

Service Date: February 3, 1984

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)	UTILITY DIVISION
Of The MOUNTAIN STATES TELEPHONE)	DOCKET NO. 83.11.81
AND TELEGRAPH COMPANY (MOUNTAIN)	INTERIM ORDER NO. 5046a
BELL) For Authority To Change)	
Rates And For Approval Of Tariff)	
Changes Due To Divestiture.)	

ORDER ON MOTION FOR RECONSIDERATION

FINDINGS FACT

1. On November 22, 1983 Mountain Bell filed an application for authority to increase rates to recover revenue deficiencies caused by divestiture. The Company calculated this revenue deficiency to be \$28,866,000 and requested interim relief in this amount to be effective January 1, 1984.

2. On December 30, 1983 the Commission granted Mountain Bell interim rate relief designed to recover an additional \$25,474,000 in annual revenues.

3. On January 9, 1983 Mountain Bell filed a Motion For Reconsideration of Order No. 5046. The motion noted that the Commission, in Order No. 4991b issued December 30, 1983, increased rates for operator services to generate \$1,160,040 in annual revenues. This amount was calculated using 1982 volumes and assumed that all intrastate services continued to be offered by Mountain Bell.

4. Mountain Bell calculated its revenue deficiency due to divestiture impacts using projected 1984 data. The level of revenues assigned to AT&T was based on the assumption that the rates for interLATA services as of July 1, 1983 would continue throughout 1984.

5. Mountain Bell estimated that 25.34% of intrastate operator assisted toll calls are interLATA in nature. Therefore, 25.34% of the increase assigned to operator charges in Docket No. 83.3.18 Order No. 4991b will not be realized by Mountain Bell. If Mountain Bell's 1984 test year budget were amended to reflect the increases in operator charges then the revenue requirement due to loss of interLATA services would have been greater by \$293,954.

6. The Commission grants Mountain Bell's request for an additional \$293,954 in annual revenues and directs the Company to recover this amount through an increase in the amount of bulk billing to AT&T Communications. This increase brings the amount to be recovered through carrier access charges, including the bulk billing element, to \$19,262,000. The Commission intends to direct AT&T Communications to file increased operator charges to recover this increase.

CONCLUSIONS OF LAW

1. Applicant, The Mountain States Telephone and Telegraph Company, is a corporation providing telephone and other communications services in the State of Montana, and as such, is a public utility in the meaning of 69-3-101, MCA.

2. The Montana Public Service Commission properly exercises its jurisdiction over 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 increase pending hearing or final decision.”

4. The rate levels and spread approved herein are a reasonable means of providing interim relief to Mountain Bell and are just, reasonable and not unjustly discriminatory.

ORDER

1. Mountain States Telephone and Telegraph Company is hereby granted authority to implement, on an interim basis, increased rates designed to generate \$293,954 in additional annual revenues.

2. The increased revenues authorized herein shall be collected from tariffed services in the manner described in the Findings of Fact of this order.

3. The increased rates authorized herein shall be effective for services on and after January 1, 1984.

4. Interim rates granted herein are subject to rebate should the final order in this Docket determine that a lesser increase in annual revenues is warranted, Such a rebate would include compound interest pursuant to Section 69-3-304, MCA, at 13.5 percent.

DONE IN OPEN SESSION at Helena, Montana, this 16th day of January, 1984, by a 5 – 0 vote.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION.

THOMAS J. SCHNEIDER, Chairman

JOHN B. DRISCOLL, Commissioner

HOWARD L. ELLIS, Commissioner

CLYDE JARVIS, Commissioner

DANNY OBERG, Commissioner

ATTEST:

Madeline L. Cottrill
Commission Secretary

(SEAL)