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June 19, 2006

Ms. Carole J. Washburn
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive S.W.
P.O. Box 47250
Olympia, WA 98504-7250

Re: Procedural Rulemaking Comments
Docket No. UE-050802

Dear Ms. Washburn:

The Industrial Customers of Northwest Utilities (“ICNU”) provides these limited comments in support of the Washington Utilities and Transportation Commission’s (“Commission”) proposed revisions to the procedural rules regarding settlement conferences. ICNU understands that the Commission’s proposed rule revision is an attempt to draft a compromise rule that addresses the need for intervenors to be allowed to participate in settlement discussions, and the desire of Staff and the utilities to retain flexibility to settle issues. Although the proposed rule does not meet all of ICNU’s stated concerns, ICNU is willing to support the rule revision with the hope that it results in an inclusive settlement process. ICNU reserves the right to advocate that the Commission adopt ICNU’s original proposal if the rule revision does not result in an open and fair settlement process.

ICNU proposes a modification to the Commission’s proposed rule revision to ensure that all parties are able to participate in the first settlement conference. The proposed rule appropriately includes a broad definition of “settlement conference” and requires the Commission to schedule an initial settlement conference. As ICNU understands the proposed rule, the parties would be effectively prevented from conducting settlement negotiations before the initial prehearing conference, unless all parties and the Commission agree. However, the proposed rule appears to allow the parties to engage in settlement discussions after the prehearing conference, but before the first scheduled settlement conference.

ICNU proposes that the limitations on engaging in settlement discussions be extended to the initial settlement conference that will be scheduled at the prehearing

Ms. Carole Washburn

June 19, 2006

Page 2

conference. Specifically, ICNU proposes a specific change in the first sentence of the proposed WAC § 480-07-700(3)(a). ICNU proposes that the words “initial prehearing conference” should be replaced with the words “initial settlement conference that is set in the procedural schedule.” Therefore, under ICNU’s revisions, any settlement conference occurring before the first scheduled settlement conference would require notice and opportunity for all parties to participate.

Sincerely,

/s/ Irion Sanger

Irion Sanger