

Service Date: May 6, 1976

BEFORE THE UTILITY DIVISION

DEPARTMENT OF PUBLIC SERVICE REGULATIONS
MONTANA PUBLIC SERVICE COMMISSION

In Re CITY OF POLSON,)
City Water Department.)

DOCKET NO. 6338
DEFAULT ORDER NO. 4255

FINDINGS OF FACT, CONCLUSIONS OF LAW, EVIDENTIARY RULINGS,
ORDER AND NOTICE OF OPPORTUNITY FOR JUDICIAL REVIEW

After duly considering the record before this Commission, including the transcript of testimony and evidence, oral and written, the Commission now makes the following findings of fact, conclusions of law, evidentiary rulings and order:

FINDINGS OF FACT

1. City of Polson Water Department (City) is a public utility furnishing water service in the State of Montana subject to the jurisdiction and authority of this Commission.
2. On July 21, 1975, City petitioned the Commission to increase its rates for water service in its Polson service area.
3. On December 15, 1975, a public hearing of record was held on the above petition before Leonard L. Kaufman, Hearings Officer, after legal notice of said hearing was duly published in the Flathead Courier, a newspaper of general circulation in the City of Polson, Montana, on November 20, 1975, November 27, 1975, December 4, 1975, and December 11, 1975. No objection was interposed at this hearing regarding the scope or substance of notice nor was there any objection interposed regarding the proposed rate increase. It was determined by Commission staff that this notice did not meet statutory requirements.
4. On February 12, 1976, legal notice of a proposed hearing scheduled for March 22,

1976, was duly published in the Flathead Courier, a newspaper of general circulation in the City of Polson, Montana, which stated said proposed hearing was to be held if requested by a party having standing by March 5, 1976.

5. No request for the hearing was submitted and the proposed hearing was cancelled.
6. Morrison-Maierle, Inc., engineering consultants to the City, recommended that City improve the City of Polson water system by providing the following:
 - a) Additional water supply;
 - b) Replacement of deteriorated wooden supply line from Hell Roaring Supply; and
 - c) Improved service and increased pressure on the south side of the City.
7. The supply of the existing Hell Roaring water supply and the two existing wells is adequate for the lower zones but this supply does not adequately provide for the demands in the upper zone nor for the demands of the required fire reserve.
8. There is desperate need for additional water supply to provide for the demands of the upper zone and for the demands of the required fire reserve.
9. There presently exists a 12-inch wooden gravity supply main from hell Roaring water supply which was installed in 1922 and has now reached the end of its useful life.
10. The City now expends considerable effort in maintaining this deteriorating wooden supply main.
11. The City must replace the Hell Roaring supply main in order to provide dependable service to its users.

12. The City is presently expanding on the hillside to the south and requires increased supply and pressure to provide adequate service to the users in the expanding area.

13. The City requires a third pressure zone to provide adequate service to this area to the south.

14. The above improvements sought will be financed by the issuance of Revenue Bonds in an amount estimated to be \$1,025,000 payable over a period of twenty (20) years.

15. The increased rates are required to generate the necessary revenue to repay the bonds.

CONCLUSIONS OF LAW

1. The City needs the following in order to provide dependable service to its users:
 - a) Additional water supply;
 - b) Replacement of deteriorated wooden supply line from Hell Roaring Supply; and
 - c) Improved service and increased pressure on the south side of the City.
2. City could not meet the bond payments without obtaining a rate increase to generate the necessary additional revenue.

EVIDENTIARY RULINGS

1. Any motion that has not been previously acted upon is denied.
2. The transcript of the public water hearing conducted December 15, 1975, in the City of Polson is judicially noticed without objection.

ORDER

City is authorized to increase its water rates, effective thirty (30) days after the sale of revenue bonds required for the financing of needed improvements, by instituting the following rate schedule:

	Residential	Commercial
First 5,000 gallons	7.00 minimum	8.75 minimum
Next 5,000 gallons	1.40 per 1000 gallons	1.75 per 1000 gallons
Next 10,000 gallons	1.15 per 1000 gallons	1.45 per 1000 gallons
Next 30,000 gallons	.85 per 1000 gallons	1.10 per 1000 gallons
Next 50,000 gallons	.65 per 1000 gallons	.65 per 1000 gallons
Next 100,000 gallons	.45 per 1000 gallons	.45 per 1000 gallons
Over 200,000 gallons	.35 per 1000 gallons	.35 per 1000 gallons

Minimum Monthly Rates

	Residential	Commercial
5/8" x 3/4" Meter	\$ 7.00	\$ 8.75
1" Meter	10.00	12.50
1-1/4" Meter	20.00	20.00
1-1/2" Meter	27.50	27.50
2" Meter	35.00	35.00
3" Meter	70.00	70.00
6" Meter	120.00	120.00
6" Dry Fire Tap	15.00	15.00
10" Dry Fire Tap	30.00	30.00

DONE IN OPEN SESSION in Helena, Montana, on April 8, 1976, by a 3 - 0 vote of the Montana Public Service Commission. Commissioner Shea abstained.

GORDON E. BOLLINGER, Chairman

P.J. GILFEATHER, 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 a petition for review within thirty (30) days from the service of this Order. Judicial review is pursuant to the provisions of Section 82-4216, RCM 1947.