March 5, 1996

Susan Patla and Don Lingle

328 E Grandview Drive

Tetonia, ID 83452

RE:  Case No. GNR-W-95-1 --  In the Matter of PacksaddleDevelopment Company

Dear Ms. Patla and Mr. Lingle:

The Commission has received your letter dated February 29, 1996.  Your letter requests that the Commission expand the scope of the rehearing and set back the rehearing date.  The Commissioners have asked that I respond to your inquiry.

The Order granting rehearing outlines the issues that the Commission will reexamine in this case.  Your letter requests that the Commission review its rehearing Order No. 26339, which denied rehearing on several issues. The two issues that you asked the Commission to review are the comparison of Packsaddle rates to other utility companies in Idaho and the return on equity used in Commission Order No. 26296.  The Commission denied the request to examine the rates of other utilities for comparison with Packsaddle.  The Order explains that comparing Packsaddle rates to other utility companies is not useful for determining rate base because each utility’s rates are derived from unique facts particular to that specific company.

The Commission also found that the 12% return on rate base of $3,282.12 to be reasonable based on utility capital markets and considering the relative risks associated with the size and nature of Packsaddle Development Company.  A 12% return is similar to returns recently granted to other utilities in Idaho.  Although the Commission denied rehearing on these two issues, these “decisions” are not “final” until the Commission has issued its final Order on Reconsideration following the rehearing.  You may then appeal these issues to the Idaho Supreme Court pursuant to Idaho Code § 61-627.

You also request in your letter that the hearing date be set back to the first week in May.  Idaho Code § 61-626 provides that a rehearing must take place 13 weeks after the date of filing the Petition.  Your Petition for Reconsideration of Order No. 26296 was filed with the Commission on January 26, 1996.  Mr. Young’s Petition for Reconsideration was filed with the Commission on January 24, 1996.  Thirteen weeks from the date of the first filed Petition would be Wednesday, April 24, 1996.  The Commission’s date for rehearing is April 18,  the Thursday before the statutory deadline for rehearing.

You also state that the Commission Staff has taken long delays in obtaining requests to your data.  Based upon my review of the Commission’s files, the Staff served a response to your interrogatories on all parties including yourselves on February 28, 1996.  The Commission’s Rules allow 28 days to answer discovery requests unless another date is specified by Commission Order.  It appears to me that Staff’s response was filed 16 days from the date of your written request, well within the time period for answering discovery requests.

Finally,  you have been designated a party for rehearing in this matter.  If you wish to file a motion or request with the Commission, you must serve a copy of your motion upon all parties to this case and designate your document as a formal motion.  I suggest you review the Commission Rules of Procedure, if you have not already done so.  You may obtain a copy of Commission Rules of Procedure from Karen Snyder at 472 W Washington Street, 83702-5983, PO Box 83720, 83720-0074, (208) 334-0300.

Sincerely,

Donald L. Howell, II

Deputy Attorney General

cc:Roy Moulton

Kip Manwaring

Susan Hamlin

DLH/vld:L:Patla.sh3