

82-33

READING FILE

Service Date: August 30, 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 Treasure State Pipeline)	Docket No. 82.7.48
)	
Company for Authority to Increase)	Interim Order No. 4930
)	
Rates and Charges for Natural Gas)	
)	
Service.)	

* * * * *

FINDINGS OF FACT

1. On July 6, 1982, Treasure State Pipeline Company (Applicant or TSP) filed an application with this Commission for authority to increase natural gas rates by \$72,847. At the time of the original filing, the Applicant made a motion for interim relief in the amount of \$72,847.

2. On July 9, 1982, the Applicant was directed to provide calculations showing the need for interim relief in accordance with ARM 38.5.506 (2).

3. On August 18, 1982, TSP filed a revised interim rate increase application seeking additional revenues in the amount of \$61,067.

4. In the original filing, the Company had requested an allowance for unaccounted for gas of 18.5 percent. After a discussion with the staff, the company reduced the unaccounted gas percentage to 13.6 for the calculation of interim relief.

5. The Commission is very concerned with the level of unaccounted gas (13.6 percent) claimed by the company in this

proceeding. Thirteen point six percent is an excessively high amount of unaccounted gas when compared to other gas companies. Montana Power Company has unaccountables of 7.5 percent and Great Falls Gas Company has unaccountables of 2.98 percent. The Commission fully expects TSP to treat this as an extremely high priority item and work hard to greatly reduce this figure by way of pipe improvements, meter replacements, finding leaks and other methods serving to lower the 13.6 percent unaccountable figure.

6. The Commission accepts the revised interim calculation of \$61,067 as being the appropriate level of interim relief. This amount is calculated as follows:

TREASURE STATE PIPELINE COMPANY
 REQUESTED OPERATING INCOME
 1981 TEST YEAR

	<u>PRO-FORMA</u>	<u>ADJUSTMENT</u>	<u>AS ADJUSTED</u>
Operating Revenues:			
Gas Sales	\$214,479	\$61,067	\$275,546
Operating Expenses:			
Gas Purchases	191,738		191,738
Other	20,925		20,925
General Expenses	24,284		24,284
Depreciation	3,500		3,500
Taxes:			
Other than Income	6,675		6,675
Federal Income	--	3,905	3,905
State Income	50	1,500	1,500
Total Operating Expense	<u>\$247,172</u>	<u>\$ 5,405</u>	<u>\$252,577</u>
Operating Income (Loss)	(32,693)	55,662	22,969
Other Expenses:			
Interest on Note Payable	9,450		9,450
Amortization of Debt	3,709		3,709
Total Other Expenses	<u>13,159</u>		<u>13,159</u>

Net Income	(45,852)	55,662	<u>9,810</u>
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CONCLUSIONS OF LAW

1. Treasure State Pipeline 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. If the final decision of the Commission is to disapprove the increase granted on an interim basis, the Commission will make a rebate thereof with interest of 12.0 percent to all customers.

ORDER

THEREFORE THE MONTANA PUBLIC SERVICE COMMISSION ORDERS THAT:

1. Treasure State Pipeline Company is hereby granted authority to implement on an interim basis increased rates designed to generate \$61,067 in additional revenues on an annual basis.

2. Treasure State Pipeline Company is to file revised rate schedules spreading the increased revenues to the existing customer classes on a uniform percentage basis.

3. 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 different from that contained in this order.

4. The interim relief granted in this order is to be

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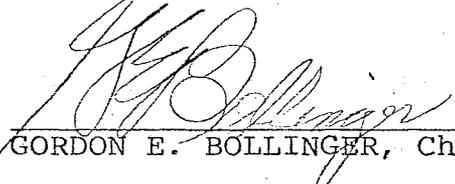
INTERIM ORDER NO.4930

4.

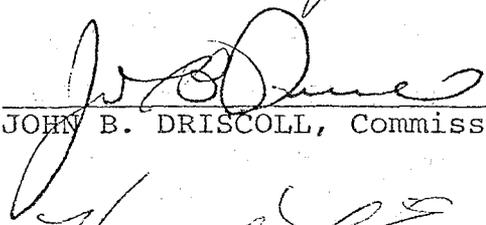
effective for natural gas service rendered on and after
September 1, 1982.

DONE IN OPEN SESSION at Helena, Montana, the 30th day of
August, 1982, by a 4 - 0 vote.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION.



GORDON E. BOLLINGER, Chairman



JOHN B. DRISCOLL, Commissioner

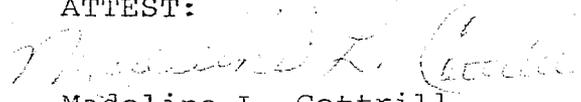


HOWARD L. ELLIS, Commissioner



CLYDE JARVIS, Commissioner

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 Reconsideration 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. 38.2.4806 ARM.