February 21, 1996

The Honorable Larry E.  Craig

U.S. Senate

304 North 8th, Rm 149

Boise, ID  83702

RE: Case No.  GNR-E-96-1: Notice of Inquiry into Restructuring of Electric Utility Industry

Dear Senator Craig:

This is to advise you regarding Case No. GNR-E-96-1, currently pending before the Idaho Public Utilities Commission, in which the Commission is conducting an inquiry into changes occurring in the electric utility industry.  As you are well aware, the industry is currently facing the prospect of significant transformation as Congress and the Federal Energy Regulatory Commission consider actions that would introduce and impose open market concepts including retail wheeling and the opening up of transmission access.

The Commission is concerned with how these changes will affect the investor-owned utilities subject to its regulation and, more importantly, their customers.  It is this Commission’s primary mandate to assure that the retail customers of investor-owned utilities operating in this state receive quality service at reasonable rates.

I have attached, for your review, a copy of the Notice of Inquiry issued by the Commission in this case.  The Notice outlines a number of issues the Commission believes are pertinent to the changes taking place.  On February 14, 1996, the Commission conducted the first of at least two workshops involving the Commission, its Staff, investor and publicly-owned utility companies and other interested parties.  The Commission will  conduct a second workshop on Tuesday, March 19, 1996, commencing at 9:30 a.m., at the offices of the Commission, 472 West Washington Street, Boise, Idaho.  I would like to extend an invitation for you to participate in this proceeding if you desire.  If you have any specific questions regarding this proceeding, please do not hesitate to contact me.  I can be reached at 334-2898 or rnelson@puc.state.id.us.

Sincerely,

Ralph Nelson

President

BP/vldcraig.bp

Enclosure