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ATTORNEY GENERAL OF WASHINGTON

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January 4, 2000

Carole J. Washburn, Secretary WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION P.O. Box 47250 Olympia, WA 98504

Re:

Avista/PacifiCorp/Puget Sound Energy

Docket Nos. UE-991255, -991262, -991409

Dear Ms. Washburn:

On December 29, 1999 the parties discussed witness order and an issues list in accordance with the Commission's Prehearing Conference Order. I have been authorized by all parties to submit this letter, which sets forth our agreement on these subjects and certain "ground rules" we believe will allow the hearings to occur in an efficient and convenient manner.

To accommodate witness availability for the companies, we have reached agreement on witness order as follows:

Friday, January 7, 2000

Puget Sound Energy

William Gaines

Karl Karzmar

Avista Corporation

Gary Ely

George Perks
William Johnson
Thomas Dukich

Ronald McKenzie

Monday, January 10, 2000

PacifiCorp

C. Alex Miller

Matthew Wright

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Tuesday, January 11, 2000

PacifiCorp

Rodger Weaver

Witnesses for PSE and Avista (except for Mr. Ely) are also available January 10 and 11, 2000. Avista would appreciate notification from the Commission at the end of the day on January 7 as to which of its witnesses should return on January 10, if necessary, to complete its presentation.

All witnesses for Staff, Public Counsel, ICNU, the Northwest Energy Coalition, and the International Union of Operating Engineers will testify after the companies' presentations are completed, except for Mr. Weaver (PacifiCorp) who is available only on January 11. Mr. Wolverton and Ms. Hirsh, however, are not available on January 11.

The Commission's Prehearing Conference Order also requires the parties to submit a statement which segregates issues that are generic to all three applications from issues that are company-specific. The parties agree that the only issues which do not overlap the applications concern the specific accounting and ratemaking treatment proposed by each company. The companies agree that they will not question each other about these issues or question another party with respect to the accounting and ratemaking proposal of another company.

The parties also agree that all other issues fall generally into whether, and under what conditions, the sale of Centralia is consistent with the public interest. These issues are too numerous to list, but the parties have organized their testimony so that each public interest sub-issue can be identified both as to subject matter and company. The parties also understand the need to avoid repetitive questioning of witnesses on an issue that is common to all three applications. Therefore, the parties will attempt to avoid asking duplicative questions.

We hope that the foregoing proposed witness order and issues statement will assist the Commission at hearing. Please contact me if you have any questions or concerns with respect to our proposals.

Very truly yours

ROBERT D. CEDARBAUM Assistant Attorney General

RDC:pah

cc: All Parties (by Facsimile)

Marjorie Schaer

CERTIFICATE OF SERVICE UE-991255, -991262, and -991409

I certify this day copies of the foregoing letter directed to Carole J. Washburn, Secretary,

WUTC, were sent via facsimile to the parties listed below.

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DATED at Olympia, Washington, this 4th day of January, 2000.

PATRICIA A. HAISMAN