BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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| IN THE MATTER OF THE INVESTIGATION INTO WHETHER PACKSADDLE DEVELOP-MENT CORPORATION IS A PUBLIC UTILITY SUBJECT TO COMMISSION REGULATION. | )  )  )  )  )  )  ) | CASE NO. GNR-W-95-1  NOTICE OF HEARING  NOTICE OF INTERVENTION           DEADLINE  ORDER NO.  26077 |

On January 17, 1995, the Commission received a Petition requesting an investigation into whether Packsaddle Development Corporation is a public utility and therefore subject to Commission regulation.  According to the Petition, Packsaddle Development Corporation provides water service to approximately 30 customers in the Packsaddle Creek Estates subdivision near Tetonia, Idaho.  The Petition was signed by approximately 20 people receiving water service from Packsaddle Development Corporation, the developer of the subdivision.

The petitioners alleged that although the Packsaddle Creek Estates Homeowners Association was formed on December 3, 1993, it does not own or operate the water system serving the subdivision.  The petitioners maintained that the subdivision residents are purchasing water from Packsaddle Development Corporation, which continues to own and operate the water system.

In Order No. 25908 issued February 24, 1995, the Commission opened an investigation into whether Packsaddle Development Corporation is a public utility subject to Commission regulation.  The Commission Staff was directed to issue production requests, written interrogatories or other forms of discovery as well as pursue its statutory right to examine and audit the records of Packsaddle Development Corporation as they related or pertained to the sale of water.

Staff conducted its investigation during the past several months.  On May 30, 1995, Staff submitted its report on Packsaddle Development Corporation.  The report describes in detail the water system, costs incurred by Packsaddle Development Corporation in operating the water system as well as the rate history of the water system.  Staff also provided four rate alternatives, three of those being possible results of Commission regulation.  The fourth rate option could apply in the event a homeowner’s association is formed.

Under Idaho Code § 61-129, the term “public utility” includes every “water corporation, . . . as [that] term is defined in this chapter. . . .”  Idaho Code § 61-125 defines “water corporation” as “every corporation or person . . . owning, controlling, operating or managing any water system for compensation within this state.”  Based upon the Commission Staff’s investigation, we find that Packsaddle Development Corporation falls within the definition of “water corporation” as defined above and hence, is a public utility subject to Commission regulation.

We also find that a public hearing should be held for the purpose of obtaining evidence to aid in our determination of the monthly water rates to be charged by Packsaddle Development Corporation.  A hearing will be held on July 19, 1995 at 10:30 a.m. at the Teton West Hotel in Driggs, Idaho.  Until such time as the Commission has completed its evidentiary analysis, monthly water rates will be $28.00.  These rates will be effective for water service provided by Packsaddle Development Corporation on or after July 1, 1995.  In addition, Packsaddle Development Corporation will be subject, after July 1, 1995, to the Commission’s Customer Relations Rules, regarding, among other things, past due accounts and disconnections.  Staff has informed us that Packsaddle Development Corporation has received a copy of those rules.

In order to facilitate the July 19, 1995 hearing, the Commission Staff will hold a public meeting on Friday, July 7, 1995 at 9:00 a.m. at theTeton West Hotel in Driggs, Idaho.  The purpose of this meeting will be to inform customers how the public hearing on July 19, 1995 will be conducted and to answer questions regarding the Commission’s regulation of Packsaddle Development Corporation’s water system.  The Commission Staff cannot assist with the establishment of a homeowner’s association or water district, cannot resolve personal disputes between the Corporation and the Packsaddle Creek Estates residents and cannot answer legal questions.  Rather, the Staff can discuss how regulation operates in Idaho.  Likewise, the public hearing on July 19, 1995 is for the sole purpose of obtaining evidence on what proper rates should be, and is not to be a forum to discuss relationships with the Packsaddle Development Corporation or its owners.

Finally, we note that the issue of whether a water system should be regulated arises several times each year.  In most cases, it is more beneficial to all parties involved if a homeowner’s association or a water district is formed.  We strongly encourage the residents of the Packsaddle Creek Estates Subdivision to explore the possibility of forming a homeowner’s association, water district, or another not-for-profit organization.

N O T I C E

YOU ARE HEREBY NOTIFIED that a public hearing will be held on WEDNESDAY, JULY 19, 1995 AT 10:30 A.M. AT THE TETON WEST HOTEL IN DRIGGS, IDAHO  (208) 354-2563.  The purpose of this hearing will be to obtain evidence to establish just and reasonable rates to be charged by Packsaddle Development Corporation.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission’s Rules of Procedure, IDAPA 31.01.01.000 et seq.

YOU ARE FURTHER NOTIFIED that any person desiring to intervene in this case for the purpose of becoming a party, i.e., to acquire the rights of cross-examination, to participate in settlement or negotiation conferences, and to make or argue motions must file a Petition to Intervene with the Commission Secretary on or before July 12, 1995 pursuant to this Commission’s Rules of Procedure 72 and 73, IDAPA 31.01.01.072 and -073.

YOU ARE FURTHER NOTIFIED that persons desiring to state their views without parties’ rights of participation and cross-examination are not required to intervene and may present their comments without prior notification to the Commission or to the parties.

YOU ARE FURTHER NOTIFIED that prepared testimony and exhibits must be prefiled with the Commission Secretary on or before July 13, 1995.

YOU ARE FURTHER NOTIFIED that the prepared testimony and exhibits must conform to the requirements of Rule 231 of the Commission’s Rules of Procedure, IDAPA 31.01.01.231.

YOU ARE FURTHER NOTIFIED that all hearings and prehearing conferences in this matter will be held in facilities meeting the accessibility requirements of the Americans with Disabilities Act.  Persons needing the help of a sign language interpreter or other assistance of the kind that the Commission is obligated to provide under the Americans with Disabilities Act in order to participate in or to understand the testimony and argument at a public hearing may ask the Commission to provide a sign language interpreter or other assistance at the hearing.  The request for assistance must be received at least five (5) working days before the hearing by contacting the Commission Secretary at:

IDAHO PUBLIC UTILITIES COMMISSION

PO BOX 83720

BOISE, IDAHO  83720-0074

(208) 334-0338  (TELEPHONE)

(208) 334-3151  (TEXT TELEPHONE)

O R D E R

IT IS HEREBY ORDERED that Packsaddle Development Corporation is a public utility as that term is defined by Idaho Code § 61-129.  Consequently, Packsaddle Development Corporation is subject to the jurisdiction, control and regulation of the Idaho Public Utilities Commission and the provisions of the public utilities laws.

IT IS FURTHER ORDERED that pending the completion of the evidentiary portion of this case, Packsaddle Development Corporation is hereby authorized to charge each customer a monthly rate of $28.00 for water service rendered on or after July 1, 1995.

IT IS FURTHER ORDERED that a public hearing be held on July 19, 1995 to gather evidence on the establishment of just and reasonable rates to be charged by Packsaddle Development Corporation.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this                  day of  June 1995.

                                                            RALPH NELSON, PRESIDENT

                 MARSHA H. SMITH, COMMISSIONER

DENNIS S. HANSEN, COMMISSIONER

ATTEST:

Myrna J. Walters

Commission Secretary

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