MEMORANDUM

TO: FILE

FROM:SUSAN HAMLIN

DATE:February 27, 1996

RE:TELEPHONE CONVERSATION ON THE PACKSADDLE CASE

February 26, 1996, approximately 2:00 p.m., Susan Patla, a water customer of Packsaddle Company called requesting to speak to me.  I returned her call and discussed the Order granting reconsideration Order No. 26339.  Mrs. Patla wanted to know who wrote the Order and why there was not a discussion of the water users agreement to buy the water company.  I told her the Commissioners make the decision to grant the Order and the issues they will hear on reconsideration.  I also told her that this Order and the Order before granting interim rates was based on the record and the transcripts before the Commission and that the sale of the water company was never formally submitted to the Commission and never finalized, as far as the Commission had knowledge of.  Mrs. Patla wanted further explanation on how we derive our rate and rate base if we do not use or compare the rates of other companies.  I generally explained what was said in the Order.  I told her that utilities’ rates are derived from unique facts particular to the Company and using the Commission rules and ratemaking procedures for small water companies.  I offered to send her a copy of the rules for small water companies and I also told her that I could have an accountant call her back and explain or educate her on the rate and rate base process.  I suggested to Mrs. Patla that she get a copy of the transcripts and the Orders in this case in preparing her evidence and testimony for the rehearing.  I also indicated that I would send her the Commission Rules of Procedure Rule 266 and 267 on how to file testimony for hearings.

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