

Service Date: July 7, 1983

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

IN THE MATTER Of The Application        )       UTILITY DIVISION  
Of GREAT FALLS GAS COMPANY For        )       DOCKET NO. 82.4.25  
Authority To Increase Rates And         )       ORDER NO. 4914b  
Charges For Natural Gas Service         )

FINDINGS OF FACT

1. On January 17, 1983 the Commission issued Order No. 4914a in Docket No. 82.4.25. Finding Of Fact No. 17 stated in part:

. . .Great Falls Gas Company is in the process of remodeling Number One River Park Tower for use as the new corporate headquarters. . . .When the new facility is fully occupied and in service, the Applicant should present all costs associated with the project to the Commission. Examples of data which should be provided include a detailed summary of the cost of the new facility, all expense charges and a revised cost of capital. The cost to be considered should be limited to the \$1,464,959 amount contained on the record. The Commission intends to review the data associated with the new headquarters on an expedited basis. No further public hearing on this issue is contemplated by the Commission due to the evidence which already exists on the record.

2. On May 25, 1983, Great Falls Gas Company filed an application for increased rates in Docket No. 82.4.25 for the addition of the new office building. Applicants' Exhibit WJQ-4 reflected increased revenues of \$199,837 associated with the new office. The net rate base addition of \$1,319,646 is \$145,313 less than the limit of \$1,464,959 specified in Order No. 4914a. The overall rate of return of 11.34% used in the May 25, 1983, filing includes the issuance of \$1,270,000 of Industrial Revenue Bonds. This overall rate of return is 7 basis points less than the return of 11.41% granted in Order No. 4914a.

3. On June 3, 1983, the Applicant revised Exhibit WJQ-4 to reflect the tax deductibility of issuance expense associated with the Industrial Revenue Bonds. The amortization of issuance costs reduced the revenue requirement from \$199,837 to \$194,126. The Commission is not limited to a specific treatment of issuance costs in this or future rate proceedings.

4. Great Falls Gas Company reduced expenses by \$20,263 to reflect the fact that the old office building is no longer providing service to the consumers of the Company. The Applicant has agreed that, if the old office space can be rented for more than the lease rental, the difference will be flowed to the ratepayers.

5. The Commission finds that the office building known as Number One River Park Tower is fully occupied and providing service to the customers of Great Falls Gas Company. The Commission finds that increased annual revenues in the amount of \$194,126 associated with the new office building are proper.

#### CONCLUSIONS OF LAW

1. The Applicant, Great Falls Gas Company, is a "public utility" within the meaning of Section 69-3-101, MCA.

2. The Commission properly exercises jurisdiction over the Applicant's rates and operations pursuant to Title 69, Chapter 3, MCA.

3. The revenues and rate structure authorized by the Commission are just, reasonable and not unjustly discriminatory. Section 69-3-330, MCA.

#### ORDER

THE MONTANA PUBLIC SERVICE COMMISSION ORDERS THAT:

1. The Great Falls Gas Company shall file rate schedules which reflect an annual revenue increase of \$194,126 for natural gas service.

2. The increased revenues shall be reflected in rates by applying a uniform percent increase to each rate element. Supporting work-papers must be filed with the resulting tariff changes.

3. Applicant shall file revised schedules incorporating the changes in its rate schedules approved herein. Upon approval of the schedules, they shall become effective for service rendered on and after July 5, 1983.

DONE IN OPEN SESSION at a meeting of the Montana Public Service Commission held on the 5th day of July, 1983, by a 5 - 0 vote.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION.

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THOMAS J. SCHNEIDER, Chairman

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CLYDE JARVIS, Commissioner

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JOHN B. DRISCOLL, Commissioner

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HOWARD L. ELLIS, Commissioner

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DANNY OBERG, Commissioner

ATTEST:

Madeline L. Cottrill  
Commission Secretary

(SEAL)

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