

Service Date: January 12, 1982

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 TOWN OF KEVIN To Increase) DOCKET NO. 81.9 84
Water Rates.) INTERIM ORDER NO. 4879

FINDINGS OF FACT

1. On September 24, 1981, the Town of Kevin (Applicant) filed an application with this Commission for authority to increase the water rates on a permanent basis by approximately 74% equalling a revenue increase of approximately 57,400.
2. Subsequent to the filing of the permanent application for increased rates, the Town filed an application for an interim increase in rates of approximately 48% equalling a revenue increase of approximately 4,800 or 65% of the proposed permanent increase.
3. The Town alleges the proposed interim increase in rates is necessary to meet increased costs of operation and to adequately maintain the existing system.
4. A Notice of Opportunity For Public Hearing was issued in this docket on October 5, 1981. The notice enumerated the present and proposed rates ,or providing water service and stated protests and requests for hearing were due by November 9, 1981. A protest and request for hearing was received, but the protest was limited to the implementation of a \$16.00 monthly charge for the summer months of flay through September.
5. The Town's Exhibits indicate that the average revenue and expense for the last three (3) fiscal years has been approximately \$11,319 and \$13,318 respectively. This means that the Town has sustained an average operating loss of 51,999 annually.
6. With the proposed interim increase, the Town will have

approximately \$2,800 available for adequately maintaining the present system after meeting its operating expenses.

7. The Commission finds that the Town is incurring an obvious income deficiency, that deferred rate relief until a final order can be issued may adversely affect the utility's financial condition and further, that under its current ratemaking standards, the utility may be entitled to rate relief at the time a final order is issued in this proceeding.

8. The Commission finds that the Town is incurring operating deficits and accordingly, finds interim rate relief of \$4,800 on an annual basis is justified.

CONCLUSIONS OF LAW

1. The Commission has jurisdiction over parties and the subject matter in this proceeding.

2. The Commission may, in its discretion, temporarily approve increases pending a hearing or final action. If the final action is to disapprove the increase, the Commission shall order a rebate to all consumers for the amount collected retroactive to the date of the temporary approval, 69-3-304, MCA.

3. The application for a permanent increase will be noticed for a hearing at a later date.

ORDER

1. IT IS HEREBY ORDERED that Applicant file tariff schedules implementing a monthly charge of 312.00 per month for its residential and business accounts.

2. The effective date shall be for water service rendered on and after January 11, 1982.

3. The increase granted herein is subject to rebate should the final order in this docket determine that a lesser amount than authorized by this order is required.

DONE IN OPEN SESSION at Helena, Montana this 11th day of January,
1982 by a 5 - 0 vote.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION.

GORDON E. BOLLINGER, Chairman

JOHN B. DRISCOLL, Commissioner

HOWARD L. ELLIS, Commissioner

CLYDE JARVIS, Commissioner

THOMAS J. SCHNEIDER, Commissioner

ATTEST:

Madeline L. Cottrill
Commission Secretary

(SEAL)

NOTE: You may be 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 Re consideration 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. 32.2.4206 ARM.