, would it?

5 A. No, it would not be my expectation that we
6 could do that.

7 MS. GAGNON: Okay. That would be it, Your
8 Honor.

9 JUDGE CAILLE: Anything further, Ms.
10 Arnold?

11 MS. ARNOLD: I have two questions.

12 R E C R O S S - E X A M I N A T I O N

13 BY MS. ARNOLD:

14 Q. First of all, this paragraph you just
15 talked about says, Upgrades are planned by Washington
16 Natural Gas in the future. Has Washington Natural
17 Gas made any upgrades in its system since 1995?

18 A. Nothing that materially enhances this
19 supply system or, excuse me, high-pressure
20 distribution system.

21 Q. Do you know how many cubic feet per hour
22 they were using on December 24th?

23 A. I don't know that. I know the equipment is
24 capable of taking as high as 911,000 cubic feet per
25 hour.

00298

1 Q. But you heard the testimony that they were
2 using wood waste and black liquor, didn't you? They
3 weren't using -- completely on gas, you know that,
4 don't you?

5 A. No, but my review of SCADA information
6 indicated that the volumes were very close to the
7 maximum that the equipment could tolerate, that our
8 facilities could deliver through the meter set.

9 Q. All right. Now, back to the temperature
10 information. You said that Stoner models are made on
11 forecasts, not actual temperatures; right?

12 A. I said that we use actuals to help
13 benchmark as we go forward, but that our plans are
14 made on forecasts.

15 Q. When you prepared Exhibit C-96 in September
16 of this year, in the summer of this year, you knew
17 that the low temperatures on December 25th, 26th, and
18 27th were in the forties, didn't you?

19 A. I knew what the actuals were and what the
20 forecasts were when I looked at the -- when I
21 prepared this plot.

22 Q. And you used the forecast, rather than the
23 actuals?

24 MS. GAGNON: Your Honor, I'm going to
25 object. I don't think there's any evidence in the

00299

1 record that all of the temperatures were in the
2 forties throughout PSE's gas distribution system, so
3 Ms. Arnold said that actuals were in the forties. We
4 have a Sea-Tac temperature. That's for one place.
5 We have -- I believe Ms. Caswell testified 212 RTU
6 points, many of which also have temperature data, so
7 I just want to be clear that there may have been a
8 range of temperatures, and I didn't want Ms. Caswell
9 to inadvertently answer a question that had been
10 posed in that way.

11 Q. Well, then, let us look back at Exhibit
12 C-22, which is Exhibit JTO-8-B. Now, you said, Ms.
13 Caswell, that the RTU temperature data is realtime
14 temperature data; correct?

15 A. That's correct.

16 Q. From December 25th through the end of the
17 curtailment on December 28th, or the end of the day
18 there, do you see any temperatures on the
19 distribution system at these points that are below 40
20 degrees?

21 A. It looks to me like there are a couple. I
22 don't have a color copy.

23 MS. GAGNON: Oh, I'm sorry. I'm going to
24 just provide the witness with this.

25 THE WITNESS: I think it's important to

00300

1 know that the distribution system also has a problem,
2 quote, catching up, just like Mr. Armstrong said,
3 that the pulping process, or whatever, had going on
4 with them. Just because we see the same temperature
5 after five days of extended cold that we saw at the
6 beginning does not mean you have the same
7 distribution system capacity. It actually has eroded
8 significantly at the capacity.

9 So to make a correlation between volumes
10 and temperatures prior to any sort of significant
11 cold and trying to use that same analysis
12 subsequently really shows a limited understanding of
13 how a distribution system works.

14 Q. Do you have a color copy of Exhibit C-22
15 there?

16 A. I now do.

17 Q. You do?

18 A. I now do, yes.

19 Q. The yellow line is North Everett; is that
20 right?

21 A. That's what you've graphed.

22 Q. Does that signify a remote telemetry unit
23 at some point in North Everett?

24 A. That's correct.

25 Q. Does the temperature at that point ever

00301

1 read below 40 degrees after December 25th?

2 A. It looks to me like there's a point right
3 at December -- just prior to the line for December
4 28th that reads right at 40 degrees. It's hard to
5 interpret somebody else's graph, however.

6 MS. ARNOLD: That's all my questions.

7 R E D I R E C T E X A M I N A T I O N

8 BY MS. GAGNON:

9 Q. Ms. Caswell, one question. Do you have
10 actual temperatures available to you when you are
11 planning a curtailment?

12 A. No, we do not.

13 R E C R O S S - E X A M I N A T I O N

14 BY MS. ARNOLD:

15 Q. But when you put in 38-degree days, you had
16 actual data, didn't you, when you did that Stoner
17 model in the summer?

18 A. Yes.

19 MS. ARNOLD: Thank you.

20 R E D I R E C T E X A M I N A T I O N

21 BY MS. GAGNON:

22 Q. Why did you use 38-degree days? Actually,
23 38 degrees Fahrenheit.

24 A. The reason that we used -- that I used that
25 number was to try to identify the information that we

00302

1 had as we were going into the end of the curtailment
2 time frame, such that Mr. Riley and the gas
3 controllers would have had information about how the
4 system would fare with those -- if resumption had
5 occurred.

6 MS. GAGNON: No further questions.

7 MS. ARNOLD: No more questions.

8 JUDGE CAILLE: All right. Thank you, Ms.
9 Caswell, you're excused.

10 MS. GAGNON: PSE would call Paul Riley.
11 Whereupon,

12 PAUL A. RILEY,
13 having been first duly sworn, was called as a witness
14 herein and was examined and testified as follows:

15 JUDGE CAILLE: Thank you.

16 D I R E C T E X A M I N A T I O N

17 BY MS. GAGNON:

18 Q. Mr. Riley, do you have before you exhibits
19 that have been Marked T-101, Exhibit 102, 103, 104,
20 105, C-106, 107, and C-108?

21 A. Yes, I do.

22 Q. Do you recognize these exhibits to consist
23 of your prefiled direct testimony and associated
24 exhibits?

25 A. Yes.

00303

1 Q. Do you have any corrections or additions to
2 make orally at this time to those exhibits?

3 A. Yes, I do. To my direct testimony, on page
4 seven, line five, it should read, We continue to see
5 problems on the distribution system, even with
6 temperatures which were no lower than the previous
7 days.

8 Q. Does that complete your additions and
9 corrections, Mr. Riley?

10 A. It does.

11 Q. If I ask you the questions today set forth
12 in your testimony, would you give the answers set
13 forth therein?

14 A. Yes.

15 Q. And are Exhibits 102 to 108 prepared and/or
16 assembled under your direction or supervision?

17 A. Yes.

18 Q. Are they true and accurate, to the best of
19 your knowledge?

20 A. Yes, they are.

21 MS. GAGNON: Your Honor, I would move for
22 the admissions of Exhibits T-101, 102, 103, 104, 105,
23 C-106, 107 and C-108.

24 JUDGE CAILLE: Any objection?

25 MS. ARNOLD: No objection.

00304

1 JUDGE CAILLE: Then the aforesaid exhibits
2 are admitted into evidence.

3 MS. GAGNON: Mr. Riley's available for
4 cross-examination.

5 C R O S S - E X A M I N A T I O N

6 BY MS. ARNOLD:

7 Q. Good morning, Mr. Riley.

8 A. Good morning.

9 Q. At page four of your testimony, beginning
10 at lines eight or nine, you describe what you were
11 doing during the week of December 14th; am I correct?

12 A. That's correct.

13 Q. And you were reviewing weather forecasts;
14 right?

15 A. Yes.

16 Q. And reviewing actual temperatures; correct?

17 A. We would be reviewing actual temperatures.

18 Q. Why is it you review actual temperatures?

19 A. We'd be looking at some actual temperatures
20 in order to take a look at how accurate forecasts
21 were, and also, we would be looking at those to see
22 what kind of effects the system was having at certain
23 actual temperatures.

24 Q. What do you mean, what kind of effects the
25 system was having?

00305

1 A. What kind of response the system was having
2 at certain actual temperatures.

3 Q. How would you measure those response that
4 you're talking about?

5 A. We would be monitoring SCADA pressure -- or
6 SCADA pressures and such.

7 Q. SCADA pressures?

8 A. Yes.

9 Q. And what's the and such?

10 A. SCADA temperatures, also.

11 Q. What else would you monitor?

12 A. We would be monitoring flows in the system.

13 Q. What else?

14 A. Mainly, that.

15 Q. How do you measure flows?

16 A. We have some points on our system which we
17 can measure flows at in -- off of the meters that --
18 off of the meters that are both going off from system
19 and coming -- metering gas coming onto our system.

20 Q. Is another word for flow throughput?

21 A. Flows --

22 Q. Are flows the same as throughput?

23 A. Yes.

24 Q. Now, you also say that you were monitoring
25 the weather on the TV; is that right?

00306

1 A. Yes.

2 Q. And then, on page five, you start talking
3 about events on December 17th; right?

4 A. Correct.

5 Q. And you say that the weather services were
6 predicting an unusual cold front arriving by December
7 21st; right?

8 A. Correct.

9 Q. So you go into how the initial curtailment
10 plan was created. Were you involved in creating that
11 initial curtailment plan?

12 A. Yes, I was.

13 Q. At the bottom of the page, on lines 23 and
14 24, I think you're still on December 17th here, you
15 say, Gas dispatch started receiving numerous customer
16 service calls on Friday. You're on December 18th;
17 right?

18 A. That's correct.

19 Q. What's the significance of customer service
20 calls?

21 A. Customer service calls can indicate
22 problems that are occurring in our system.

23 Q. What sort of problems?

24 A. Problems with pressures in certain areas.

25 Q. Does a customer service call always

00307

1 indicate a pressure problem or can it just indicate
2 that the customer's furnace was failing or their
3 equipment was broken?

4 A. It can indicate that the customer's
5 equipment was broken. However, during cold weather,
6 they're usually looked at in a different context than
7 they are during other periods.

8 Q. Would I be correct that furnaces are used
9 more during cold weather than in warm weather?

10 A. I think that would be a reasonable
11 assumption.

12 Q. Is it correct, also, that under heavy use,
13 a furnace might fail, whereas it might not if it
14 wasn't being turned on much?

15 A. Yes.

16 Q. Then, on page six, at lines 16 through 18,
17 you're talking about the decision to move up the
18 curtailment, and you say that it's your understanding
19 that Ms. Caswell made the recommendation to senior
20 management that the curtailment begin earlier and
21 include all interruptible customers.

22 Would it be correct, then, that you're not
23 the person that made the recommendation to senior
24 management to start the curtailment earlier?

25 A. That would be correct.

00308

1 Q. And you don't consider yourself senior
2 management?

3 A. No.

4 Q. You're a shift manager; is that right?

5 A. That is correct.

6 Q. You're one of four shift managers?

7 A. One of five.

8 Q. One of five. So what, do you work a shift,
9 and then somebody else takes over and somebody takes
10 over from that person?

11 A. That's my current job, yes.

12 Q. Was that your job in December 1988?

13 A. 1988?

14 Q. 1998.

15 A. Yes, my job during 1998 was the day system
16 manager for gas, which was more of a regular
17 schedule, a Monday through Friday type job, although
18 I was on call all the time.

19 Q. Now, why is it that, if you know, the
20 recommendation was made to begin the curtailment
21 earlier?

22 A. We had experienced quite a few customer
23 service calls on Saturday morning, we'd experienced
24 some low pressures on our system, and we believed
25 that beginning the curtailment earlier and including

00309

1 all customers would help to alleviate some of those
2 problems.

3 Q. Would it be correct to say that the cold
4 front moved in earlier than expected?

5 A. Yes.

6 Q. I'm showing you now what has been marked
7 Kimberly-Clark Cross-examination Exhibit 51. Was
8 this -- did you print out the e-mails that have your
9 name at the top? Where it says Paul Riley, with an
10 underline, does that mean you printed them out?

11 A. It means that I printed them out, or I
12 believe that it means that I printed them out.

13 Q. Is it correct that on December 17th, you
14 requested that people start carrying pagers?

15 A. Looks like I asked them if they did carry
16 pagers, told them that I would set up for them to
17 carry pagers if they wanted to.

18 Q. And did you do that?

19 A. I don't recall doing that.

20 Q. So people didn't carry pagers during the
21 cold weather event?

22 A. I don't know if these people carried pagers
23 during the cold weather event. Other people
24 certainly did.

25 Q. The e-mail down a ways from Paul Riley to

00310

1 Jane -- is it Docherty?

2 A. I believe so.

3 Q. Talks about lists of customers and contacts
4 to the customers. What was that about?

5 A. Where are you talking about?

6 Q. My expert on downloads is on vacation in
7 Puerto Rico. I believe that the lists he has are
8 up-to-date, and so forth.

9 A. Oh. My expert on downloads sends them
10 lists of customers to be -- or meter reading for Rate
11 86 customers.

12 Q. They have to read the 86 meters before the
13 curtailment begins?

14 A. No, that would be after the curtailment
15 begins.

16 Q. Do they read the 86 meters at the end of
17 the curtailment, also?

18 A. Yes, they do.

19 Q. Look at the page that's marked in the lower
20 right-hand corner PSE 01233. This is an e-mail from
21 you, dated Friday, December 18th, to a group of
22 others. Hello, all. Do you see where it says
23 Kimberly-Clark, Scott Paper, to be held at 35,000
24 cubic feet per hour from 0400 to 0900. If necessary,
25 they will be fully curtailed. Do you see that?

00311

1 A. Yes, and I believe it says 350,000 cubic
2 feet per hour.

3 Q. Did you write that?

4 A. I believe so.

5 Q. Why did you write that?

6 A. It was based on a meeting that I had with
7 operations planning to develop the initial
8 curtailment plan.

9 Q. Was the purpose of that to curtail or
10 constrain Kimberly-Clark's usage during the peak
11 hour?

12 A. Yes.

13 Q. The next page is from -- there's an e-mail
14 from you to Jim Chartrey about CNG injections. Were
15 you the person responsible for seeing that CNG's
16 injections were done?

17 A. The gas controllers would be responsible
18 for telling the folks that were on site at the CNG
19 sites to start injecting or stop injecting.

20 Q. Now, your e-mail, the last e-mail on this
21 series, the lower number is 1228, from Cheri Fredrick
22 to you, is dated December 23rd, at nine a.m.; is that
23 correct?

24 A. 9:07.

25 Q. 9:07. Were you at work on December 23rd?

00312

1 A. Yes, I was.

2 Q. And were you at work on December 24th?

3 A. Yes, I was.

4 Q. Now, back to your testimony at page seven,
5 you discuss -- page seven, sorry, lines 20 to 21, you
6 talk about customer service calls.

7 A. Yes.

8 Q. And you say, above that, on December 20th,
9 there were 433 service calls or complaints; is that
10 right?

11 A. On December 20th, Sunday?

12 Q. Yeah.

13 A. Yes.

14 Q. And on the 21st, there are 971?

15 A. Yes.

16 Q. And on the 22nd, 754?

17 A. Yes.

18 Q. And the 23rd, 582; right?

19 A. On the 23rd, yes.

20 Q. And you say that on December 22nd, there
21 were some firm outages in Puyallup and Marysville;
22 right?

23 A. That is correct. There were large service
24 outages in those areas. There were other firm
25 service outages.

00313

1 Q. And then, at lines 23 and 24, you say, In
2 addition, the SCADA information indicated PSE was
3 experiencing distribution system capacity
4 constraints; right?

5 A. Correct.

6 Q. Did you review the SCADA information
7 yourself?

8 A. Twenty-third, I would have been in gas
9 control and reviewing some of the SCADA information,
10 yes.

11 Q. And we learned that that's the RTU, or the
12 remote telemetry unit data; is that correct?

13 A. The RTUs out in the field provide that
14 information to the SCADA system.

15 Q. And that's realtime information that tells
16 you the temperatures and the pressures on the system
17 at different points, doesn't it?

18 A. Yes.

19 Q. Your Exhibit PAR-2, if you'd turn to that,
20 which is Exhibit 103, for December 20th, shows
21 forecasts for -- 72-hour forecast of 18 degrees,
22 48-hour forecast of 17 degrees, and 24 hours forecast
23 of 17 degrees; right?

24 A. Which date was that, again?

25 Q. That was the 20th?

00314

1 A. Yes.

2 Q. Oh, wait, the curtailment started on the
3 19th, and the forecasts were 24, 22, and 18; right?

4 A. The 19th, the forecasts were 24, 22, and
5 18.

6 Q. Did that contribute to the decision to call
7 a curtailment, that the forecasts were for the
8 temperatures in the teens?

9 A. Yes.

10 Q. The actual Sea-Tac temperature on the 20th
11 was 18 degrees. Does that impact the performance of
12 the distribution system?

13 A. Say that again. The temperature --

14 Q. A low temperature of 18 on the 20th, would
15 that impact the performance of the distribution
16 system?

17 A. My copy shows the temperature on the 20th
18 of 17, and 17 degrees would definitely affect the
19 performance of the distribution system.

20 Q. The low on -- the low actual for the 22nd
21 was 17, also, wasn't it?

22 A. Wait a second.

23 Q. Or was it 19?

24 A. The low actual on the 22nd on was 19.

25 Q. And the low actual on the 23rd was 20;

00315

1 right?

2 A. That's correct.

3 Q. Now, back to your testimony at page 11 --
4 no, page ten. No, sorry, page eight, you discuss the
5 basis for the decision to continue the curtailment
6 after December 24th; right?

7 A. On page eight, yes.

8 Q. Now, were you involved in that decision?

9 A. Yes, I was.

10 Q. Were you at work on December 24th?

11 A. Yes, I was.

12 Q. Did you come to work the following day, on
13 December 25th?

14 A. I believe that I came in on December 25th.
15 I wasn't there the whole day.

16 Q. You just came in?

17 A. Mm-hmm.

18 Q. Were you at work on the 26th? That was
19 Saturday.

20 A. I don't recall ever being there on the
21 26th, but I'm not sure. I may have been.

22 Q. Were you there the 27th, that Sunday?

23 A. Again, I don't recall specifics, but I may
24 have been. I was into the office that weekend.

25 Q. On page 11, lines 22 and 23, you explain

00316

1 what occurred between December 25th and December
2 27th; right?

3 A. Correct.

4 Q. And on page 12, you said, at line four, the
5 parameters did not change significantly; right?

6 A. Correct.

7 Q. Let's look back at your Exhibit PAR-2,
8 which is Exhibit 103. What was the actual Sea-Tac
9 temperature low on December 25th?

10 A. The actual Sea-Tac temperature low was 41
11 degrees.

12 Q. And what was the low on the 26th?

13 A. Forty degrees.

14 Q. And what was the low on the 27th?

15 A. Forty-two degrees.

16 Q. And the high on those days was --

17 A. Which days?

18 Q. The 25th?

19 A. Forty-eight.

20 Q. And the 26th?

21 A. Forty-four.

22 Q. And the 27th?

23 A. Fifty-two.

24 Q. Look at JTO-8-A, which is Exhibit Number
25 C-21. Would you agree that the pressures on the

00317

1 remote telemetry units compiled here rose on December
2 25th?

3 A. I would agree they rose on December 25th.

4 Q. Would you agree that they continued at
5 pressures above 15 psi consistently from December
6 25th to December 28th?

7 A. They did. However, no interruptibles were
8 on the system at that point.

9 Q. From December 25th to December 28,
10 Kimberly-Clark was on the system, was it not?

11 A. Yes, they were.

12 Q. Look at Exhibit C-22, which is JTO-8-B.
13 Would you agree that the temperature data on those
14 remote telemetry units rose on December 25th?

15 A. I would agree the temperatures rose on the
16 25th.

17 Q. What are pen gauges?

18 A. Pen gauges are a reporting device that we
19 use out in the field to record pressures and
20 temperatures at points in our system for a
21 less-costly device than an RTU.

22 Q. You wouldn't have used those in deciding
23 whether to end the curtailment, though, would you?

24 A. I might have used some of those, but --

25 Q. Do you remember if you did?

00318

1 A. I don't recall if I did.

2 Q. Look at Exhibit 27, which is JTO-11. Would
3 it be correct to say that 15 psi is a minimum
4 pressure that the system is designed to operate at?

5 A. I suppose that would be the minimum in the
6 system that we would not expect to see many outages
7 below.

8 Q. Would you agree that the system -- parts of
9 the system indicated by this compilation of pen gauge
10 data dropped to that level on about December 20th?

11 A. Yes.

12 Q. Would you agree that the pen gauge data
13 compiled here indicates that the pressures at the
14 points recorded were rising as of December 25th?

15 A. They appear as though they were rising,
16 yes.

17 Q. Turn to Exhibit PAR-4, which is Exhibit
18 Number 105. This is a summary of customer
19 complaints, is it?

20 A. Yes, it is.

21 Q. And I think you said these customer calls
22 reached a high of 970-something on December 22nd,
23 right, or is that December 21st?

24 A. Nine-hundred-seventy-one on December 21st.

25 Q. So that was a high? Now, I don't know if

00319

1 you have -- did you count the ones for December 24th,
2 which start here on page 75?

3 A. My summary shows 273 on that day.

4 Q. And did you count the customer calls on
5 December 25th?

6 A. Yes, my summary shows 58 on that day.

7 Q. And how about December 26th?

8 A. One-hundred-seventy-one.

9 Q. And did you count them for December 27th?

10 A. Twenty-eight on the 27th. However, those
11 are still much higher levels than I would expect to
12 have on a holiday weekend.

13 Q. But you would agree that they changed from
14 a high of 971 on Monday, wouldn't you?

15 A. Certainly. Nine-hundred-seventy-one is
16 very extreme.

17 Q. Do you have Exhibit 3 in front of you?
18 It's DJF-2. Do you have that?

19 A. Yes, I do.

20 Q. Look, please, on page two. In the middle
21 of the page, it says, Paul Riley sent a white paper,
22 which information can be used to send to WUTC. Do
23 you see that?

24 A. I see that.

25 Q. Do you know what the white paper was that's

00320

1 being referred to there?

2 A. No, I don't.

3 Q. Do you have Exhibit 54 in front of you?

4 It's a document entitled Big Chill 1998.

5 A. Yes.

6 Q. Did you write any part of that?

7 A. This looks familiar. I do believe I was
8 asked to make input to this document. However, I
9 can't tell if it was the same document.

10 Q. Look at the third page, which is numbered
11 1216, at the entry for Wednesday, December 23rd. Did
12 you write the sentence, Systems pressures remained
13 high through the peak?

14 A. I don't believe so.

15 Q. About three sentences down, the sentence
16 says, Based on this, as well as the relatively small
17 distribution problems and the logistics involved to
18 resume all customers on Christmas weekend, after the
19 significant amount of overtime employees had already
20 worked, the decision was made to extend the
21 curtailment through Monday at five p.m. Did you
22 write that?

23 A. I don't believe so.

24 Q. Do you know who did?

25 A. No, I do not.

00321

1 Q. I'd like you to look now at what has been
2 marked Kimberly-Clark Cross-examination Exhibit
3 Number 59. Is this part of --

4 MS. GAGNON: Ninety-nine, I guess.

5 Q. This is the -- the top says it's an e-mail
6 from Paul Riley to various individuals.

7 MS. GAGNON: Can we get a page number on
8 the exhibit, page number on the bottom of the
9 exhibit?

10 MS. ARNOLD: Pages 32, 33, 34 and 35.

11 MS. GAGNON: Thank you.

12 MS. ARNOLD: Oh, it is. Your Honor, this
13 is part of Exhibit 99, also.

14 JUDGE CAILLE: All right.

15 Q. It says, Lael, please see comments in text.
16 Thanks, Paul. Can you tell us which comments in the
17 text you put in?

18 A. Well, again, this is a document that I
19 believe I've reviewed, and it looks similar to one
20 that I was asked to review. I don't know if it is
21 that one, and I don't have the original.

22 Q. Look on page 33. In the middle of the page
23 is a paragraph that begins, Finally, late Thursday
24 afternoon, December 24th. Do you see that?

25 A. Yes, I do.

00322

1 Q. The decision was made by upper management
2 not to send the meter readers out to read meters over
3 the Christmas weekend and take them away from their
4 families. Overtime pay for PSE employees was never a
5 constraint. Did you add either of those sentences?

6 A. I don't believe so.

7 Q. Do you know who did?

8 A. No, I don't.

9 MS. ARNOLD: Your Honor, if we haven't done
10 so already, I would like to move for the admission of
11 Exhibit 51.

12 MS. GAGNON: No objections.

13 MS. ARNOLD: And 59, which I just referred
14 Mr. Riley to, is actually a part of Exhibit 99, so I
15 don't need to do that.

16 JUDGE CAILLE: Exhibit 51 is admitted into
17 evidence.

18 MS. ARNOLD: Thank you, Mr. Riley. That's
19 all my questions.

20 JUDGE CAILLE: Okay.

21 MS. GAGNON: Should we break now?

22 JUDGE CAILLE: I think that sounds like a
23 good idea. We've been going pretty strong this
24 morning. Let's break for a luncheon recess and
25 return at 1:15.

00323

1 (Lunch recess taken.)

2 JUDGE CAILLE: Let's go back on the record.

3 We are reconvened from a luncheon recess and we are
4 about to begin redirect of Mr. Riley, but I do have
5 one question, Mr. Riley.

6 E X A M I N A T I O N

7 BY JUDGE CAILLE:

8 Q. In your Exhibit C-106 --

9 A. C-106, yes.

10 Q. In the box below, which explains the
11 pressure range and count?

12 A. Yes.

13 Q. Can you tell me what the count is?

14 A. Well, this is a representation of the
15 Stoner model, and I think Heidi would be more able to
16 answer the count question. I believe that it is a
17 count of nodes at a pressure.

18 JUDGE CAILLE: She's nodding her head yes.

19 Okay. Thank you.

20 R E D I R E C T E X A M I N A T I O N

21 BY MS. GAGNON:

22 Q. I have very brief redirect. If I could
23 just direct your attention to Exhibit 99, and that's
24 the e-mail exhibit. Do you have Exhibit 99? That
25 would be it.

00324

1 A. This one, yes.

2 Q. If you could just go to page 32. Now, this
3 was the e-mail that you were asked questions about.
4 I think you were looking at page 33 when the specific
5 questions were asked. Do you recall those questions?

6 A. Yes.

7 Q. Okay. And I'd just like to direct
8 attention to page 32, right below the second address.

9 A. Okay.

10 Q. If you could just read the first line
11 there?

12 A. With help from Elaine Kaspar, plagiarism
13 from a response written by Jeff Pepin and Molly Bork,
14 I prepared a first draft response to the WUTC
15 complaint below.

16 Q. Now, would that suggest that at least part
17 of this document was prepared by Molly Bork?

18 A. Yes, it would.

19 Q. Okay. Do you recall -- there were a number
20 of questions on Exhibit PAR-2, which has been
21 designated as 103.

22 A. Yes.

23 Q. And would that be the way -- you were asked
24 a number of questions about the actual Sea-Tac
25 temperatures; is that correct?

00325

1 A. Yes, it was.

2 MS. GAGNON: And I'd just like to hand out
3 now a copy of a redirect exhibit.

4 MS. ARNOLD: Your Honor, is this the same
5 document that the witness put into the exhibit in his
6 direct exam?

7 MS. GAGNON: I'll be able -- I'll ask the
8 witness some questions and we can establish that.

9 JUDGE CAILLE: All right.

10 Q. Now, if you could just read the title of
11 the exhibit you're looking at?

12 A. Variation of actual temperature from
13 forecast temperature.

14 Q. And was this exhibit prepared or assembled
15 at your direction?

16 A. Yes, it was.

17 Q. And is it similar or the same as the
18 exhibit that's already been provided in your
19 testimony at 107? It's PAR-6, but it's Exhibit 107.
20 If you could just take a look at that?

21 A. Yes, it's similar to that. It's missing a
22 couple of fields.

23 Q. And could you just explain what fields are
24 missing?

25 A. It's missing the three-day forecast error,

00326

1 absolute value, and the average forecast error,
2 absolute.

3 Q. So would it be correct to say that this is
4 simply the variation of the actual temperature from
5 forecast temperature?

6 A. That's correct.

7 Q. And is this essentially how you analyze or
8 analyze forecast data when you're going to plan to
9 call or end a curtailment? Is this one of the ways?

10 A. This would be one of the ways that we would
11 analyze data, as far as forecast accuracy, compared
12 to actual temperatures.

13 Q. I see. And so when you were looking ahead
14 to the weekend of -- the holiday weekend, you had
15 just come out of a period of seven days of
16 temperatures which were generally colder than
17 predicted; is that correct?

18 A. That's correct.

19 Q. So would you have considered that when you
20 were going into the holiday weekend?

21 A. Yes, we would have.

22 MS. GAGNON: Your Honor, at this time PSE
23 would offer this as Exhibit 109, since that's the
24 next one in Mr. Riley's series.

25 MS. ARNOLD: We do object to that. I don't

00327

1 think the Commission rules or the orders in this case
2 permit redirect exhibits. If it was something
3 supposed to be used for cross-examination, it should
4 have been provided in advance. It wasn't provided in
5 advance. It clearly was prepared in advance, but not
6 provided to us, so that we would have a chance to
7 review and analyze it and present our own rebuttal
8 testimony, if necessary, to it. So I do object to
9 it.

10 MS. GAGNON: Your Honor, this is a -- I
11 don't think there's anything in the rules which
12 prevent redirect exhibits, and in particular, this
13 exhibit was used because -- in response to
14 cross-examination, where Counsel was relying on
15 actual temperature and a 24-hour temperature, and I
16 think this responds to that cross-examination.
17 There's nothing in here that Counsel for
18 Kimberly-Clark hasn't already seen.

19 JUDGE CAILLE: Would Counsel for
20 Kimberly-Clark like some time to look this over with
21 your expert? I'm inclined to admit this, partly
22 because it is a rendition of what has been provided
23 in Exhibit Number 107, and it is responsive to the
24 cross-examination. I'm going to admit it. Would you
25 like some time to look it over?

00328

1 MS. ARNOLD: No, that's okay. Thank you.
2 Well, let me take that back. Yes, I would like a few
3 minutes to discuss it with my expert.

4 JUDGE CAILLE: Why don't we take about --
5 how much time do you think you'll need?

6 MS. ARNOLD: Five minutes.

7 JUDGE CAILLE: Okay. Let's take a
8 five-minute break.

9 (Recess taken.)

10 JUDGE CAILLE: Back on the record. Ms.
11 Arnold.

12 MS. ARNOLD: Yes, thank you. Is it my
13 turn?

14 JUDGE CAILLE: I think so. Right?

15 MS. GAGNON: I'm sorry. I have no further
16 questions of the witness. I apologize.

17 JUDGE CAILLE: Okay.

18 R E C R O S S - E X A M I N A T I O N

19 BY MS. ARNOLD:

20 Q. Mr. Riley, I'm looking at this Exhibit 109.
21 Did you prepare this?

22 A. No, it was prepared at my direction.

23 Q. Who prepared it?

24 A. I believe Bill Donahue prepared that.

25 Q. Bill Donahue prepared it?

00329

1 A. Yes.

2 Q. I believe that you testified, in the period
3 before the curtailment, your forecasts indicated a
4 cold front moving in on December 21st; is that right?

5 A. That's correct.

6 Q. Now, it looks, from this Exhibit 109, that,
7 in fact, the cold front moves in about the 17th of
8 December; is that right? It was colder than
9 predicted after the 17th?

10 A. It appears that it became colder than
11 predicted starting on the 17th.

12 Q. So you called a curtailment on the 19th;
13 right?

14 A. We moved it up to the 19th; correct.

15 Q. And it looks like, from this chart, that
16 the cold front left before predicted, did it not?

17 A. How do you mean?

18 Q. It was warmer than predicted after the 24th
19 of December.

20 A. Yes, it was.

21 Q. So it looks like the cold front moved in
22 and moved out before anybody thought it would; right?

23 A. That's correct.

24 Q. Now, in making your forecasts, you rely on
25 the 24-hour, the 48-hour, and the 72-hour forecasts;

00330

1 right?

2 A. Among other things.

3 Q. Right. Do you rely on one of those
4 forecasts more than the other, the 24-hour, 48, and
5 72?

6 A. No, they really need to be taken as at
7 least a group, and looked at several days in advance
8 in order to predict where you're going.

9 Q. Look at the exhibits which are JTO-10-A,
10 which is Exhibit 24. Have you got the color version
11 there?

12 A. I believe so.

13 Q. Now, the red line indicates the actual
14 temperatures; right?

15 A. Yes, it does.

16 Q. And the black line or blue line, the
17 24-hour predicted --

18 A. Correct.

19 Q. -- forecasted temperatures. And this is
20 the lows; right?

21 A. Yes.

22 Q. This presents the same data that your
23 Exhibit 109 presents, doesn't it, actuals and
24 forecasts?

25 A. It presents a portion of the same data.

00331

1 Q. Uh-huh. And then, if you turn to JTO-10-B,
2 which is exhibit -- the next exhibit, that shows the
3 correlation between the 48-hour low forecast and the
4 48-hour actuals, doesn't it?

5 MS. GAGNON: I'm going to object to the
6 word correlation.

7 Q. Go ahead. I mean, it just shows those two
8 things, does it not, Mr. Riley?

9 A. It shows the 48-hour and the actual.

10 Q. And Exhibit JTO-10-C shows the 72-hour
11 lower forecast and the 72-hour actual, does it not?

12 A. Yes, it does.

13 Q. Now, you said you thought you went into the
14 office sometime between Christmas and the Sunday
15 afterwards during the holiday weekend; right? Is
16 that what you just testified?

17 MS. GAGNON: This is beyond the scope of
18 redirect, Your Honor.

19 MS. ARNOLD: No, I don't think it is.

20 MS. GAGNON: Well, we talked about -- the
21 issues were raised on cross, the first cross, as to
22 whether he went into the office. I did not redirect
23 on any of those issues, and now we're back talking
24 about the office, so I think it is beyond the scope.

25 MS. ARNOLD: I'll withdraw that question --

00332

1 JUDGE CAILLE: All right.

2 MS. ARNOLD: -- if you don't want to answer
3 it.

4 JUDGE CAILLE: I'm sorry, are you waiting
5 for a ruling or --

6 MS. ARNOLD: Well, I'll just withdraw it.
7 If Counsel objects, I'll withdraw it. That's all my
8 questions.

9 E X A M I N A T I O N

10 BY JUDGE CAILLE:

11 Q. I'm afraid I do have one more question I
12 need to ask about that exhibit, and that is -- it's
13 PAR-5, and it's --

14 MS. GAGNON: C-106?

15 JUDGE CAILLE: Yes.

16 THE WITNESS: Yes.

17 Q. The question is, given the different
18 scenarios, why wouldn't the count change? Because
19 the count is staying the same on all of these.

20 A. Oh, on the Stoner maps? This is a
21 representation of the Stoner map, and it's using the
22 same data.

23 Q. Yes. Oh.

24 A. The purpose of these exhibits is showing
25 the location of the customer calls that were received

00333

1 on those days. They're all based on the same map.

2 Q. Our question is does the count relate to
3 the range?

4 A. The count relates to the number of nodes in
5 the Stoner system that are at a certain pressure, I
6 believe.

7 Q. On page one, you have -- this is what we
8 don't understand. On page one, you have lots of red
9 dots on here.

10 A. Mm-hmm.

11 Q. And then there are fewer on the next page,
12 but the count stays the same.

13 A. Okay. The count is not representative of
14 the count of the customer service calls that would be
15 occurring on those days. The count is the count of
16 the number of nodes that are at a certain pressure
17 based on this Stoner model.

18 MS. GAGNON: Perhaps I can just clarify
19 this. The customer complaints are referred to in the
20 testimony, the actual numbers of customer complaints,
21 and they appear on that exhibit. But we didn't -- I
22 mean, we have to put the customer complaints where
23 they're actually located on the system.

24 We just used the constant Stoner model that
25 had been produced to the other side and produced in

00334

1 discovery, so they don't -- they aren't -- it's not
2 indicative -- the count itself isn't indicative of
3 anything that has to do with the number of customer
4 complaints. We just used it as a model to locate the
5 customer complaints on so that you could get a sense
6 of where they were located on the system. Am I
7 making this any better?

8 The only variable that was changed was just
9 the number of customer complaints. No other variable
10 was changed.

11 JUDGE CAILLE: Would it be possible to get
12 a user's manual so that we can try to understand
13 this? And I'll make that as Bench Request Number
14 One.

15 MS. GAGNON: Yes.

16 JUDGE CAILLE: Thank you. Okay. Is there
17 any follow-up to that?

18 MS. ARNOLD: Yes, thank you.

19 R E C R O S S - E X A M I N A T I O N

20 BY MS. ARNOLD:

21 Q. Mr. Riley, does each one of these dots
22 represent a customer complaint?

23 A. Yes, it does.

24 Q. Do these dots correlate to your Exhibit
25 PAR-4? In other words, could I find each one of

00335

1 these references that's on PAR-4 someplace on your
2 map here?

3 A. Yes.

4 Q. Looking down at the index in the lower
5 right corner, where it says minimum equals minus
6 14.73, what does that mean?

7 A. I'm not certain of that. You'd have to
8 probably ask somebody that was more expert on the
9 indications in the Stoner model.

10 Q. Did you prepare this information on PAR-4?
11 Did you prepare the summary?

12 A. It was prepared at my direction.

13 Q. For each one of these complaints, did you
14 refer to the actual document? Did you personally
15 look at the actual document that the information was
16 taken from?

17 A. Did I personally look at the actual --

18 Q. Yes.

19 A. I'm not sure I understand your question.

20 Q. Well, this is a summary of data taken off
21 of customer complaint forms, is it not?

22 A. Yes.

23 Q. And did you look at the actual customer
24 complaint forms that the data was taken from?

25 A. I don't recall if I looked at exact -- the

00336

1 customer complaint forms on each one of those.

2 Q. So you don't know if one of these -- if any
3 one of these customer complaints represents a
4 pressure problem or if it just represents somebody
5 whose water heater got old and broke down, do you?

6 A. I believe we said that earlier.

7 Q. So, like, my furnace stopped working last
8 fall, and I called Washington Natural Gas or Puget
9 Sound Energy and somebody came out and fixed the
10 thing that was wrong, would that have shown up as a
11 customer call on your chart, if I'd made that call on
12 one of these days?

13 MS. GAGNON: I'm going to object. Asked
14 and answered twice, I think, at this point.

15 JUDGE CAILLE: I guess I'd like to hear the
16 answer to that one. If you'd respond?

17 THE WITNESS: I have answered. Yes, a
18 customer call could show up on here as that.

19 MS. ARNOLD: Okay, thank you.

20 THE WITNESS: Again, the calls are looked
21 at in a different context during cold weather than
22 they are during normal periods.

23

24 MS. ARNOLD: Thank you very much, Mr.
25 Riley.

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1 MS. GAGNON: Nothing further, Your Honor.

2 JUDGE CAILLE: Okay. Thank you, Mr. Riley.

3 You are excused.

4 MS. GAGNON: PSE would call Randy Lewis.

5 Whereupon,

6 RANDALL J. LEWIS,

7 having been first duly sworn, was called as a witness

8 herein and was examined and testified as follows:

9 JUDGE CAILLE: Thank you.

10 D I R E C T E X A M I N A T I O N

11 BY MS. GAGNON:

12 Q. Mr. Lewis, do you have before you the
13 exhibits that have been identified for the record as
14 Exhibits T-111, 112, 113 and 114?

15 A. Yes, I do.

16 Q. And do you recognize those exhibits to
17 consist of your prefiled direct testimony and
18 associated exhibits?

19 A. Yes.

20 Q. Do you have any corrections or additions to
21 make orally at this time to those exhibits?

22 A. I do. On my direct testimony, on page one,
23 line 23, it states my initial employment day with WNG
24 as August of 1985. It should read August 1986.

25 Q. And does that complete your additions and

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1 corrections, Mr. Lewis?

2 A. Yes.

3 Q. Now, if I asked you the questions today set
4 forth in Exhibit T-111 of your testimony, would you
5 give the answers set forth therein?

6 A. Yes, I would.

7 Q. And are your Exhibits 112, 113 and 114,
8 exhibits that were prepared and/or assembled under
9 your direction and supervision?

10 A. Yes, they were.

11 Q. Are they true and accurate, to the best of
12 your knowledge?

13 A. Yes, they are.

14 MS. GAGNON: I move the admission of
15 Exhibits T-111, 112, 113 and 114.

16 JUDGE CAILLE: Is there any objection?

17 MS. ARNOLD: Yes, object to Exhibit RJL-3.
18 It is a document from December 1995, which concerns a
19 one-time service issue. Then this witness's name
20 does not appear anywhere on these papers, so I don't
21 believe he can have personal knowledge of these
22 events. And a one-time incident that occurred in
23 1995 is not relevant to Kimberly-Clark's complaint
24 about service in December 1998.

25 MS. GAGNON: Your Honor, first I would say

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1 that this is a business record of Washington Natural
2 Gas, so the record itself would be admissible, and
3 then I believe that it's Kimberly-Clark's witnesses
4 that have raised the issue of whether they were
5 prepared or not prepared for the curtailment, so I
6 believe it's clearly relevant to issues that were
7 testified to by Kimberly-Clark's witness.

8 JUDGE CAILLE: Anything further, Ms.
9 Arnold?

10 MS. ARNOLD: No, Your Honor.

11 JUDGE CAILLE: I'm sorry, Ms. Gagnon. What
12 did you say the relevance of this document is to the

13 --

14 MS. GAGNON: Well, I believe that both --
15 well, in that there's testimony from Kimberly-Clark's
16 witness that Kimberly-Clark was both prepared for the
17 event that occurred in 1998, in other words, that
18 their fuel strategy was appropriate, and then there's
19 further testimony by Mr. Armstrong that this was --
20 that PSE did not demonstrate the past pattern of
21 contacting them during curtailments.

22 However, this would demonstrate that they
23 had firm demand during a certain period of time, and
24 therefore would not necessarily have been curtailed
25 along with other customers.

00340

1 MS. ARNOLD: I do have something additional
2 to add about that. To the extent that
3 Kimberly-Clark's fuel strategy is relevant at all,
4 the complaint is about Puget Sound Energy's service
5 and the adequacy thereof; it's not about
6 Kimberly-Clark's fuel strategy.

7 But to the extent that it is about fuel
8 strategy, this doesn't show anything, because it is
9 directed at a two-month period where the standby
10 system was inoperative, for reasons that aren't clear
11 here. So it isn't -- it doesn't show anything about
12 fuel strategy. It just shows that, for a period of
13 time, the diesel fuel wasn't available and so they
14 arranged for gas service.

15 MS. GAGNON: Well, I mean, Your Honor, I
16 think Ms. Arnold is making the point. Just like now,
17 when backup fuel service wasn't available and they
18 consumed penalty gas. Furthermore, these happen,
19 actually, if you look at the month, this would be in
20 January and February, which are times in which
21 Kimberly-Clark potentially would be curtailed,
22 because it's colder.

23 And I think that there's been a significant
24 amount of testimony, both on PSE's practices, at
25 least according to Kimberly-Clark, and on whether the

00341

1 fuel strategy that they currently have in place was
2 -- they were sufficiently prepared under that fuel
3 strategy.

4 JUDGE CAILLE: All right. I'm going to
5 allow the exhibit in. But I expect if it's used,
6 that its relevance will be explained.

7 MS. GAGNON: Yes, Your Honor.

8 JUDGE CAILLE: Go ahead. And let's see.
9 Is that the only one you object to?

10 MS. ARNOLD: Yes, Your Honor.

11 JUDGE CAILLE: All right. Then exhibits
12 T-111, Exhibit 112, 113 and 114 are admitted into
13 evidence.

14 MS. GAGNON: Yes, Your Honor. The witness
15 is available for cross-examination.

16 MS. ARNOLD: I have no questions.

17 JUDGE CAILLE: All right. Mr. Lewis, thank
18 you for coming.

19 THE WITNESS: Thank you.

20 MR. VAN NOSTRAND: The company calls
21 William Donahue, Your Honor.

22 Whereupon,

23 WILLIAM DONAHUE,
24 having been first duly sworn, was called as a witness
25 herein and was examined and testified as follows:

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1 JUDGE CAILLE: Thank you.

2 MS. ARNOLD: Good afternoon, Mr. Donahue.

3 THE WITNESS: Good afternoon.

4 MR. VAN NOSTRAND: Could I get his exhibits
5 admitted first?

6 MS. ARNOLD: Oh, I'm sorry. I'm too eager.

7 MR. VAN NOSTRAND: You can just ask him
8 questions generally, but I would like to have them to
9 relate to the testimony.

10 D I R E C T E X A M I N A T I O N

11 BY MR. VAN NOSTRAND:

12 Q. Mr. Donahue, do you have before you what's
13 been marked for identification as Exhibit T-121?

14 A. Yes.

15 Q. And do you recognize that as your prefiled
16 direct testimony submitted in this proceeding?

17 A. Yes, I do.

18 Q. And do you have any additions or
19 corrections to make to that document?

20 A. No.

21 Q. If I asked you the questions set forth
22 therein, would your answers be the same as set forth
23 in that document?

24 A. Yes, they would.

25 Q. You also have before you what's been marked

00343

1 for identification as Exhibit 122, Exhibit C-123 and
2 Exhibit 124?

3 A. Yes, I have those.

4 Q. And do you recognize those documents as the
5 exhibits accompanying your direct testimony?

6 A. Yes, they are.

7 Q. Were they prepared by you or under your
8 supervision?

9 A. Yes.

10 Q. Are they true and correct, to the best of
11 your knowledge?

12 A. To the best of my knowledge, they are.

13 MR. VAN NOSTRAND: Your Honor, I'd move the
14 admission of Exhibits T-121, 122, C-123 and 124.

15 JUDGE CAILLE: Any objection?

16 MS. ARNOLD: No objection.

17 JUDGE CAILLE: Then T-121, 122, C-123 and
18 124 are admitted into evidence.

19 MR. VAN NOSTRAND: Mr. Donahue is available
20 for questioning.

21 C R O S S - E X A M I N A T I O N

22 BY MS. ARNOLD:

23 Q. Hello, again.

24 A. Hello.

25 Q. Mr. Donahue, we heard testimony that

00344

1 Exhibit 109 was prepared by you?

2 A. That's correct.

3 Q. When did you prepare that?

4 A. A couple of days ago, as I recall.

5 Basically, it was -- Mr. Riley was concerned that the
6 exhibit that he had sponsored was kind of difficult
7 to read. I concurred with him, because it showed two
8 different sets of data. One showed the comparison of
9 24-hour, 48, and 72-hour temperature versus actuals,
10 but it also calculated an average absolute
11 difference. And when you put all the things
12 together, it was very difficult to read. So I
13 suggested that we simply show the relevant forecasts
14 versus actual.

15 Q. Did you prepare his original exhibit, also?

16 A. No, I did not.

17 Q. Okay. Now, looking at your direct
18 testimony, at page four, beginning at line 20, you
19 conclude that Puget Sound Energy's cost of gas from
20 December 24th through 28th was 33 cents a therm; is
21 that right?

22 A. I think I concluded that the cost to serve
23 penalty gas was that.

24 Q. What was -- do you know what Puget Sound
25 Energy's cost of gas was for that period of time?

00345

1 A. The overall or average?

2 Q. Overall average?

3 A. It was probably lower.

4 Q. Lower?

5 A. In fact, I'm quite sure it was lower. The
6 overrun gas is the last gas purchased. By
7 definition, it's the most expensive gas. Since we
8 make a practice of buying as much of the inexpensive
9 gas or storage gas, whatever we have available to us
10 on those days, any incremental load over and above
11 that which we plan for our sales customers is, by
12 definition, going to be the last gas on. So we were
13 forced to buy ever more expensive gas to serve the
14 overrun or penalty volumes.

15 MS. ARNOLD: Your Honor, I'm going to ask
16 Mr. Donahue some questions about Exhibit C-123, which
17 is WFD-2, and it's a confidential exhibit. I don't
18 think anybody in the room has not -- doesn't have
19 access to it, but if they do --

20 MS. GAGNON: No, I don't see a problem,
21 Your Honor.

22 JUDGE CAILLE: All right.

23 Q. So if you'll turn to that exhibit, Mr.
24 Donahue. At the top of the exhibit, it says, Cost of
25 incremental gas supply. Do you see that?

00346

1 A. Yes.

2 Q. And the second column says, Commodity cost
3 of incremental gas per therm; right?

4 A. Yes.

5 Q. Now, is the number for December 19, 20, and
6 21 a dollar-seventy-eight something?

7 A. No.

8 Q. Or what is that?

9 A. Well, my copy's actually kind of hard to
10 read, but I believe it is \$1.78 per therm, which
11 would be \$17.83 a decatherm.

12 Q. And that was Puget Energy's cost of gas for
13 that three-day period for its incremental gas; is
14 that right?

15 A. That's correct. That would have been the
16 most expensive gas purchased that day, and it was in
17 a quantity sufficient to cover all of the overrun
18 volumes, the last gas on. After talking with the gas
19 supply people, that's the last gas they turned on.

20 Q. And the December 22nd and 23rd, is your
21 price \$1.94 or 94?

22 A. I believe my copy shows .936, so it would
23 be 93 cents per therm.

24 Q. Okay. About \$9.36 cents an MMBtu; right?

25 A. Correct.

00347

1 Q. Now, you understand that Kimberly-Clark was
2 not using Puget Sound Energy's gas from December 19
3 through 23rd, except for 229 therms there on the
4 21st; right?

5 A. Yes, that's correct.

6 Q. That's what your chart here shows?

7 A. Yes, that is.

8 Q. Is there a correlation between your
9 incremental gas cost and temperature?

10 A. No.

11 Q. Turn, if you will, please, to Exhibit
12 Number 109, which is Exhibit PAR-2. Look at page one
13 of two. At the top chart, which shows gas day low
14 temperatures for Sea-Tac actual.

15 A. I'm there with you.

16 Q. Will you read the low temperatures for
17 December 19 through 21 at Sea-Tac?

18 A. Which date was that?

19 Q. Nineteen through 21?

20 A. The Sea-Tac low, I have, in order, 19 to
21 21, I have 18, 17 and 17.

22 Q. Is it your testimony there's no correlation
23 between those low temperatures and the fact that gas
24 was selling at \$17.83 an MMBtu?

25 A. I would repeat there, I see no correlation.

00348

1 Q. Okay.

2 A. The purchased gas is our highest gas
3 contract on that day. That's all that means. The
4 fact that -- and it's purchased wherever it is
5 purchased. I believe this gas was actually purchased
6 at Sumas, and Sea-Tac temperatures are not at Sumas,
7 so I don't understand the part about a correlation.

8 Q. Is your contract that you're talking about
9 indexed to market prices at Sumas?

10 A. Yes.

11 Q. Is it reasonable to assume that if it's 17
12 at Sea-Tac, it's cold in Canada, too?

13 A. There's a good possibility that it is.

14 Q. Is it fair --

15 A. But then, market prices are driven by
16 market expectations in the whole Pacific Northwest
17 region.

18 Q. Is it reasonable to assume that if it's 17
19 at Sea-Tac, it's cold throughout the Northwest?

20 A. I would say that's generally the case.

21 Q. Is it reasonable to assume that if it's
22 cold, there's a greater demand on the gas coming in
23 at Sumas?

24 A. Yeah, but that doesn't correlate that way
25 all throughout the year, though.

00349

1 Q. Okay. Now, back to your Exhibit WMD-2,
2 from December 24th to December 28th, Puget's
3 incremental cost of gas was 28.6 cents a therm;
4 right?

5 A. That's correct.

6 Q. Well, let's go back to Mr. Riley's Exhibit
7 PAR-2, for the period from 24 through 28 -- he
8 doesn't show us the 28th, but for the 24th through
9 the 27th, would you agree that the lows at Sea-Tac
10 were 30, 41, 40, and 42?

11 A. That's what my copy of the exhibit shows,
12 yes.

13 Q. Do you think there's any correlation
14 between the warming up of the temperatures and the
15 fact that the price of gas dropped?

16 A. My exhibit doesn't address the price of
17 gas. It represents the price we paid.

18 Q. Cost of gas?

19 A. The cost of gas we paid under a specific
20 contract.

21 Q. Which was indexed to Sumas prices?

22 A. Yes, all of our contracts are -- well, I
23 should say most of our contracts are indexed to some
24 market price, and this represents the most expensive
25 one that we elected to use that day. It does not

00350

1 mean that this is the Sumas price.

2 Q. Let me ask you the question again, then.

3 Would you agree that there is some correlation
4 between Puget Sound Energy's cost of gas for the 24th
5 through the 27th, and the warming up of the
6 temperatures during that period?

7 A. No, I still won't make that correlation.

8 Q. Okay. Would you agree with me that the
9 cost of incremental gas dropped by about six-fold
10 from the period December 19 through 21, through
11 December 24th through 28th?

12 A. In the contracts that we chose to utilize
13 those days, yes, that's correct.

14 Q. It dropped about six-fold; is that right?

15 A. Well, subject to check, it -- let me just
16 put it this way. It went from \$1.78 to .286.

17 Q. Big drop?

18 A. I would say that's a large drop. And it
19 represents the contracts we chose to use those days.

20 Q. Okay. Now, under what circumstances does
21 Puget withdraw gas from storage?

22 A. Could you be more specific? I'm not sure I
23 understood that.

24 Q. Well, how does the company decide whether
25 to withdraw gas from storage or not to withdraw gas

00351

1 from storage? What are the factors considered?

2 A. Well, it would be season of the year,
3 expected load, expected temperature, the position
4 that storage is in the portfolio, any number of
5 reasons.

6 Q. I'm going to show you what has been marked
7 Kimberly-Clark Cross-examination Exhibit C-71, and
8 it's in an envelope, but I think you can take it out
9 of the envelope. The exhibit is Puget Sound Energy's
10 response to Kimberly-Clark Data Request Number Four.
11 Did you have any part in preparing the response?

12 A. I believe I helped summarize the
13 information.

14 Q. Turn to page six of that exhibit, please.
15 Am I correct that this table shows withdrawals from
16 storage for the month of December 1998?

17 A. Yes.

18 Q. Would you agree that the company made the
19 greatest volume of withdrawals from storage during
20 the period from December 18th through December 23rd?

21 A. Yes, I would. And I would guess that that
22 represents the fact that when you go into a gas day,
23 we presume a certain level, which would vary by day,
24 of how much storage gas we would expect to withdraw.
25 And if the weather becomes increasingly cold

00352

1 throughout the day, because it is a resource that we
2 can change the volume of several times during the
3 day, that, with the increasing cold, we could draw on
4 it more during the day.

5 Q. And the company withdrew between 200,000
6 and 300,000 decatherms per day during that period,
7 from December 18th through 23rd; is that correct?

8 A. The numbers are what they are. Whatever
9 they are, I wouldn't want to characterize them, other
10 than they're the numbers that are on the page.

11 Q. That was during the period when we just saw
12 the temperatures at Sea-Tac were 17 and 18 degrees;
13 isn't that right?

14 A. I believe it was.

15 Q. Now, look at the storage withdrawals for
16 the period from December 24 through December 28.
17 Would you agree that, for that period, storage
18 withdrawals were between 83,000 decatherms and 84,000
19 decatherms a day? Oh, no, it was a little more for
20 the 26th and 27th.

21 A. Again, I would say that -- yeah, I would
22 agree that they are what they are on the paper.

23 Q. Would you agree that storage withdrawals
24 for the period from December 25 to December 28th
25 dropped by a third or more over the period

00353

1 previously, that we just looked at?

2 A. Yeah, and that would -- I would agree, and
3 that would probably be representative of the fact
4 that the weather turned out to be warmer than had
5 been predicted. We didn't withdraw as much as we
6 expected we would.

7 MS. ARNOLD: Your Honor, we would move for
8 the introduction of Exhibit C-71 into evidence.

9 MR. VAN NOSTRAND: No objection.

10 JUDGE CAILLE: Exhibit C-71 is admitted
11 into evidence.

12 Q. Now, back to your testimony, Mr. Donahue.
13 On page four, at line 24, you talk about a burden on
14 PSE's sales customers. Do you see that?

15 A. Yes.

16 Q. And your Exhibit DJF -- oh, no, that's not
17 your exhibit. Look, if you will, at Exhibit DJF-5,
18 which is Exhibit Number 6, and turn to page 10 of 11.

19 JUDGE CAILLE: I'm sorry, could you
20 reference the exhibit one more time?

21 MS. ARNOLD: Yes, it's Exhibit Number 6.

22 JUDGE CAILLE: Okay.

23 MS. ARNOLD: Which is DJF-5.

24 JUDGE CAILLE: And page 10?

25 MS. ARNOLD: Page 10.

00354

1 THE WITNESS: I don't know if I have that
2 one.

3 MS. ARNOLD: Oh, no, page 10. Yeah, page
4 10 of 11.

5 MS. GAGNON: We would need a copy for the
6 witness.

7 JUDGE CAILLE: Do you have a copy?

8 MS. ARNOLD: I might.

9 JUDGE CAILLE: I would give mine, but I've
10 written on it.

11 THE WITNESS: I have found a copy. I
12 didn't have it as well numbered as you have. I found
13 it.

14 Q. Okay. Are we on page 10 of 11?

15 A. Yes.

16 Q. Look at the third column, which is labeled
17 Metered Therms?

18 A. Yes.

19 Q. This is the therms delivered to
20 Kimberly-Clark; right?

21 A. That's my understanding, yes.

22 Q. And is it your understanding that those
23 therms were delivered to Puget Sound Energy by Duke
24 Energy, Kimberly's supplier?

25 A. No. That was the volumes taken off of our

00355

1 system by Kimberly-Clark.

2 Q. Okay. The second column says current -- I
3 can't read the next word -- nominations. Does that
4 column show the therms that Duke delivered?

5 A. No.

6 Q. What does that column show?

7 A. That column shows the volumes ordered by
8 Kimberly-Clark or its designated marketing company
9 supplier, that is, for delivery to be -- for delivery
10 to Kimberly-Clark that day.

11 Q. And the sixth column over shows
12 Kimberly-Clark's daily imbalance; is that right?

13 A. That's correct.

14 Q. Does that show the number of therms that
15 were in excess of the amount used?

16 A. I'm not sure I understand that.

17 Q. Well, you tell me what the column means to
18 you, the daily imbalance column?

19 A. I would take that to be the difference
20 between what was taken by Kimberly-Clark off the
21 system and what was ordered by Kimberly-Clark to have
22 placed into the system, that being our system.

23 Q. So in other words, for December 19th,
24 Kimberly-Clark ordered 39,048 more therms than it
25 used; is that your understanding?

00356

1 A. Yes.

2 Q. And for December 20th, Kimberly-Clark
3 ordered 50,751 therms more than it used?

4 A. Yes. And that's what's kind of surprising
5 to me, is that they would continue to order the
6 excessive quantities when they have been curtailed to
7 their firm load.

8 Q. And for December 21st, Kimberly-Clark
9 ordered 51,000 therms more than it used; right?

10 A. That's correct, which the three together
11 just do a little more than pay off the imbalance that
12 had been created in prior days.

13 Q. Now, I want you to assume that the therms
14 that were ordered were delivered to Puget Energy
15 systems, okay.

16 A. Okay. By Duke?

17 Q. Yes, that Duke delivered that gas at your
18 city gate?

19 A. Okay.

20 Q. Okay. If that's the case, then for that
21 three-day period, there was 140,000 therms put into
22 Puget's system that weren't consumed by
23 Kimberly-Clark; is that right?

24 A. That would be correct.

25 Q. Now, you said that Puget's cost of gas for

00357

1 those three days was \$1.78 a therm?

2 A. No, I said that was our highest cost
3 contract that day.

4 Q. That was your highest cost contract that
5 day?

6 A. Yes.

7 Q. At that rate, would you agree that the
8 value of Kimberly-Clark's gas that was put into your
9 system, but not consumed, if it were valued at the
10 value of your highest contract, would be worth about
11 \$250,000?

12 A. No.

13 Q. Did I multiply wrong?

14 A. I have no way of knowing whether you
15 multiplied wrong or not. I mean, if you want to
16 create the number, you can create the number.

17 Q. Well, let's do this, then, subject to
18 check. Would you agree that, subject to check, if we
19 took that number of therms, the overdelivery,
20 multiplied it by \$1.78, that you'd come out with
21 something like \$250,000, subject to check?

22 A. Subject to check.

23 Q. Okay. And Kimberly, you didn't -- Puget
24 didn't pay Kimberly-Clark \$250,000 for that gas;
25 right?

00358

1 A. No, we have a contract with Kimberly-Clark
2 that basically requires them to nominate basically
3 within a range, acceptable range of the consumption
4 they expect to use, and during the curtailment
5 period, customers are expected to nominate up to
6 their firm level and nothing more. So to the extent
7 that Kimberly-Clark or its supplier chose to give us
8 additional gas, that's their choice. Many of our
9 customers that were -- in fact, I would say that the
10 majority of our customers that were curtailed elected
11 not to supply additional gas. Under the terms of the
12 tariff, they're entitled to do that if they wish to.
13 That's between Kimberly-Clark and its supplier.

14 Q. Well, we'll get back to that point in just
15 a minute. Look at the third column on your chart,
16 metered therms. You said that was what was delivered
17 to Kimberly-Clark?

18 A. That's what Kimberly-Clark took off the
19 system, yes.

20 Q. Would you agree that, from December 20th
21 through December 23rd, Kimberly-Clark stayed within
22 its allotted 14,000 therms a day for firm, except for
23 that one day, that 220 therms?

24 A. Yes, I would.

25 Q. So they did follow the curtailment?

00359

1 A. Yes.

2 Q. Up through the 24th; right?

3 A. Except for the part about having their
4 supplier deliver more than they were supposed to.

5 Q. Right, their supplier delivered an extra
6 \$250,000 worth of gas, but they did stay within their
7 allotted firm; right?

8 A. Except for the 21st.

9 Q. Except for the 21st. I'm going to show you
10 now what's been labeled Kimberly-Clark

11 Cross-examination Exhibit Number 62. This is --

12 A. Is this part of the Exhibit 99?

13 Q. This is part of Exhibit 99, yes. And if
14 you would prefer to refer to Exhibit 99, it goes from
15 pages 11 through 21 of that exhibit. Now, the front
16 page, which is page 11, appears to be an e-mail from
17 you to Lael Saulsman; is that correct?

18 A. Yes.

19 Q. And you say, Lael, I strongly suggest the
20 following response to the question about lack of
21 supply. Also, I'm preparing data for WUTC staff
22 demonstrating that we had sufficient supply to serve
23 firm sale customers and, in fact, the transport gas
24 was in the way of our supplies. Who is coordinating
25 this response with our rate department. Do you see

00360

1 that?

2 A. Yes.

3 Q. Now, what was the document that you were
4 strongly suggesting the response to?

5 A. I can't be sure, because I don't know what
6 else is in this document that I may or may not have
7 seen at the time.

8 Q. Fair enough.

9 A. I drafted a paragraph. I believe it is
10 responsive to a statement that blank customer asked
11 if interruptible customers were penalized because PSE
12 did not have enough supply.

13 Q. And your answer is no; correct?

14 A. That's correct.

15 Q. Now, in your --

16 A. They were penalized pursuant to the tariff
17 for Rate Schedule 57.

18 Q. Right.

19 A. It has nothing to do with supply.

20 Q. In your suggested response, the second
21 sentence says, During the curtailment period, there
22 were additional firm supplies and upstream capacity
23 available to serve firm customer -- firm sales
24 customer demand; right?

25 A. That's correct.

00361

1 Q. And your next sentence says, These
2 resources were not called upon, but could have been.
3 What do you mean these resources were not called
4 upon? I mean, you didn't purchase those additional
5 firm supplies and upstream capacity that was
6 available; is that what that means?

7 A. No, it means we have upstream capacity
8 available and gas supply contracts and storage
9 resources and peaking resources that we could have
10 called on had we needed more gas.

11 Q. But you didn't call upon those resources;
12 right?

13 A. We did not need to, no.

14 Q. And the rest of the sentence says, Due to
15 the fact that transportation customers' suppliers
16 continued to make deliveries to the system. Now, is
17 one of those transportation customers' suppliers Duke
18 Energy that was supplying that gas into your system?

19 A. Yes. And as I think I pointed out in my
20 testimony, that is not an uncommon circumstance,
21 especially on weekends, for suppliers to simply keep
22 shipping the gas in, even though their customers
23 aren't asking for it.

24 Q. I'm showing you now what has been marked
25 Kimberly-Clark Cross-examination Exhibit 53-C. Do

00362

1 you have that in front of you?

2 A. Yes, I do.

3 Q. This appears to be an e-mail from you to
4 Lael Saulsman, dated April 7th. In it you say, Lael,
5 I've added my comments after those of Heidi. Sorry,
6 I don't know why they're not highlighted differently.
7 And it appears that there's a document entitled
8 IGI.doc attached to it.

9 A. That's correct.

10 Q. Is the document that appears in the next
11 four pages IGI.doc?

12 A. I think that was one version of it.

13 Q. Okay.

14 A. I know it's not the final version of it.

15 Q. Is IGI the name of what used to be Duke
16 Energy?

17 A. No, IGI Resources is a marketing company
18 that, at December '98, was an independent, separate
19 company from Duke Energy Trading Management. They
20 are -- IGI today, subsequent to December of '98 --
21 I'm not sure when, I think it was mid-summer -- has
22 taken over the marketing responsibilities for some of
23 Duke's accounts.

24 Q. And IGI supplies gas to Kimberly-Clark now,
25 rather than Duke Energy; right?

00363

1 A. That's my understanding.

2 Q. Yes. Now, this letter, IGI.doc, is dated
3 April 8th, 1999. And it's addressed to Ralph Epling?

4 A. He's the marketing services manager for
5 IGI.

6 Q. And you are responding, apparently, to his
7 letter of February 8th, to Tim Hogan; is that right?

8 A. Yes.

9 Q. Look at the second page of this draft,
10 where it says -- second to the bottom paragraph,
11 begins with the word "Third."

12 A. Yes.

13 Q. You say, Third, PSE did not give notice to
14 marketers on Saturday night of the curtailment, and
15 so forth. What concern in Mr. Epling's February 8th
16 letter was this paragraph addressing?

17 A. Well, I'd just like to correct the record.
18 You say I said. I think it -- I'm quite sure that I
19 did not say that.

20 Q. Oh.

21 A. I'm quite sure that that was not a section
22 that I wrote.

23 Q. Oh, okay.

24 A. I may have added some comments to it, but I
25 did not draft the initial letter.

00364

1 Q. Oh.

2 A. Having said that --

3 Q. Yes.

4 A. -- I will observe that I believe it was
5 related to something in the original letter that said
6 PSE did not provide verbal notice to marketers
7 regarding the Saturday night curtailment.

8 Q. Why was Mr. Epling complaining about that?

9 A. Well, apparently he didn't like the fact
10 that he didn't get word from his customer that there
11 was a curtailment. You see, PSE has a contract to
12 supply delivery service to Schedule 57 customers.
13 They, in turn, have a supply contract with a
14 producer, in this case, IGI, and apparently IGI's
15 customer, who we have a contractual relationship with
16 and occasionally, on a courtesy basis, we may work
17 with his supplier. But we notified our customer that
18 there was a curtailment, but if that customer then
19 either was not available to reach his marketer,
20 because they weren't staffed on the weekend or if
21 they were unable to reach them due to after hours or
22 whatever, that's kind of between us and -- those two
23 parties, not us.

24 Q. In fact, isn't it Puget's usual practice to
25 fax a notice of a curtailment or an entitlement both

00365

1 to the customer and to their marketer?

2 A. It might be. Again, it would be a courtesy
3 thing and not something required in the tariff.

4 Q. A courtesy thing. And isn't this what --
5 excuse me.

6 A. No, I think I was still answering the
7 question.

8 Q. Okay. You finish.

9 A. When one gets into a curtailment situation
10 like this, where it comes in faster than expected, I
11 believe we had given all kinds of courtesy notice to
12 marketers in advance, saying that we thought we would
13 do this on -- I think it was the 21st. Then it got
14 backed up, because the cold spell came in quicker.
15 It may have been that we were not able to provide all
16 the courtesy that we normally are able to provide.
17 We did follow our tariff.

18 Q. Actually, wasn't the notice that you
19 provided earlier, both to your customers and to the
20 marketers, a notice that there might be an
21 entitlement?

22 A. That might have been.

23 Q. And in an entitlement, isn't a customer
24 entitled to take the amount that they have nominated,
25 but nothing more?

00366

1 A. Within a range, yes.

2 Q. And if Kimberly-Clark thought they were
3 going to be under an entitlement, wouldn't it have
4 been reasonable for them to nominate a large quantity
5 or whatever quantity they needed?

6 A. Well, it would have been wise to nominate
7 within the range of the expected entitlement.
8 However, that doesn't explain why they continued to
9 nominate on the 20th and on the 21st, when they knew
10 there was a curtailment in effect.

11 Q. Isn't that exactly what Mr. Epling is
12 complaining about, that Puget Sound Energy failed to
13 notify the marketer, as is its usual practice, that
14 there was a curtailment?

15 A. Well, it may be usual courtesy to do that.
16 However, as I indicated, when it is necessary, we
17 have provisions in our tariff which one would want, I
18 believe, to protect service to firm customers, that
19 we are entitled to call a -- and a bad choice of
20 words, entitled. We are obligated to call a
21 curtailment when necessary to maintain service to our
22 firm customers. If that causes an inconvenience to
23 transporters, that is part of the tariff.

24 MS. ARNOLD: Your Honor, we'd move the
25 admission of Exhibit 53-C into the record.

00367

1 MR. VAN NOSTRAND: No objection.

2 JUDGE CAILLE: Exhibit 53-C is admitted
3 into evidence.

4 Q. Mr. Donahue, now, on page six of your
5 direct testimony, you talk about what you think
6 Kimberly-Clark should do about its firm supplies; is
7 that a fair summary?

8 A. Which lines are you referring to?

9 Q. The whole section. It goes from pages six
10 through eight.

11 A. I think, to characterize it, I talk about
12 whether they have elected to contract for a
13 sufficient level of fuel supply.

14 Q. Okay. Now, have you ever spoken to anybody
15 at Kimberly-Clark about this matter?

16 A. No, I have not, other than being present at
17 a number of depositions and reading those
18 transcripts.

19 Q. In the context of this litigation?

20 A. Yes, and having reviewed contracts that
21 they've used in the past.

22 Q. But you never called up Mark Armstrong and
23 said, Mark, I think you guys are low on firm?

24 A. No.

25 Q. Who is their customer representative? Is

00368

1 it Mr. Lewis?

2 A. I believe it is currently Mr. Lewis.

3 Q. Did you ever suggest to Mr. Lewis that he
4 needed to talk to them about how much firm they were
5 booking and --

6 A. Actually, I had no occasion to review the
7 behavior of Kimberly-Clark or any other specific
8 customer until they filed a complaint.

9 Q. Have you ever visited the Everett mill?

10 A. I've driven past it about twice a week,
11 three times a week the last five years.

12 Q. Have you ever gone in it?

13 A. No, I have not.

14 Q. Have you ever been involved in the
15 operations of a pulp mill yourself?

16 A. No, I have not.

17 Q. Have you ever been involved in the
18 operations of a paper mill?

19 A. No, I have not.

20 Q. Have you ever been involved in the
21 operation of any facility that used a boiler that was
22 fueled by wood waste?

23 A. No.

24 Q. Have you ever been involved in any
25 operation that operated a boiler that used black

00369

1 liquor or spent sulfite for fuel?

2 A. No.

3 Q. Have you ever been involved in an operation
4 that operates a boiler at all?

5 A. Not that I'm aware of. Not at least the
6 size of Kimberly-Clark's units.

7 Q. You understand that the primary fuels at
8 that Everett mill are wood waste and spent sulfite,
9 do you not?

10 A. That's what the record, I think, suggests,
11 that that is the intended purpose, yes.

12 Q. And you understand the purpose is to
13 recycle wood that would otherwise be wasted; right?

14 A. I don't know what it would otherwise be
15 used for.

16 Q. And you understand that the backup fuel for
17 that facility is number two diesel; right?

18 A. No, actually, I understand that, for part
19 of it, it may be considered to be number two diesel.

20 Q. Right.

21 A. For -- I believe it's the Number 10 boiler,
22 the backup fuel is natural gas. I think, though,
23 that when -- it's a matter of how you want to look at
24 it. If the oil fails, then natural gas is the backup
25 for the whole facility.

00370

1 Q. So the primary fuel is wood waste and black
2 liquor. The backup is diesel for the Number 14
3 boiler and gas for the Number 10 boiler, and the
4 backup for the backup is -- well, we've only got one
5 level of backup here. Is it your understanding that
6 the backup diesel is kept normally in a tank farm?

7 A. That's my understanding, yes.

8 Q. Storage farm?

9 A. Yes.

10 Q. And that, on the 19th, at the beginning of
11 the curtailment; Kimberly-Clark discovered that that
12 oil could not be removed from the storage tank. You
13 understand that part?

14 A. Yeah, and I've been baffled by that, as
15 well. But that is what has been said, yes.

16 Q. You understand about the caustic freezing
17 up the lines and so forth?

18 A. Well, it had apparently been tested.

19 Q. Yes, it was.

20 A. Somebody had dipped something into the -- I
21 believe we heard that at the deposition, that
22 somebody dipped a sample out of the tanks, but it
23 kind of baffles me that if caustic is the heaviest
24 part, why the lines weren't tested that proceed out
25 from the tanks.

00371

1 Q. You looked at Mr. Armstrong's rebuttal
2 testimony, where he attached the report of the people
3 that tested the tank, did you not?

4 A. Yes. It was very nonspecific about how
5 they went about testing it and whether they actually
6 tested the lines between the tanks and the day tank.

7 Q. Well, in any event, it was tested?

8 A. Apparently.

9 Q. And they discovered, on the 19th, that they
10 couldn't withdraw the diesel. And at that point,
11 they arranged for Pacific Northern to truck fuel into
12 the day tank; right?

13 A. That's correct.

14 Q. So that would be the backup for the backup;
15 right? If the diesel was the backup for the wood
16 waste and sulfite, then the trucking would be the
17 backup for the storage tank; right?

18 A. Oh, I think that might be how it happened
19 in this chain of events, and I think they were
20 fortunate to be able to have the drivers around as
21 long as they were.

22 Q. So they had a backup for a backup -- for
23 their backup?

24 A. I wouldn't say that, no.

25 Q. Well, I have to ask you the next question,

00372

1 and I may regret this, but this has been on my mind.
2 This is a hypothetical. Hypothetically, you have a
3 car in your garage that you drive to work in Bellevue
4 every day, pretty reliable car, okay?

5 A. Yep.

6 Q. Hypothetically, your wife or your roommate
7 or somebody you live with has a car that sits in the
8 garage that they don't use every day, but you could
9 use that car if your car was in the shop, okay?

10 A. Yeah, I understand that.

11 Q. And let's say you had a teen-age kid who
12 had kind of a beater of a car that he kept out in the
13 driveway. And if your car was in the shop and your
14 wife's car didn't work, you could possibly drive your
15 kid's car to Bellevue every day, okay?

16 A. Okay. I'm with you so far.

17 Q. So you've got a backup for your backup for
18 your main car. Would it be reasonable for you to
19 also rent a car and keep that in the driveway in case
20 you didn't have a car to drive to work?

21 A. No, but I know where the nearest bus stop
22 is.

23 MS. ARNOLD: Good answer. That's all my
24 questions.

25 THE WITNESS: I would like to complete that

00373

1 answer, though. And that is that their record
2 indicates that they have used considerably more gas
3 than the minimums required, that they state are
4 required, for the last several months to a year to
5 get this -- I think it's actually a couple years, to
6 keep this boiler going on the wet wood waste. And so
7 if there's -- it's also in the record very frequently
8 that there was considerable concern over the safety
9 of employees at the plant and the need for natural
10 gas to bring the plant down in a safe mode.

11 I would expect a reasonable business person
12 would maintain at least that level of firm service or
13 have a contingency plan in place that would
14 accommodate that. The evidence does not suggest that
15 there was natural gas available under contract to be
16 able to bring the plant down safely. And certain
17 portions of the plant did require natural gas in
18 excess of the 1,400 decatherms under contract.

19 Q. But you do not disagree -- well, two
20 things. First of all, did you hear Mr. Armstrong's
21 testimony yesterday about changes that have been made
22 in that boiler since 1998?

23 A. Yes, and that they've had difficulties
24 keeping it going with the correct balance.

25 Q. And that it's now straightening out. And

00374

1 you also do not disagree that, for the first four
2 days of the curtailment, Kimberly-Clark was able to
3 curtail down to 14,000 therms a day?

4 A. With the exception of the 21st.

5 MS. ARNOLD: Right, okay. Thank you.

6 That's all my questions.

7 JUDGE CAILLE: Redirect?

8 MR. VAN NOSTRAND: No, Your Honor.

9 JUDGE CAILLE: All right. The witness is
10 excused. Thank you, Mr. Donahue.

11 THE WITNESS: Thank you.

12 JUDGE CAILLE: Does Kimberly-Clark plan to
13 do any -- like, plan any rebuttal or --

14 MS. ARNOLD: No, Your Honor.

15 JUDGE CAILLE: All right. I have a number
16 of exhibits on my list that show that they aren't
17 admitted, and I want to make sure that either they're
18 not being offered or they were subsumed by Exhibit
19 Number 99, and these are your cross exhibits, Ms.
20 Arnold. Was 52 being offered? You know what, we can
21 go off the record for this right now. Oh, excuse me.

22 MS. GAGNON: Can I just take care of one
23 small piece of business. I didn't take care of it at
24 the very beginning, because I wasn't sure these
25 exhibits were going to be admitted. There are

00375

1 exhibits to Mr. Owens's and Mr. Faddis's testimony.
2 It's Number Four of Mr. Faddis's, and I have to find
3 the exhibit for Mr. Owens, but really the issue is
4 PSE 01146 and 01147, they were improperly redacted so
5 that the customer's name appears.

6 And what I'd like to be able to do, if
7 there's no objection from Counsel from
8 Kimberly-Clark, is just to provide copies for the
9 permanent record that do not contain this customer's
10 name.

11 JUDGE CAILLE: Yes.

12 MS. ARNOLD: I have no objection.

13 JUDGE CAILLE: It's Exhibit 4 and 5, did
14 you say?

15 MS. GAGNON: I'm sorry, Exhibit 4 of Mr.
16 Faddis's exhibits, and then I'm going to look up Mr.
17 Owens's exhibit right now. It appears again in his
18 -- 18. Mr. Owens's exhibit would be 18. And I
19 thought I had brought some with me. I'll see if I
20 can find them.

21 JUDGE CAILLE: Thank you, Counsel.

22 (Discussion off the record.)

23 JUDGE CAILLE: We've had an off-record
24 discussion confirming the exhibits that have been
25 offered and admitted, and I have indicated that I

00376

1 will do a revised exhibit list, and the parties will
2 get back to me as to whether there are any errors in
3 that list and I will make those corrections, if there
4 are any.

5 We also have discussed briefing, and the
6 parties have agreed that they would just like to do
7 one round of briefs, and they will be filed
8 simultaneously, and the due date of those briefs will
9 be December the 17th.

10 Is there anything further from anyone?
11 With that, this hearing is closed. Thank you very
12 much for your participation.

13 (Proceedings concluded at 2:52 p.m.)

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