

Communication expense amount will be decreased by \$352,984. Prospectively, the Parties agree that upon approval of the Company's energy efficiency programs, reasonable and prudent advertising that relates to a specific, approved energy efficiency program may be included as part of such program's cost and recovered through the existing annual deferral mechanism for energy efficiency-related expenses, subject to WAC 480-90-223. Nothing in this paragraph prevents or precludes any party from challenging the prudence or reasonableness of advertising expenditures sought for recovery by the Company through the deferral mechanism.

13 **e. Automated Meter Reading (AMR):** The Parties agree to the proposed treatment of AMR in the Company's direct case; provided, however, that no Oregon costs or "lingering" meter reader-related costs or related overhead will be included in rates and that all current cost-savings are reflected in rates.

14 **f. Depreciation:** The Parties agree to decrease the expense amount by \$1,019,967. Support for this expense is provided in Attachment B, attached hereto.

15 **g. Pre-1981 Tax Adjustment:** The Parties agree to the pre-1981 tax adjustment as proposed by the Company and UTC.

16 **Gains on Property Sales:** The Parties agree that the Company will pass through to customers the deferred gains on property in Vancouver transferred in 2001 and in Albany, Oregon as referenced in Commission Docket UG-081317. These gains, the allocated portion attributed to Washington of which is \$17,973, for the Albany property and \$102,104 for the Vancouver property, will be returned to all customers, with interest, on an equal margin basis over a one-year period through a tariff rider that will coincide with the