

Service Date: May 9, 1984

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

IN THE MATTER Of the Application)	
of the BELLE CREEK GAS COOPERATIVE)	DOCKET NO. 84.3.13
ASSOCIATION For Authority To In-)	
crease Rates And Charges for Natural)	ORDER NO. 5061
Gas Service.)	

FINDINGS OF FACT

1. On March 6, 1984, the Belle Creek Gas Cooperative Association (Application or Association) filed an application with this Commission for authorization to increase natural gas rates to members of its association on a permanent basis by approximately 29% which constitutes an annual revenue increase of approximately \$22,288.

2. Concurrent with its filing for a permanent increase in rates, the Company filed an application for an interim increase in rates of approximately 29% equaling a revenue increase of approximately \$22,288 or 100% of the proposed permanent increase.

3. The Commission's interim rules and guidelines call for "a clear showing that the petitioning utility is suffering an obvious income deficiency" before it will grant interim rate relief.

4. Examination of the data submitted by the Applicant indicates that the Association will sustain an operating loss of approximately \$17,472, under present rates,

when reflecting the increased cost of purchased gas which became effective December 19, 1983.

5. The Commission finds this calculated operating loss for the Association represents an obvious income deficiency, in this instance, that deferred rate relief until a Final Order can be issued may adversely affect the utility's financial condition and further, that under its current ratemaking standards, the utility may be entitled to rate relief at the time a Final Order is issued.

6. The Commission finds that the Applicant's financial position has eroded and accordingly, finds the Applicant entitled to interim rate relief. The Applicant has requested interim rate relief in excess of that which is attributable to the increased cost of purchased gas and under normal circumstances the Commission would not authorize a revenue increase above the amount justified. But, in this instance, given the fact that the Applicant is a non-profit organization providing natural gas service to member accounts only and realizing that the Association will return any profit earned to its 'members through the declaration of patronage dividends, the Commission finds it acceptable to authorize the interim rate relief of \$22,288 on an annual basis.

7. The Commission finds the Applicant's proposed rate structure will generate approximately \$22,288 in additional annual revenues and, for interim rate purposes, is acceptable.

CONCLUSIONS OF LAW

1. Belle Creek Gas Cooperative Association is a public utility furnishing natural gas service to customers in the Belle Creek, Montana area. As such, it is subject to the

supervision, regulation and control of this Commission, pursuant to 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. The Commission concludes that the granting of an interim rate increase in the manner set forth herein is just, reasonable and within the discretion granted by Section 69-3-304, MCA.

ORDER

NOW THEREFORE, THE MONTANA PUBLIC SERVICE COMMISSION ORDERS THAT:

1. Belle Creek Gas Cooperative Association is hereby granted authority to implement, on an interim basis, increased rates for its Belle Creek, Montana customers, designed to generate additional annual revenues in the amount of \$22,288.

2. Belle Creek Gas Cooperative Association is authorized to implement the interim rates filed with its application.

3. The interim relief granted in this Order is to be effective for services rendered on and after April 30, 1984.

4. The increase grantee herein is subject to rebate should the Final Order in this Docket determine a lesser increase is warranted. Such rebate will not include interest because of the non-profit status of Belle Creek Gas Cooperative Association.

DONE IN OPEN SESSION this 30th day of April, 1984, by a vote of 5 to 0 .

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION.

THOMAS J. SCHNEIDER, Chairman

CLYDE JARVIS, Commissioner

JOHN B. DRISCOLL, Commissioner

HOWARD L. ELLIS, 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.