

Service Date: March 4, 1976

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

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IN THE MATTER of the application)	
of WASHINGTON WATER POWER CO.)	DOCKET NO. 6317
for an order authorizing It to raise)	
Montana residential and General)	<u>DEFAULT ORDER NO. 4244</u>
Service Electric Rates.)	

On May 5, 1975, Washington Water Power Co., petitioned the Commission for an order authorizing it to increase its residential (schedule 2) and general (schedule 12) electric rates in Montana to finance construction projects and meet increased operating costs. It also petitioned to adopt certain regulations.

At a regular open session of the Montana Public Service Commission, held at 1227 11th Avenue, Helena, Montana, on September 10, 1975, there being present Chairman Gordon E. Bollinger, and Commissioners P. J. Gilfeather, Thomas G. Monahan, James R. Shea and George Turman, there came before the Commission for final action, the matters and things in this Docket, and the Commission, having fully considered the application and all the data and records pertaining thereto on file with the Commission and being fully advised in the premises, makes the following:

FINDINGS OF FACT

1. The Washington Water Power Co., is a corporation organized and existing under and by virtue of the laws of the State of Washington and is duly authorized to transact business in

the State of Montana and is engaged as a public utility in furnishing electric service for Mineral and Sanders counties in the State of Montana and as such is subject to the jurisdiction of this Commission.

2. The Applicant presently serves a total of fifteen customers in Mineral and Sanders Counties, Montana of which four are commercial and eleven are employees occupying residences at the Applicant's Noxon generating plant.

3. On May 19, 1975, all customers were mailed individual notices telling them of the opportunity to protest the rate application or request a public hearing on the proposed rates. No protests or requests for a public hearing were received by June 13, 1975 or thereafter.

The proposed regulations have not been noticed either individually to Applicant's customers or in the Montana Administrative Register.

4. In letter dated August 19, 1975, the Applicant requested authority to increase its rates and charges for electric service in Montana to be the same as the rates charged for similar service in the State of Idaho, which is lower than the rate increase originally requested.

5. Applicant's proposed adoption of the flat rate schedule for residential electric service which provides for a basic charge of \$2.50 per month plus a flat rate of 1.07 cents per kilowatt hour for all usage. This flat rate is fair, just, reasonable and in the interest of conservation.

6. Applicant's proposed schedule 12 for general service, given the small number of customers in Montana, will be accepted as reasonable at this time on the basis of expediency, but the Commission encourages Washington Water Power Co., to significantly flatten its tail-block rate structure for this schedule in future applications. Wasteful demand for Colstrip power used by applicant should not be increased by a rate structure, such as schedule 12, which cannot be justified in these times of threatening energy shortages.

7. The original cost less accumulated depreciation and accumulated provision for amortization rate base calculated on the average of monthly averages (rather than a year end) basis which the Applicant used in presenting its electric rate base is reasonable and should be used by the Applicant in the future in submitting applications to this Commission unless ordered otherwise by rule or future rate order.

8. The accrued property taxes as they are available to the Applicant annually will more than offset the working capital requirements of the Company.

9. The 8.4 percent return on Net Plant investment which the Applicant expects to earn with the proposed rates in effect is reasonable at this point in time.

10. In making the Findings of Fact, the Commission takes judicial notice of the prepared testimony of Washington Water Power Co., in I.P.U.C. Case No. U-1008-94 filed with the Idaho Public Utilities Commission and of the order of that Commission concerning that docket (Order No. 12069)

CONCLUSION OF LAW

1. The rates proposed as stated in Findings of Fact 4, 5 and 6, should be adopted by this Commission to raise amounts not greater than that stated in Finding of Fact No. 9.

ORDER

1. Applicant is authorized to increase its residential electric service (schedule 2) rates and its general service rates (schedule 12) in Montana to reflect the attached schedules. These rates to be effective for service rendered after February 20, 1976.

2. Applicant's petition for rules will be denied until after the Commission

promulates in the near future, Uniform Rules on Consumer Billing Practices and Standards and other companion rules for all the utilities under its jurisdiction. And, then if Washington Water Power Co., wishes it may revise its proposed rules to eliminate duplication and inconsistency with the uniform rules and resubmit to the Commission a new rulemaking proceeding to be noticed in the Montana Administrative Register and the final rules to be published in the Montana Administrative Code. Applicant's revised rules submission, if it wishes to make it, should eliminate references in the present proposed rules to Washington and Idaho that are not applicable to Montana.

3. The suggestions made In Findings of Fact 6 and 7 shall be complied with.

Done by a 5 - 0 vote on September 10, 1975.

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)

NOTICE: You are entitled to judicial review of this order. Judicial review may be obtained by filing within thirty (30) days from the service of this order, a petition for review pursuant to Section 82-4216, R.C.M. 1947.