

Service Date: April 25, 1979

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

* * * *

IN THE MATTER OF the Application) UTILITY DIVISION
of the CITY OF HELENA for authority to)
increase rates for sewer service.) DOCKET NO. 6643
) ORDER NO. 4498
)
)

APPEARANCES

FOR THE APPLICANT:

JAMES DRISCOLL, Attorney at Law 17 North Last Chance Gulch
Helena, Montana 59601

FOR THE PROTESTANTS:

GEOFFREY L. BRAZIER, Attorney at Law The Montana Consumer Counsel
34 West Sixth Avenue Helena, Montana 59601

BRYANT ANDERSON and FRED FLANDERS Helena Property Owners'
Association 2021 - 11th Avenue Helena, Montana 59601

FOR THE COMMISSION:

ROBERT F. W. SMITH, Attorney at Law
FRANK E. BUCKLEY, Administrator, Utility Division
JAMES P. DWYER, Rate Analyst

BEFORE:

GORDON E. BOLLINGER, Chairman
CLYDE JARVIS, Commissioner
THOMAS J. SCHNEIDER, Commissioner
JAMES R. SHEA, Commissioner
GEORGE TURMAN, Commissioner

APPLICATION AND PROCEEDINGS

(1). On December 27, 19/8 the CITY OF HELENA (Applicant)
filed a petition with the Montana Public Service Commission
requesting that the Commission, pursuant to jurisdiction granted
by Section 69-1-102, MCA through 69-1-107, MCA (Section 70-101, et

seq., RCM 1947) and interpretation by the Montana Supreme Court of Section 7-13-4311, MCA (Section 111001(1), RCM 1947) in Cause No. 14145, authorize Applicant to increase its sewer rates for additional revenue to defray increased operating expenses and to cover annual retirement of bonds and interest.

(2). On January 17, 1979 a Notice of Public Hearing was published in the Helena Independent Record. This notice set this matter for hearing on February 27, 1979 in Helena.

(3). On January 31, 1979 the Applicant requested a change in the hearing date due to the absence of its main witness.

(4). Accordingly a second notice of Public Hearing was published in the Helena Independent Record on February 9, 1979. This notice set the matter for hearing on March 13, 1979 in Helena, Montana.

(5). On January 22, 1979 the Montana Consumer Counsel submitted numerous Data Requests to the Applicant.

(6). On February 5, 1979 the Applicant filed responses to the Montana Consumer Counsel data requests.

(7). On February 22, 1979 the Helena Property Owners' Association (HPO) petitioned this Commission for leave to intervene in Docket No. 6643.

(8). On March 12, 1979 the Commission grantee the Helena Property Owners' Association leave to intervene in this matter.

(9). On March 13, 1979 at 10:00 a.m. this matter came on to be heard in the Conference Room of the Public Service Commission, 1227 - 11th Avenue, Helena, Montana 59601.

The Commission having taken evidence and being fully advised in

the premises, makes the following Findings of Fact, Conclusions of Law, and Order:

FINDINGS OF FACT

1). The Applicant presented three witnesses. They were Al Thelan, City Manager; Richard Nisbet, P. E. Director of Public Utilities; and R. L. Morgan C.P.A. These witnesses sponsored and testified with respect to Applicant's Exhibits A-F.

2). The Applicant presented its historical sewer operation as of June 30, 1978 at page 11 of Exhibit A. This item is presented in this order in column A of Findings of Fact No. 5.

3). The Applicant presented a Summary of Adjusted Revenue and Expense on page 13 of Exhibit A. Also on page 14 of the same Exhibit A the Applicant presented a summary of expenditure adjustments. These items are included in columns 3 & C of Finding of Fact No. 5.

4). The Commission finds that three adjustments, to the test year proposed by the Applicant, are necessary to more accurately reflect the financial position of the Applicant these adjustments are as follows:

(a). Other Revenue:

Exhibit A, page 11, contained an entry for other Revenue in the amount of \$3,300. During cross-examination witness Morgan stated that this amount was miscellaneous revenue and could be reoccurring. The Commission finds that in order to more accurately reflect the future revenue position of the Applicant that this amount of \$3,300 must be included in the test year.

(b). Operating Expenses:

TY Revenues 468,220

This percentage is applied to the current rate structure to provide the rate structure in the order portion of this document.

CONCLUSIONS OF LAW

- 1). The Montana Public Service Commission properly exercises jurisdiction over the parties and subject matter in this proceeding.
- 2). The Commission afforded all parties interested in this proceeding proper notice and an opportunity to participate.
- 3). The rates approved herein are reasonable, just, and proper.

ORDER

NOW THEREFORE, at a session of the Montana Public Service Commission, Department of Public Service Regulation, held in its offices at 1227 11th Avenue, Helena, Montana 59601 on the 23rd day of April 1979 there being present a quorum of Commissioners, there came regularly before the Commission for final action the matters and things in Docket No. 6643, and the Commission being fully advised in the premises;

IT IS ORDERED by the Commission that the City of Helena is authorized to increase its water rates as follows:

- 1). Minimum bi-monthly rate \$3.10 plus \$.28 for each one hundred (100) cubic feet of water used during December or January billing period for all sewer customers on City water.
- 2). Minimum bi-monthly rate not on City water or not metered shall be \$3.10 plus \$.28 for each one-hundred (100) cubic feet used based on similar customers on metered system.
- 3). Surcharge for sewer wastes stronger than the average residential, 10% of the basic charge.

4). Sewer use surcharge - a \$300 per acre fee shall be paid by all properties currently outside the City Limits that desire to use the sanitary sewer.

IT IS FURTHER ORDERED that the City of Helena will file each year with the annual sewer report to this Commission a detailed accounting of Capital Outlay for the reporting year.

IT IS FURTHER ORDERED that the City of Helena will file each year with the annual sewer report to this Commission a detailed accounting of all expenses associated with sewer department vehicle maintenance.

IT IS FURTHER ORDERED that these rates will be effective for sewer service rendered on and after May 1, 1979.

The Foregoing Order was adopted by the Department of Public Service Regulation of the State of Montana, Public Service Commission, In Open Session at Helena, Montana this 23rd day of April, 1979 by a 5 - 0 vote.

GORDON E. BOLLINGER, Chairman

THOMAS SCHNEIDER, Commissioner

CLYDE JARVIS, Commissioner

GEORGE TURMAN, Commissioner

JAMES R. SHEA, Commissioner

ATTEST:

Madeline L. Cottrill

Commission Secretary
(SEAL)

NOTE: 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. Sections 2-4-701 through 2-4-704, MCA (Sec. 82-4216, RCM 1947); and Commission Rules of Practice and Procedure, esp. 38-2.2(64)-P2750, ARM.