Judges Rendahl and Mace:

This will confirm the substance of our telephone conference in which I conveyed the parties' agreed scheduling proposal. All counsel listed above were advised of the conference call and participated except Mr. Cavanagh. His scheduling constraints were conveyed by Mr. Van Nostrand.

The proposal is to modify the currently ordered schedule as follows:

January 4, 2006 -- Parties electronically file and serve witness lists, order of witnesses, and cross-examination time estimates. You requested that we also indicate on that date witnesses for whom cross has been waived. This will allow the Commissioners to indicate if they have questions for the waived witnesses.

January 5, 2006 -- Parties electronically file and serve a list identifying their expected cross exhibits and correcting the list of direct exhibits. The bench expects to provide the draft exhibit list of direct exhibits filed to date to parties by approximately January 3.

January 6, 2006 --- Parties file hard copies of the cross exhibits with the Commission by 2 p.m. Hard copies are served by mail on all parties.

January 9, 2006 -- The bench wishes to set a prehearing conference to be set for 1:30 p.m. to be held only if necessary to resolve any final prehearing issues, to be cancelled if not needed.

January 11, 2006-- The evidentiary hearing begins at 1:30 p.m. to continue until concluded.

January 16, 2006-- No hearing due to the holiday.

January 23 and 24, 2006 -- The parties recommend that these days be reserved for possible overflow hearing days. I relayed that the parties have made good progress on waiver of cross and grouping of witnesses. We believe that it is reasonable to expect we can conclude the hearings by COB on Friday, January 20, but that it would be prudent to reserve the overflow days.

We expect to recommend "date certain" scheduling for the cost of capital witnesses, and other witnesses (e.g. Mr. Cavanagh) who have scheduling constraints which affect where they would fall in the sequence.

Thank you for your consideration of this proposal.

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