

January 7, 2004

Karen M. Caille, Administrative Law Judge Washington Utilities and Transportation Commission 1300 South Evergreen Park Drive SW Olympia, WA 98504-7250

> Docket No. UW-031596 - Prehearing Conference Issue Re:

Dear Administrative Law Judge Caille:

An idea I would like everyone to consider for discussion at the prehearing conference is to put the penalty case on hold until the complaint/rate case issue is resolved. There will be a number of elements that relate to the penalty case that would appear to be subject for discussion in the complaint/rate case. Thus, it would make sense for everyone's resources to hold this case over until the complaint case is concluded. It is my understanding that we do not have a particular time deadline in this docket.

A major consideration is that American Water simply does not have the resources to address these dockets simultaneously. I assume the Commission has limited resources as well. Thus, I think taking one step at a time may benefit everyone.

Sincerely,

VIRGIL R. FOX

cc: Lisa Watson

Gene Eckhardt

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