

Service Date: January 23, 1979

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

287 Docket 10-21

* * * *

IN THE MATTER of the Application)
of the TOWN OF CHESTER for an) DOCKET NO. 6632
order authorizing an increase in) DEFAULT ORDER NO. 4481
sewer rates.)
_____)

On November 29, 1978, the TOWN OF CHESTER (Applicant) filed a petition with the Commission to increase sewer rates under 82-4209, RCM 1947 pursuant to jurisdiction granted by 70-101, et seq., RCM 1947 and interpretation by the Montana Supreme Court of 11-1001 (1) RCM 1947 in Cause No. 14145 and to the requirements of Article II, Sections 8 and 9 of the Montana Constitution for an order authorizing Applicant to increase its sewer rates for additional revenue to finance its share (\$25,000.00) of a proposed additional sewer treatment cell required by the Environmental Protection Agency and to offset the rising costs of operations.

FINDINGS OF FACT

1. On December 15, 1978 a Notice of Proposed Hearing was issued. No protests nor requests for public hearing were received by the suspense date of January 16, 1979.

2. On or about May 31, 1978 the Montana Department of Health and Environmental Sciences (DHES) issued a tentative permit to the Town under the Montana Pollutant Discharge Elimination System, permit No. MT-0020338. Certain effluent limitations are specified in the permit. The permit calls for the Town to submit a compliance schedule

specifying when the effluent limitations will be reached.

3. At present and dating from issuance of the permit, the Applicant alleges it is and at all times, has been unable to meet the effluent standards specified in permit No. MT-002-338 because its sewer treatment facilities are physically incapable of processing the waste water to the degree required.

4. The Applicant has advised DHES of its present inability to adequately treat its sewerage and is negotiating for an extension of time for filing the compliance schedule and an extension of time to actually meet the permit standards.

5. In order to meet the required effluent limitations, the Applicant must build an additional sewer treatment cell (lagoon).

6. The cost of the additional treatment cell is estimated at \$20,000 to \$25,000 cost to the Applicant if a 75%-25% Environmental Protection Agency (EPA) grant can be obtained.

7. Applicant alleges that the only means available to the Town to raise the necessary amount will be through a sewer rate increase.

8. Applicant alleges it will need an increase in sewer rates which will generate an additional \$750.00 per month in order to establish a reserve fund adequate to finance the required lagoon addition.

9. The Applicant proposed to increase the sewer rates to the following level:

For metered commercial establishments, based on water consumption as follows: (No change)

| | |
|-------------------------|---------|
| 0 - 2,000 gallons | \$ 5.00 |
| 2,001 - 6,000 gallons | 7.00 |
| 6,001 - 10,000 gallons | 9.00 |
| 10,000 - 14,000 gallons | 11.00 |
| 14,001 - 20,000 gallons | 15.00 |
| 20,001 - 25,000 gallons | 20.00 |
| 25,001 - 30,000 gallons | 25.00 |
| 30,001 - 50,000 gallons | 35.00 |
| 50,001 - | 40.00 |

30 cents for every 1,000 gallons over 50,000 gallons

For each residential unit: \$ 6.00 per month

CONCLUSIONS OF LAW

1. The Applicant is a municipal sewer utility subject to the regulatory jurisdiction of this Commission according to Section 11-1001(1) RCM 1947 as interpreted by the Montana Supreme Court in Cause No. 14145.

2. The Commission concludes that the proposed rates are reasonable and just and should be granted as hereafter ordered.

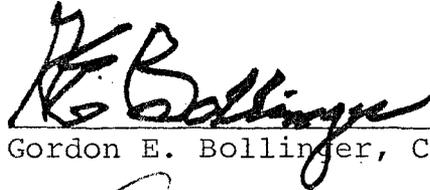
ORDER

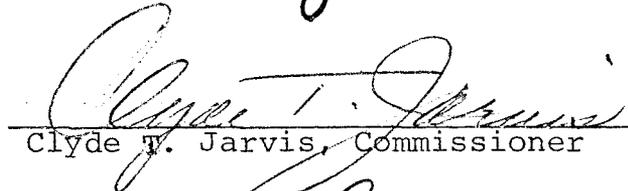
1. The application of the Town of Chester for an order authorizing an increase in its sewer rates as outlined in Finding of Fact No. 9 is hereby approved.

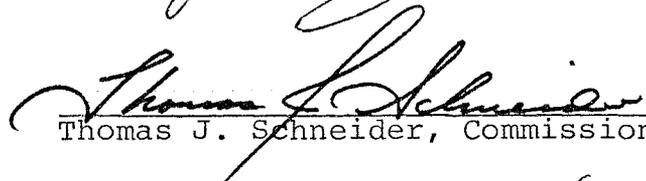
2. The above rates shall not be effective until the Commission has been notified that a grant has been authorized and the terms, conditions and costs relative to the grant has been filed. Rate schedules reflecting the approved rates shall be included in this material.

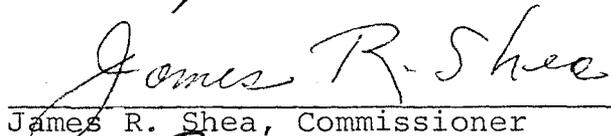
DONE IN OPEN SESSION at Helena, Montana, 59601 this 22nd day of January, 1979, by a 5 - 0 vote.

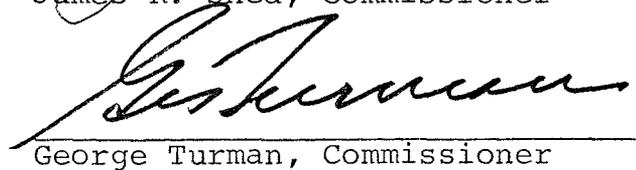
BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION.


Gordon E. Bollinger, Chairman


Clyde W. Jarvis, Commissioner


Thomas J. Schneider, Commissioner


James R. Shea, Commissioner


George Turman, Commissioner

ATTEST:


Madeline L. Cottrill
Secretary

(SEAL)

NOTICE: You are entitled to judicial review of the final decision in this matter. If no Motion For Reconsideration is filed, judicial review may be obtained by filing a petition for review within thirty (30) days from the service of this order. If a Motion For Reconsideration is filed, a Commission order is final for purpose of appeal upon the entry of a ruling on that motion, or upon the passage of ten (10) days following the filing of that motion. cf. The Montana Administrative Procedure Act, esp. Sec. 82-4216, RCM 1947; and Commission Rules of Practice and Procedure, esp. 38-2.2(64)-P2750, ARM.