

Service Date: July 22, 1975

BEFORE THE UTILITY DIVISION
DEPARTMENT OF PUBLIC SERVICE REGULATION
MONTANA PUBLIC SERVICE COMMISSION

IN THE MATTER of the Application) DOCKET NO. 6303
of BLACK HILLS POWER and LIGHT)
COMPANY for authority to increase) DEFAULT ORDER NO. 4201
rates for electric service.)

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In the week of April 20, 1975, the Commission mailed to all 56 Montana customers of the BLACK HILLS POWER and LIGHT COMPANY notice of a proposed public hearing to be held, if requested, in Helena on May 15, 1975. This notice included schedules specifying present and proposed rates, and the percentage change projected for each class of service. No requests for a hearing were received.

FINDINGS OF FACT

1. BLACK HILLS POWER and LIGHT is a South Dakota Corporation with its principal office at Rapid City, South Dakota, engaged in generating, transmitting, and distributing electric service to the public in Northeastern Wyoming, Western South Dakota, and Southern Montana. Its service area includes numerous unincorporated communities, including Belle Creek, Montana. It is an electric power utility under the terms of Sec. 70-103, R.C.M. 1947.

2. Black Hills has supplied the Commission with end-of-test-year data as of August 31, 1974. This data is accepted as it provides accurate and sufficiently current data and does not contain nonrecurring changes.

3. Black Hills' test year rate of return is inadequate to permit it to sustain a successful dividend policy, and to permit it to obtain required financing in order to meet high construction costs.

4. The Montana Legislative Assembly has amended Section 70-113, R.C.M. 1947. This amendment, effective July 1, 1975, provides:

"Every public utility shall file with the commission, within a time fixed by the commission, schedules which shall be open to public inspection, showing all rates, tolls, and charges which it has established...

No change shall thereafter be made in any schedule, including schedules of joint rates, except as approved by the commission. Before it may approve any change increasing the rate or rates for utility service in a schedule generally affecting consumers in a utility's service area, the commission shall publish a notice of the proposed change This notice shall announce a hearing on the proposed change.. The Commission shall proceed to conduct the hearing under the Administrative Procedure Act."

CONCLUSION OF LAW

1. That the rates approved herein are just and reasonable.

2. That before any changes in Applicant's filed schedules shall become effective, under the fuel transportation cost clauses or tax clauses contained in the schedules, or otherwise, Applicant shall file a request with the Commission for authority to implement such change and that request shall be processed according to Section 70-113, R.C.M. 1947, as amended.

ORDER

THE MONTANA PUBLIC SERVICE COMMISSION ORDERS that BLACK HILLS POWER and LIGHT COMPANY file amended rate schedules that will reflect a 13.7% increase in charges to its Montana customers.

DONE IN OPEN SESSION at Helena, Montana, on May 15, 1975.

BY ORDER OF THE PUBLIC SERVICE COMMISSION:

GORDON E. BOLLINGER, Chairman

P.J. GILFEATHER, Commissioner

THOMAS G. MONAHAN, Commissioner

JAMES R. SHEA, Commissioner

GEORGE TURMAN, Commissioner

ATTEST:

GAIL E. BEHAN
Secretary

(SEAL)