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July 25, 2008

BY ELECTRONIC AND U.S. MAIL

Administrative Law Judge Dennis Moss
Washington Utilities and Transportation Commission
P.O. Box 47250
1300 S. Evergreen Park Drive SW
Olympia, WA 98504-7250

**Re: Docket Nos. U-072375
Proposed Revised Procedural Schedule**

Dear Judge Moss:

We are sending this letter in advance of today's prehearing conference to provide some background for the discussion and to address our view that a new hearing date should be set which provides adequate time for the Commission to consider the settlement and for the parties to file testimony (supporting, response, rebuttal) for consideration by the Commission. Please note that this letter does not address the issue of the scope or extent of cross-examination of non-panel witnesses. You have indicated that this is a matter to be discussed only at the prehearing conference.

As you are aware, a multiparty settlement was reached earlier this week, after two weeks of settlement discussions. We advised the Commission on Monday of the multiparty settlement and filed a settlement stipulation on Wednesday. The settling parties are still in the process of preparing testimony in support of the multiparty settlement and finalizing the panel members to participate in the settlement hearing. Although our goal has been to file this testimony today, July 25, we are still waiting for testimony from two parties and for all parties to complete a final review of the joint testimony. We expect to file the supporting testimony soon and no later than July 29, 2008. We anticipate the settlement panel will consist of the following: Andrew Chapman, Michael B. Early, Charles Eberdt, Nancy Hirsch, William N. Horton, Robinson K. Kupchak, Christopher J. Leslie, Eric M. Markell, and Paula E. Pyron.

Judge Dennis Moss
July 25, 2008
Page 2

The parties have been discussing scheduling issues. We have made every effort to address other parties' work schedules and personal plans. However, we doubt an agreed approach will be offered to you this afternoon.

Scheduling and format of the hearings

A major concern is that the settlement panel should be presented first. We believe there is agreement among the parties that this should be a feature of the settlement hearings. The other major concern is that the Commission and all parties have adequate time to prepare and respond to the issues.

Consequently, the Joint Applicants propose the following schedule:

Supporting testimony filed: No later than July 29, 2008
Opposing testimony filed: August 8, 2008
Rebuttal: August 22, 2008
Hearings: Week of September 8, 2008
Briefs: September 25, 2008
Target date for order: October 13, 2008

This will provide the Commission an opportunity to develop a full record for decision and because it will provide the parties a full opportunity to respond to the issues.

We recognize this adds another round of written testimony for the parties. However, this is an important case, and the priority of all parties should be for the Commission to make as informed a decision as possible under the circumstances.

Consequently, we propose the Commission reconvene the hearings the week of September 8, 2008, according to the schedule outlined above.

**WASHINGTON UTILITIES AND
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cc: All Parties