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October 12, 2005

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VIA ELECTRONIC FILING

PUC Filing Center
Public Utility Commission of Oregon
PO Box 2148
Salem, OR 97308-2148

Re: Motion of MEHC and PacifiCorp to Amend Protective Order

Docket UM 1209

Enclosed for filing please find the Motion of MEHC and PacifiCorp to Amend Protective Order in the above-referenced docket. A copy of this filing has been served on all parties to this proceeding as indicated on the attached certificate of service.

Very truly yours

Katherine A. McDowell

KAM:knp Enclosure

cc: Service List

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON UM 1209 In the Matter of the Application of MIDAMERICAN ENERGY HOLDINGS COMPANY for an Order Authorizing MEHC to Exercise Substantial Influence Over the Policies and Actions to PacifiCorp

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- Pursuant to ORS 756.568 and OAR 860-013-0031, MidAmerican Energy Holdings
- 9 Company ("MEHC") and PacifiCorp (collectively, "Movants") respectfully move the
- 10 Commission to amend the Protective Order issued in this case under Order No. 05-867, in the
- 11 manner described below, to allow for a "safe room" procedure for inspection of highly
- 12 confidential discovery information. Movants make this proposal to permit discovery to
- 13 proceed in this case without causing delay or unreasonable hardship on parties in the
- 14 discovery process. As good cause for this motion, Movants state:
- 15 1. On July 27, 2005, the Commission issued Order No. 05-867 (the "Order"),
- 16 providing a Protective Order to govern the disclosure of confidential information in this case.
- 17 In the Order, the Commission states that the Protective Order "permits the broadest possible
- 18 discovery consistent with the need to protect confidential information." Order at 1. The
- 19 Protective Order also recognizes in paragraph 16, Additional Protection, that there may be
- 20 circumstances justifying levels of protection greater than those provided by the Protective
- 21 Order. As reflected by the requirements of a motion seeking additional protection (e.g.,
- 22 identification of the parties and persons involved, and the exact nature of the information
- 23 involved), a motion for additional protection is typically filed regarding one, or a limited
- 24 number of, data requests that have been served on the moving party.
- 25 2. This case is filed under ORS 757.511, the same statute under which applicants
- 26 in other cases regarding Portland General Electric Company ("PGE") have recently sought

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- 1 (UM 1121), and are currently seeking (UF 4218/UM1206), approval of transfers in control.
- 2 Events in these parallel PGE cases have highlighted the need for alternative means of
- 3 discovery with regard to highly confidential documents in this ORS 757.511 case.
- 4 Specifically, confidential documents that applicants produced under the protective orders in
- 5 UM 1121 and UF 4218/UM 1206 were provided to the Willamette Week, which published
- 6 information from those documents on January 5, 2005 (the "Tahoe documents") and
- 7 September 14, 2005. The disclosure leading to the most recent publication of confidential
- 8 information happened after the Commission's March 10, 2005 Order No. 05-114, in which
- 9 the Commission stated that it was disturbed and displeased with the unlawful violation of the
- 10 protective order in that case, and that it intended to investigate the matter. Order No. 05-114
- 11 at 10. Movants understand that an investigation of these violations of the protective order is
- 12 now pending.
- 13 3. The documents for which Movants seek an alternative means of discovery are
- 14 very limited and can generally be referred to as due diligence materials of MEHC and
- 15 ScottishPower, including business plans, financial projections, board minutes, fairness
- 16 opinion materials and tax information. The public disclosure of such due diligence materials
- 17 would create a risk of substantial harm to the party to whom the discovery is directed. The
- 18 highly confidential nature of these materials is underscored by the fact that, for the most part,
- 19 they are not available for inspection by the respective counterparties to the proposed
- 20 acquisition (i.e., the due diligence of MEHC is confidential as to PacifiCorp and
- 21 ScottishPower and the due diligence of ScottishPower is confidential as to MEHC).
- 22 4. The "safe room" discovery mechanism which Movants propose for these
- 23 documents would allow for review of the documents in the offices of Movants' counsel, with
- 24 the opportunity to take limited notes. Only Commission Staff and the Citizens' Utility
- 25 Board, being parties with statutory rights of intervention, would be allowed to make copies of
- 26 the protected documents which would be subject to special handling instructions designed to

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1 maintain the highest levels of confidentiality (in rare cases involving extremely confidential

2 information, Movants wish to reserve the right to allow no copying at all). Movants would

3 address requests from other parties for copies to be used as testimony exhibits on a case-by-

4 case basis. Movants are following similar procedures in other states where this transaction is

5 pending, such as Idaho where the protective agreement allows for the following "safe room"

6 approach for highly confidential documents:

"Highly Confidential Documents. In the case of documents or information designated by a party as highly confidential, the providing party may decline to provide copies to counsel for other parties or to their employees, experts, agents or representatives. (The "highly confidential" designation is reserved for information the dissemination of which imposes a highly significant risk of competitive harm to the disclosing party with enhanced protections.) The providing party shall instead make such documents or information available for inspection and review by parties' representatives who have executed an Exhibit "A" to this Protective Agreement at a place and time mutually agreed upon by the parties. The individuals reviewing the highly confidential information may make limited notes regarding such information for reference purposes only. Such notes shall not constitute a verbatim or substantive transcript of the highly confidential information. For purposes hereof, notes made pertaining to or as the result of review of highly confidential information shall be considered Confidential Information and subject to the terms of this Protective Agreement." (In the Matter of the Joint Application of MidAmerican and PacifiCorp, Case No. PAC-E-05-8, Idaho Protective Agreement).

Movants are very much aware of the need for adequate and appropriate

20 discovery in this case, along with the need for discovery to continue without undue delay,

21 and believe that the proposed method will accommodate Movants' need for protection of

22 highly confidential materials and other parties' needs for discovery. Pending the

23 investigation and resolution of the protective order violations in other ORS 757.511

24 proceedings, the Commission should take reasonable steps to prevent such an occurrence in

25 this case.

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2	Order in this case by adding the following paragraph:				
3	Inspection of highly sensitive documents and information. As to highly sensitive				
4	documents and information, the parties shall have the right, at their option, to refuse to provide copies to the requesting party. In such case, and as an alternative to				
5	seeking additional protection pursuant to paragraph 16, such documents shall be made available for inspection and review by qualified persons at a time and place mutually agreed upon by the parties; provided that for documents to be made available by				
6	MEHC or PacifiCorp to parties in the Portland area, the documents shall be available for review in the offices of their counsel, Stoel Rives LLP at 900 SW Fifth Ave.,				
7	Portland, Oregon. In general, qualified persons reviewing such documents on behalf of the Commission Staff and Citizens Utilities Board will be allowed to make copies				
8	of the protected documents, subject to special handling instructions designed to maintain the highest level of confidentiality for the documents. In cases involving				
9	extremely sensitive information, however, no copies shall be provided to any party. Requests by other parties for copies to be used as exhibits to testimony will be				
11	addressed on a case-by-case basis. Where copies are not provided, the qualified person reviewing the Confidential Information may make limited notes regarding the Confidential Information for reference purposes only. Such notes shall not constitute				
12	a verbatim or substantive transcript of the Confidential Information. For purposes hereof, notes made pertaining to or as the result of a review of Confidential				
13	Information shall be considered Confidential Information and subject to the terms of this Protective Order. Disputes between the parties regarding the proper designation				
14	of highly sensitive information documents or extremely sensitive information shall be resolved pursuant to Commission order pursuant to paragraph 15 of this Protective				
15	Order.				
16	7. For the foregoing reasons, Movants request entry of an order amending the				
17	Protective Order in the manner set forth above.				
18	DATED: October 2,2005.				
19	STOEL RIVES LLP				
20	1/-//				
21	Katherine A. McDovell				
22	Of Attorneys for MEHC and PacifiCorp				
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Specifically, Movants request that the Commission amend the Protective

CERTIFICATE OF SERVICE

1	CERTIFICATE OF SERVICE				
2	I hereby certify that I served the foregoing document in docket UM 1209 on the				
3	following named person(s) on the date indicated below by				
4	mailing with postage prepaid				
5		hand delivery			
6		facsimile transmission			
7	×	Electronic mail			
8	to said person(s) a true copy thereof, contained in a sealed envelope, addressed to said				
9	person(s) at his or her last-known address(es) indicated below.				
10		Energy Coalition	Rates & Regulatory Affairs		
11	219 First Street, Suite 100 Seattle, WA 98104		Portland General Electric 121 SW Salmon Street, 1WTC0702		
12		Portland, OR 97204 pge.opuc.filings@pgn.com			
13	Adam S. Arms		Utility Workers Union of America		
1415	aarm	ns@mbjlaw.com	PO Box 37 San Clemente, CA 92674-0037 uwua@redhabanero.com		
16	Time	Abrahamson			
17	Con	Abrahamson nmunity Action Directors of Or 5 12 th Street Cutoff SE, Suite 110	Douglas L. Anderson MidAmerican Energy Holdings Co 302 S 36 Street, Suite 400		
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21	30474 Sprague River Road Sprague River, OR 97639		& Weathers 2000 Center Street, Suite 308		
22	~ <u>r</u> =	S	Berkey, CA 94704 cberkey@abwwlaw.com		
23	3.6				
24	Idah	gie Brilz o Power Company	Lowrey R. Brown Citizens' Utility Board of Oregon		
25		Box 70 se, ID 83707-0070	610 SW Broadway, Suite 308 Portland, OR 97205		
26		ilz@idahopower.com	lowrey@oregoncub.org		

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STOEL RIVES LLP

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