

Service Date: June 5, 1979

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

* * * *

In the Matter of the Application) DOCKET NO. 6643
of the CITY OF HELENA for authority)
to increase rates for sewer service.) AMENDED ORDER NO. 4498a

* * * *

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; 1227 11th Avenue, Helena, Montana 59601.

BEFORE:

Gordon E. Bollinger, Chairman; Clyde Jarvis, Commissioner; Thomas J. Schneider, Commissioner; James R. Shea, Commissioner; George Turman, Commissioner.

APPLICATION & PROCEEDINGS

1. On May 11, 1979, the City of Helena (Applicant) submitted a Motion for Reconsideration of Final Order No. 4498, in Docket No. 6643.

2. The Applicant alleged that the calculation in Section 4(c) page 5 of the Order makes adjustments for cash which will be available at a future date from the retirement of the 1960 bond issue on July 1, 1980. Use of this averaging method forces the sewer fund to operate in a deficit for the initial two years that the rate is in effect.

3. The Applicant further alleged that the average computed in Section 4(c) of said Order is based on the calendar year and thereby excludes the last \$20,000 of debt retirement of July 1, 1980, or fiscal 1981. Although revenues for retirement of bonds are accumulated during the previous fiscal year, bonds are not paid until after the close of the year and should be appropriately included in the next test year.

FINDINGS OF FACT

1. In addressing the Applicant's Motion for Reconsideration the Commission finds that the Applicant does indeed need the entire \$49,200 set forth in Applicant's Exhibit A, Page 16. Therefore, the Commission makes the following adjustment for fiscal year 1980 sewer rates:

Applicant's Request		\$49,200
Order 4498		<u>34,748</u>
Capital Outlay Shortage		\$14,452
Deficit per FF5 Order 4498		<u>16,179</u>
Adjusted Deficit		\$30,631
<u>Adjusted Deficit</u>	=	<u>\$ 30,631 = 6.5%</u>
TY Revenue		\$468,220

This percentage is to be applied to the rates in effect prior to Order 4498 for the totality of fiscal year 1980.

2. At the beginning of fiscal year 1981, the Applicant is required to payoff the remaining balance of \$21,440 on the bond issue. Although these funds were collected in FY80 the appropriate accounting entry must match the date of payment in the appropriate fiscal year. Thus the remaining four years of the five year budget would have the following:

Capital Outlay

1981	\$ 55,100
1982	28,060
1983	34,260
1984	<u>28,560</u>
	\$145,980

Annualized) 4 years = 36,495

This would further result in a necessary adjustment to FF5.

Adjusted Capital Outlay	36,495
Order 4498	34,748
Adjustment to Capital Outlay	1,747
Deficit per FF5 Order 4498	<u>16,179</u>
Adjusted deficit	17,926

$$\begin{array}{l} \text{Adjusted Deficit} \\ \text{TY Revenue} \end{array} = \frac{17,926}{468,220} = 3.8\%$$

This percentage is to be applied to the rates in effect prior to Order 4498 for all sewer services on and after July 1, 1980.

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

IT IS ORDERED by the Commission, that the Applicant file tariffs which reflect the percentage increase calculated in Finding of Fact No. 1 for FY 1980.

IT IS FURTHER ORDERED that the Applicant file tariffs in June of 1980 to reflect the percentage increase as calculated in FF2.

IN ALL OTHER RESPECTS, Order No. 4498 remains unchanged.

DONE IN OPEN SESSION, this 29th day of May, 1979, by a vote of 5-0.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION.

GORDON E. BOLLINGER, Chairman

CLYDE JARVIS, Commissioner

THOMAS J. SCHNEIDER, Commissioner

JAMES R. SHEA, Commissioner

GEORGE TURMAN, 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. Sec. 2-4-702, MCA; and Commission Rules of Practice and Procedure, esp. 38-2.2(64)-P2750, ARM.