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Service Date: June 6, 1983

FILED AT BUTTE MONTANA

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

* * *

IN THE MATTER OF The Application)	
Of BLACK HILLS POWER AND LIGHT)	UTILITY DIVISION
COMPANY For Authority To Estab-)	DOCKET NO. 83.4.25
lish Increased Rates For Electric)	DEFAULT ORDER NO. 4988
Service.)	
_____)	

FINDINGS OF FACT

1. On April 18, 1983 Black Hills Power and Light Company (BHP&L) filed an application for authority to establish increased rates for electric service in Montana. The rates proposed will result in an annual revenue increase to BHP&L of \$209,285, approximately 9.94%.

2. On April 20, 1983 the Montana Consumer Counsel stipulated that the rates proposed by BHP&L are just and reasonable and that the Commission should approve the rate increase requested by BHP&L.

3. A Notice Of Opportunity For Public Hearing was issued by this Commission on April 27, 1983. This notice was sent to all BHP&L Montana customers. No requests for hearing were received.

4. The Company has proposed an historical test year comprised of the twelve months ended December 31, 1982. The Commission finds this test year to be a reasonable period within which to measure the Applicant's revenues, costs, and required return for the purpose of determining fair and reasonable rates for BHP&L's Montana customers.

5. No change in the required return of 11.73 percent as last found by this Commission in Docket No. 81.5.48, is proposed by BHP&L. The Commission finds this rate of return to be appropriate for purposes of determining a revenue requirement for BHP&L.

6. The requested revenue increase of \$209,285 was derived by taking the findings of this Commission in the last BHP&L rate case, Docket No. 81.5.48, and updating the costs of service as found therein by using the historical test year ended December 31, 1982. Therefore, the revenue requirement calculation is consistent with all regulatory practices, policies, and decisions of this Commission.

7. The Commission finds that BHP&L is entitled to \$209,285 of additional annual revenue. The Commission also finds that to avoid the costs of a fully allocated cost of service study, or a long-run marginal cost study, the costs of which would be borne by BHP&L Montana customers, this revenue increase should be collected by a uniform percentage increase to all services.

CONCLUSIONS OF LAW

1. The Applicant, Black Hills Power and Light Company, furnishes electric service within the State of Montana and as such is a "public utility" under the regulatory jurisdiction of the Montana Public Service Commission pursuant to MCA, Section 69-3-101.

2. The Commission has provided adequate notice and oppor-

tunity to be heard to all interested parties in this matter pursuant to MCA, Section 69-3-303.

3. The rate levels and structure approved herein are just, reasonable, and not unjustly discriminatory. MCA Section 69-3-330.

ORDER

1. Black Hills Power and Light Company shall file tariffs which reflect increased annual revenues of \$209,285. The increased revenues authorized herein shall be collected from tariffed services by a uniform percentage increase on all services.

2. Final rate calculations are to be supported by workpapers showing 1) test year sales for each rate; 2) final rates pursuant to this order; 3) the product of 1) and 2) above, summed, equalling the total revenue requirement, less the existing revenue requirement.

3. The increased rates authorized herein shall be effective for electric service rendered on and after June 3, 1983.

DONE IN OPEN SESSION at Helena, Montana this 3rd day of June, 1983 by a 4- 0 vote.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION.



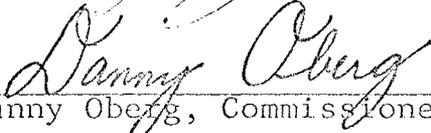
Thomas J. Schneider, Chairman



Howard L. Ellis, Commissioner



Clyde Jarvis, Commissioner



Danny Oberg, Commissioner

ATTEST:


Madeline L. Cottrill
Commission Secretary

(SEAL)

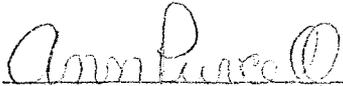
NOTE: Any interested party may request the Commission to reconsider this decision. A motion to reconsider must be filed within ten (10) days. See 38.2.4806, ARM

MONTANA PUBLIC SERVICE COMMISSION

CERTIFICATE OF SERVICE

* * * *

I hereby certify that a copy of DEFAULT ORDER NO. 4988, in DOCKET NO. 83.4.25, in the matter of BLACK HILLS POWER & LIGHT CO. dated June 2, 1983, has today been served on all of the parties listed below by mailing a copy thereof to each party by first class mail, postage prepaid.


For the Commission

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