October 20, 2004

RE: WUTC v. Marbello Water Company Docket No. UW-041181

TO THE PARTIES:

This is to acknowledge receipt of the settlement agreement and of Marbello's letter requesting waiver of the requirement under WAC 480-07-740(2)(b), for the company to present a witness in support of the settlement agreement.

The Commission is in the process of reviewing the settlement agreement and has not yet determined whether a hearing on the settlement will be necessary. The Commission has some concern that Marbello ratepayers affected by the settlement may wish to be heard. In that regard, it would be helpful if counsel would advise the Commission whether providing an opportunity for a public hearing would be appropriate.

With regard to waiver of WAC 480-07-740(2)(b), in light of the testimony filed by Staff witness Danny P. Kermode accompanying the settlement agreement, the requirement that Marbello provide a witness is waived. If the Commission determines that there is no need for a hearing and that it can address the settlement by means of a paper record alone, it would also be helpful if the parties would provide, within the next ten days, a written statement that they waive entry of an initial order pursuant to WAC 480-07-820(1)(b)(iv).

Thank you for your continued cooperation.

Sincerely,

THEODORA M. MACE Administrative Law Judge