

Service Date: January 9, 1989

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

IN THE MATTER of the Application of)
the Combined Hungry Horse Water) UTILITY DIVISION
Company to Increase Rates and Charges) DOCKET NO. 82.12.76
to Consumers in its Hungry Horse,) ORDER NO. 4965b
Montana Service Area.)

FINDINGS OF FACT

1. On December 8, 1982, the Combined Hungry Horse Water Company (Applicant or Company) filed an application with this Commission for authorization to increase water rates to its Hungry Horse, Montana customers on a permanent basis by approximately 30%.

This constitutes an annual revenue increase of approximately \$8,700.

2. Concurrent with its filing for a permanent increase in rates, the Company filed an application for an interim increase in rates of approximately 30% equalling a revenue increase of approximately \$8,700 or 100% of the proposed permanent increase.

3. On March 7, 1983, the Commission having considered the merits of the Applicant's interim request, issued Order No. 4965 authorizing the Applicant interim rate relief in the amount of \$8,700 annually.

4. On September 12, 1983, John R. Nicholas, manager of the Company, filed a request with the Commission asking that the nine

(9) month statutory deadline for action on the pending increase be waived. In his request Mr. Nicholas stated that the Flathead County Commissioners had set September 29, 1983 as the date for an election for formation of a county water district. In previous correspondence with the Commission the Company had indicated that it was its desire to sell the water utility operation to the district if formed. Given the Company's desire to sell the utility and the fact that an election on formation of a district was scheduled the Commission granted the Applicant's request to waive the nine month deadline.

5. On April 26, 1984, the Commission issued Order No. 4965a, compelling the Applicant to pay its delinquent electric utility bills. The Commission in Order No. 4965a noted that one of the primary reasons for authorizing interim rate relief was to allow the utility to remain current on its electric power bill. The Commission also stated in the order that the utility's failure to comply could result in the Commission bringing court action against the Company.

6. On May 7, 1984, the Company, by letter, informed the Commission that it had complied with the provisions of Order No. 4965a.

7. The Commission, having knowledge that the assets and operating responsibility of the Company have been transferred to the Hungry Horse Water District, and noting that such transfer was made without Commission approval, finds that this Docket should be closed.

CONCLUSIONS OF LAW

1. The Applicant, Combined Hungry Horse Water Company, is a public utility as defined in Section 69-3-101, MCA. The Montana Public Service Commission properly exercises jurisdiction over the Applicant's rates and service pursuant to Section 69-3-102, MCA.

2. The Commission has provided adequate public notice and an opportunity to be heard as required by Section 69-3-303, MCA, and Title 2, Chapter 4, MCA.

ORDER

NOW THEREFORE, IT IS ORDERED THAT:

1. This Commission's Docket No. 82.12.76, Combined Hungry Horse Water Company's request for increased water rates is hereby CLOSED.

DONE IN OPEN SESSION at Helena, Montana this 9th day of January, 1989, by a vote of 5 to 0.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

CLYDE JARVIS, Chairman

HOWARD L. ELLIS, Commissioner

WALLACE W. "WALLY" MERCER, Commissioner

DANNY OBERG, Commissioner

JOHN B. DRISCOLL, Commissioner

ATTEST:

Ann Purcell
Acting Commission Secretary

(SEAL)

NOTE: Any interested party may request that the Commission reconsider this decision. A motion to reconsider must be filed within ten (10) days. See 38.2.4806, ARM.