March 6, 1996

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RE: American Heritage v. Idaho Power Company, Case No. IPC-E-95-13

Gentlemen:

It is my understanding that American Heritage and Idaho Power have reached a settlement in the complaint currently pending before the Commission.  I have reviewed American Heritage’s offer of settlement contained in a letter dated January 29, 1996; Idaho Power’s acceptance contingent upon two conditions dated February 26, 1996; and American Heritage’s acceptance of the conditions contained in a letter dated February 28, 1996.  Briefly, American Heritage agrees to pay Idaho Power $16,000 for the cost of upgrading a distribution feeder line necessary to serve the Cottage Grove First Addition subdivision.  In addition to the $16,000 transmission upgrade, American Heritage agrees to pay the applicable line extension charges within the subdivision.  Payments for the line extensions will be subject to the refund provisions outlined in the Company’s tariffs in effect in August 1995.

Turning to the two conditions, American Heritage agrees to pay the $16,000 when Idaho Power advises the Company that the amount is due.  The second condition requires the Staff to indicate that it has no objection  to the Settlement Agreement entered into between the parties.

Based upon my review of the settlement agreement outlined in the above reference letters and the particular facts of this case, the Staff does not object to the terms of the settlement.

Given the resolution of this complaint, the Staff understands that American Heritage will file the appropriate pleading to dismiss the formal complaint pending before the Commission.  At such time as the Commission receives American Heritage’s Motion to Dismiss, the Staff shall recommend to the Commission that this complaint be dismissed in accordance with the Commission’s Rule 256.

Very truly yours,

Donald L. Howell, II

Deputy Attorney General

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cc:Don Oliason

Wayne Hart