

Service Date: August 7, 1981

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

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IN THE MATTER of The Application )  
Of PACIFIC POWER & LIGHT COMPANY ) UTILITY DIVISION  
For Authority To Adopt New Rates ) DOCKET NO. 81.7.66  
and Charges For Electric Service ) INTERIM ORDER NO. 4832  
Furnished In The State of Montana. )

FINDINGS OF FACT

1. On July 22, 1981 the Pacific Power & Light company (Applicant or PP&L) filed with the Montana Public Service Commission an application for authority to adopt new rates and charges for electric service furnished in the State of Montana. The application provides for rates estimated to produce approximately \$380,000 additional annual revenue, resulting in a 5.6% increase in annual revenues. Rates across customer classes are calculated to rise approximately .1634/Kwh.

2. The proposed increase reflects additional costs of \$880,000 incurred by PP&L as a result of increases and changes in Bonneville Power Administration (BPA) rates and policy made effective July 1, 1981. PP&L purchases a significant portion of their energy from BPA.

3. On July 27, 1981, at a regularly scheduled agenda meeting, the Montana Public Service Commission considered the accompanying Motion For Temporary Rate Increase filed concurrently with the application for increased rates. Discussion centered on the fact that the increased expense is to a large extent a known and measurable change and lies beyond the direct control of the Applicant. After a brief

discussion the Commission decided by a by a unanimous vote that interim relief in the requested amount of \$880,000 is appropriate.

4. Ordering paragraph 1(c) of Commission Order No. 4667b of Docket No. 6728 "freezes" the price on the first 300 Kwh of monthly consumption on Schedule 7 at 1.9114/Kwh. Until such time as the Commission deems it appropriate to allow rises in the rate for this block of consumption the rate shall remain at 1.9114/Kwh to include the filings in the instant case. In that the Applicant failed to provide revised tariff sheets reflecting this policy it is hereby directed to submit additional tariff sheets that do reflect this policy, such revised sheets to become effective on the effective date of this interim rate order.

5. The granting of interim relief in this matter should in no way be misinterpreted to mean that any issue in the case has been decided before all the evidence has been presented and heard during the course of these proceedings. Should for any reason the amount of the interim granted herein be found to be excessive as regards a final decision in this case the Company will be required to refund any excess, to include interest at the rate of the currently authorized rate of return on equity, to the ratepayer.

#### CONCLUSIONS OF LAW

1. Applicant, Pacific Power & Light Company, is a corporation providing service within the State of Montana and as such is a "public utility" within the meaning of Section 69-3-101, MCA.

2. The Montana Public Service Commission properly exercises

jurisdiction over the Applicant's Montana operations pursuant to Title 69, Chapter 3, MCA.

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

4. The rate levels and spread approved herein are a reasonable means of providing interim relief to PP&L. The rebate provisions of Section 69-3-304, MCA, protect ratepayers in the event that any revenue increases authorized by this order are found to be unjustified in the final order in this Docket.

#### ORDER

1. Applicant, Pacific Power & Light Co., is hereby granted interim relief in the amount of approximately \$880,000 to be recouped as per the tariffs filed in conjunction with the instant application with the exception as set forth in Findings of Fact paragraph No. 4 of this Order.

2. Such relief is to become effective on the effective date of this order and remain in effect until such time as a final decision is reached in this matter.

3. Interim revenues granted herein are subject to rebate should the final order in this Docket determine that less increase is warranted. Such a rebate would include interest at the currently authorized rate of return on equity.

DONE IN OPEN SESSION at Helena, Montana this 3rd day of August, 1981.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION.

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Gordon E. Bollinger, Chairman

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John B. Driscoll, Commissioner

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Howard L. Ellis, Commissioner

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Clyde Jarvis, Commissioner

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Thomas J. Schneider, Commissioner

ATTEST:

Madeline L. Cottrill  
Secretary

(SEAL)