Preston|Gates|Ellis LLP

January 8, 2004

Robert C. Wallis
Administrative Law Judge
Washington Utilities and Transportation Commission
1300 Evergreen Park Drive SW
Olympia, WA 98504-5250

RECORDS MANAGEMENT

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STATE OF WASH.
UTIL. AND TRANSP.
COMMISSION

RE: <u>Washington Utilities and Transportation Commission v. Puget Sound</u> Energy, Inc., Docket No. UE-031389

Dear Judge Wallis:

I am writing in response to your letter of January 7, 2004, inquiring as to Microsoft's position regarding settlement of the subject docket.

Microsoft's has no objection to the Commission's adoption of the settlement proposal as its resolution of the issues in the docket. Microsoft is not requesting the Commission conduct an oral hearing on the proposal.

Very truly yours,

PRESTON GATES & ELLIS LLP

Bv

Harvard P. Spigal

HPS:hps

cc: Parties of Record