

Service Date: December 27, 1984

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

IN THE MATTER Of The Application Of	)	
The MOUNTAIN STATES TELEPHONE AND	)	UTILITY DIVISION
TELEGRAPH COMPANY (MOUNTAIN BELL)	)	
For Authority To Establish Rates	)	DOCKET NO. 84.11.73
And For Approval of Generic Cost	)	
And Rate Design Methodology in	)	ORDER NO. 5103
Connection With The Implementation	)	
Of Its Comprehensive Rural Telephone	)	
Improvement Program (RTIP).	)	

FINDINGS OF FACT

1. On November 9, 1984, Mountain Bell filed its Application for Authority To Establish Rates And For Approval Of An Extended Generic Costs And Rate Design Methodology in connection with the implementation of the Comprehensive Rural Telephone Improvement Program (RTIP).

2. Concurrent with the filing of the application, Mountain Bell filed its Verified Application For Interim Relief pursuant to 69-3-304, MCA, and the Commission rules ARM 38.5.501, et seq., which address the granting of interim relief by the Commission.

3. The Verified Application of Mountain Bell seeks approval of cost methodology in connection with the third year implementation of the Rural Telephone Improvement Program. The revenue requirement associated with the third year implementation is \$1,030,000.

4. The application for interim relief requests rates calculated to cover a revenue requirement in the amount of \$467,300, such revenue is required as a consequence of RTIP construction and implementation through September 30, 1984 pursuant to a methodology agreed to and stipulated among and between Mountain Bell, Montana Consumer Counsel, and the staff of the Montana Public Service Commission.

5. Concurrent with the filing of the application herein, Mountain Bell submitted a Stipulation of the parties hereto concerning the appropriate methodology for interim relief purposes.

6. The Commission finds that the Stipulation of methodology entered among and between Mountain Bell, Montana Consumer Counsel, and the staff of the Commission is reasonable.

7. The Commission finds that the Rural Telephone Improvement Program in Montana is indeed a unique situation and, as such, has in previous orders reflected this finding. See: Orders 4839, 4839a, 4950b, 4950c and 5043a.

8. Section 69-3-304, MCA, and ARM 38.5.501, et seq., specifically authorize this Commission to temporarily approve increases in rates subject to rebate pending a hearing or final decision.

9. The Commission finds that the some of \$467,300 developed pursuant to the stipulated methodology of the parties constitutes increased costs to Mountain Bell of the single, clearly measurable expenditure, justifying the granting of interim relief prior to hearing.

10. The Commission further finds that the proposed methodology for rate increase and rate treatment can be calculated precisely to match the known increased expenditures, and that the known expenditures which are the subject of Mountain Bell's application for interim relief have resulted in connection with the Rural Telephone Improvement Program through and including September 30, 1984.

11. The Commission finds that Mountain Bell is entitled to interim rate relief in the amount of \$467,300.

12. Based upon the Commission's specific finding that the Stipulation of the parties is reasonable, the interim relief determined appropriate in this order should be generated entirely from basic exchange access services.

13. The interim relief found appropriate in this Order is subject to rebate should the Commission find a lesser amount of relief be justified in its final order. Any such rebate shall include interest applied at fourteen and three hundredths (14.03) percent per annum.

14. The interim relief found appropriate in this order should be spread proportionally across all basic access line rates so that each such rate shall increase by a uniform percentage; provided, however, that the existing ratios between classes of service within each basic access line group will remain the same.

#### CONCLUSIONS OF LAW

1. Applicant, The Mountain States Telephone and Telegraph Company is a corporation providing telephone and other communications services within the state of Montana and as such is a "public utility" within the meaning of 69-3-101, MCA.
2. Montana Public Service Commission properly exercises its jurisdiction over the Applicant's Montana operations pursuant to Title 69, Chapter 3, Montana Codes Annotated.
3. Section 69-3-304, MCA, provides in part, "the Commission may, in its discretion, temporarily approve increase pending a hearing or final decision."
4. The rate levels and spread approved herein are a reasonable means of providing interim relief to Mountain Bell. The rebate provisions of 69-3-304, MCA, protect ratepayers in the event any revenue increases authorized by this order are found to be unjustified in the final order in this Docket.

#### ORDER

#### THE MONTANA PUBLIC SERVICE COMMISSION ORDERS THAT:

1. Applicant, Mountain Bell, is hereby granted interim rate relief in the amount of \$467,300 on an annual basis.
2. Mountain Bell is authorized to file tariffs repricing its basic exchange access service offerings to the degree necessary to generate \$467,300 in additional annual revenues.
3. Interim revenues granted herein are subject to rebate should the final order in this Docket determine that a lesser increase is warranted. Such a rebate will include interest at 14.03 percent per annum.

DONE IN OPEN SESSION at Helena, Montana, this 21st day of December 1984, by a 4 -0 vote.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION.

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Thomas J. Schneider, Chairman

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Howard L. Ellis, Commissioner

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Clyde Jarvis, Commissioner

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Danny Oberg, Commissioner

ATTEST:

Madeline L. Cottrill  
Commission Secretary

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.