



Davis Wright Tremaine LLP

ANCHORAGE BELLEVUE LOS ANGELES NEW YORK PORTLAND SAN FRANCISCO SEATTLE SHANGHAI WASHINGTON, D.C.

JOHN A. CAMERON
Direct (503) 778-5206
johncameron@dwt.com

SUITE 2300
1300 SW FIFTH AVENUE
PORTLAND, OR 97201-5682

TEL (503) 241-2300
FAX (503) 778-5299
www.dwt.com

January 18, 2005

Via UPS Overnight Delivery and E-Mail

Hon. Carole J. Washburn, Secretary
Washington Utilities and Transportation Commission
P.O. Box 47250
1300 S. Evergreen Park Drive, SW
Olympia, WA 98504-7250

Re: In the matter of *WUTC v. PSE*
Docket Nos. UG-040640 and UE-040641

Dear Secretary Washburn:

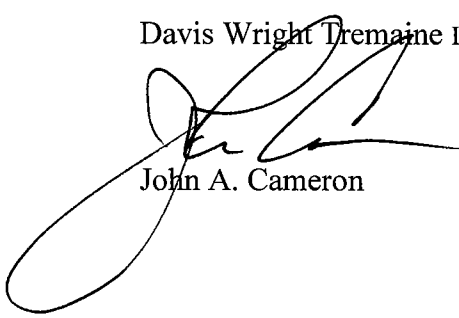
Enclosed please find the original plus 13 copies of **STATEMENT IN LIEU OF BRIEF BY COST MANAGEMENT SERVICES, INC., REGARDING THE RATE-SPREAD AND RATE-DESIGN SETTLEMENT AGREEMENT**, in the above referenced matter. Pursuant to WAC 480-07-150(d), an electronic version is also being provided to you at records@WUTC.wa.gov.

Upon filing, please conform the enclosed file copy with the date of filing and return it to us in a self-addressed, stamped envelope provided.

Should you have any questions regarding the enclosed, please do not hesitate to contact me.

Very truly yours,

Davis Wright Tremaine LLP



John A. Cameron

JAC:smp
Enclosures
cc: Service List