A prehearing conference was held on April 3, 2001, and a prehearing conference order was entered on April 4, 2001. BKA had not yet formally retained counsel, but its President Richard Asche did contact Mr. Sells by telephone from the prehearing conference to verify availability on proposed dates for hearings and the like.

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Thereafter, both Mr. Sells and David Wiley were retained to represent BKA in this matter. By that time preliminary discovery on behalf of BKA and commission staff had commenced.

After counsel had the opportunity to thoroughly review the filing and deal with preliminary discovery, the decision was made to withdraw the proposed tariff revisions. Accordingly, on May 14, 2001 BKA filed an application for voluntary withdrawal of its rate request. Staff opposed the request, and on July 25, 2001, Administrative Law Judge Marjorie R. Schaer issued an Order Denying Petition to Withdraw Rate Filing, which is the order BKA asks the Commission to review and reverse.

REASONS WHY THE ORDER IS IN ERROR:

1. The Commission Has Discretion to Grant BKA's Petition for Withdrawal.

There is no clear Commission position regarding withdrawal of rate increase filings after the prehearing conference has been held. The allowance of withdrawal after a prehearing order is discretionary with the Commission. Order M.V. No. 135801, <u>In Re F. Allen Forler d/b/a A. F. Excavating</u>, App. P-70777 (Apr. 1987).

This is the kind of situation in which the Commission should exercise its discretion and not force BKA to proceed with a rate filing it now wishes to abandon. Although a prehearing conference order has been entered, that order is of little if any effect, because a second prehearing conference is scheduled for August 9, 2001. (See Notice of Second Prehearing Conference, Docket TC-001846 (July 25, 2001). The schedules and dates in the first order are now moot, as a new revised schedule must be set. Thus, the parties are in the same position as if this Petition were filed prior to that first order.

2. The Commission Should Look to the Civil Rules for the Superior Court for Guidance.

Judge Schaer's order places BKA in a truly unique and highly untenable situation. It is akin to a Superior Court Judge forcing a plaintiff in a civil action to proceed with its case, after it has decided to voluntarily dismiss the lawsuit.

Civil Rule 41(a)(1) provides that a plaintiff has the absolute right to dismiss its action on its own motion "at any time before plaintiff rests at the conclusion of his opening case." CR 41(a)(1)(B). This is an absolute right. King County Council v. King County Personnel Board,

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43 Wn.App. 317, 318 (1986); Goin v. Goin, 8 Wn.App. 801, 802 (1973). The rationale is obvious; one who initiates an action then discovers early on (hopefully after consultation with counsel) that he does not want to prosecute the action, should not, and cannot, be forced to do so.

Commission staff appears to argue that its actions thus far constitute a "quasi-counterclaim," and thus the petition should be been denied pursuant to CR 41(3), which provides that if a counterclaim exists the action should not be dismissed "unless the counterclaim can remain pending for independent adjudication by the court". The rule makes good sense, particularly when, for example, there is a statute of limitations problem for the counterclaimant if the action is dismissed. However, staff's analogy fails for two reasons:

First, there is no such thing as a "counterclaim" or "quasi-counterclaim" in this type of proceeding.

Secondly, dismissal does not deprive the Commission of any ongoing jurisdiction or authority over BKA's operations and rates and charges.

If, as the staff asserts, the Commission should review BKA's operations relative to its rates and executive compensation, it has full power to do so pursuant to RCW 81.04.110 and 81.68.030. There is, however, no legal or practical reason to allow staff to piggyback what should be an independent complaint procedure onto a tariff filing with attendant burden of proof problems, which the applicant does not wish to pursue.

<u>CONCLUSION</u>: Staff seeks to force a regulated company to prosecute an administrative proceeding against both its own wishes, and the advice of counsel. This leaves BKA in an entirely untenable and completely unfair position. What would staff have it do, ignore the action and risk sanctions and imperil the viability of its permit? Or should it make a half-hearted effort to achieve something it does not want, against the advice of counsel and spending substantial amounts of money just to go through the motions?

This simply makes no sense. If the staff wishes to examine this company's rates (the same rates that were approved by the Commission some ten years ago), it has the authority to do so on its own petition. We do not have to create "quasi-counterclaims" and "unique procedural and process issues" to get from here to there.

Respectfully submitted this 2nd day of August, 2001.

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