

Service Date: February 6, 1980

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

IN THE MATTER of the Application)
by GREAT FALLS GAS COMPANY)
to adopt increased rates for gas)
services.)

DOCKET NO. 6701
ORDER NO. 4602

INTERIM RATE ORDER

FINDINGS OF FACT

1. On July 27, 1979, Great Falls Gas Company (Applicant) applied to the Commission for authority to increase rates charged for natural gas service. The proposed tariffs filed with the application would increase billings to Great Falls Gas customers by \$673,715 over those of the test year.

2. On January 4, 1980, the Applicant applied to the Commission for an interim rate increase in the full amount of \$673,715 subject to rebate upon issuance of a final order.

3. Applicant's request for interim relief was based upon the Applicant's existing rate structure with the exception of the Residential Class. There the Applicant proposed a lifeline rate similar to that adopted by the Commission in Docket No. 6618 (the Montana Power Company gas case).

4. In its application for Interim Relief as well as its amended application for general rate increase, Applicant proposed a 25 percent discount on the first 15 Mcf of gas consumed by the Residential Class during the winter

months of December, January, February and March. This differs from the Montana Power Company lifeline (Docket No. 6618) in that the Applicant also proposes a monthly service charge of \$5.25 for the Residential Class during the months from April to November.

5. On January 8, 9 and 10, 1980, the Commission conducted a hearing in Great Falls, Montana on Applicant's requested rate increase.

6. At the hearing, Intervenor Montana Consumer Counsel through its witness, John W. Wilson, conceded that an increase of \$275,311 in annual revenue would be justified in this case.

7. At the conclusion of the hearing, but still on the record, Applicant stated that it was amending its application for interim relief filed January 4, 1980. Applicant stated that it was imperative that some form of interim relief be granted. Therefore, Applicant expressed its willingness to accept interim relief based upon the amount of additional revenue conceded by the Montana Consumer Counsel. Applicant reiterated its position that its proposed Residential Class lifeline rate structure should be made a part of any interim order.

8. Montana Consumer Counsel stated that it had no objection to an interim order based upon its conceded revenue requirement and implementing a lifeline rate structure for the Residential Class as proposed by the Applicant.

9. Whereupon all parties stipulated on the record that they would not object to the Commission entering an interim rate increase based upon Montana Consumer Counsel's conceded revenue requirement and implementing a lifeline rate structure for the Residential Class as proposed by the Applicant.

CONCLUSIONS OF LAW

1. The Great Falls Gas Company is a public utility furnishing natural gas service to consumers in the state of Montana. As such it is subject to the supervision, regulation and control of this Commission, Section 69-3-102, MCA.

2. Section 69-3-304, MCA, provides in part, "The Commission may in its discretion, temporarily approve increases pending a hearing or final decision."

3. The Commission concludes that an interim rate increase based upon the amount of additional revenue and rate structure stipulated to by the parties at the general rate increase hearing is a reasonable means of providing interim relief to the Applicant.

4. If the final decision of the Commission is to disapprove the increase granted on an interim basis, the Commission will order a rebate thereof to all consumers, Section 69-3-304, MCA.

ORDER

THEREFORE, THE MONTANA PUBLIC SERVICE COMMISSION ORDERS THAT:

1. The Great Falls Gas Company is hereby granted authority to implement on an interim basis increased rates designed to generate an additional \$275,311 revenue on an annual basis.

2. The Great Falls Gas Company is to file revised rate schedules spreading the increased revenues to the existing customer classes on a uniform percentage increase basis and further based upon the volumes derived from the last general rate case.

3. The rate schedules to be filed by the Company are to include a lifeline rate structure for the Residential Class. The consumers in that customer class are to receive a 25 percent discount for the first 15 Mcf of gas used in each billing period for the months of December, January, February and March. The rate schedule for the Residential Class is also to include a monthly service charge of \$5.25 for the months of April through November.

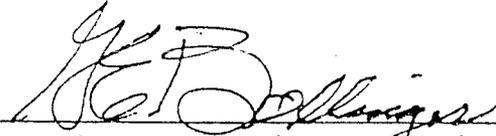
4. Other than the Commission's determination that the interim relief granted herein is reasonable, the amount of additional revenue and the rate structure adopted are derived entirely from the stipulation of the parties and are not based upon any final determinations by the Commission concerning such issues as a proper cost of capital, revenue requirement, cost distribution or rate structure. Nothing in this Interim Order precludes the Commission from adopting in its final order after reviewing the entire record in this docket, a revenue requirement or rate structure different from that contained in this Order.

5. The stipulation by the parties was entered for the purposes of granting interim relief only. Nothing in the stipulation or in this Order is to prejudice the position taken by any of the parties in the general rate hearing.

6. The interim relief granted in this Order is to be effective for service rendered on and after January 28, 1980.

DONE IN OPEN SESSION this 28th day of January, 1980, by a vote of 5 to 0.

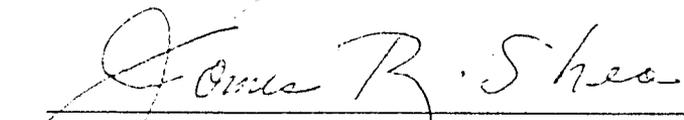
BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION.



Gordon E. Bollinger, Chairman



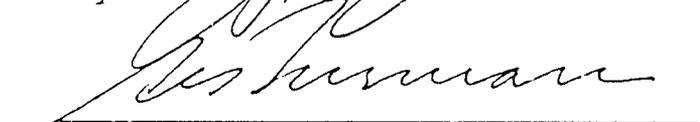
Thomas J. Schneider, Commissioner



James R. Shea, Commissioner

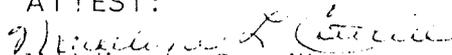


Clyde Jarvis, Commissioner



George Turman, Commissioner

ATTEST:


Madeline L. Cottrill
Secretary

(SEAL)

NOTE: An order of the Commission approving or denying a temporary rate increase is an intermediate agency action subject to judicial review under the Montana Administrative Procedures Act.