

Service Date: December 20, 1985

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 ) DOCKET NO. 85.11.46  
and Telegraph Company (MOUNTAIN )  
BELL) for Authority to Increase ) UTILITY DIVISION  
Rates to Recover the Costs of the )  
Rural Telephone Improvement ) INTERIM ORDER NO. 5171  
Program Completed in 1985. )

FINDINGS OF FACT

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1. On November 13, 1985, 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 an application for interim rate 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 Application of Mountain Bell seeks approval of Cost methodology in connection with the fourth year implementation of the Rural Telephone Improvement Program. The revenue requirement associated with the fourth year implementation is estimated to be \$898,600.

4. Concurrent with the filing of the Application is this Docket, Mountain Bell submitted a Stipulation between Mountain Bell and the Montana Consumer Counsel concerning the appropriate methodology for interim relief purposes. The Application for Interim Relief requests rates to recover a revenue requirement in the amount of \$782,800. Such revenue requirement is calculated based on the methodology set forth in the stipulation.

5. The Commission finds that the stipulation of methodology entered by Mountain Bell and Montana Consumer Counsel is reasonable. The Commission further finds that using the methodology set forth in the stipulation Mountain Bell's entitled to \$782,800 in additional annual revenues. This amount represents costs clearly related to the Rural

Telephone Improvement Program through and including September 30, 1985.

6. 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.

7. 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 14.03 percent per annum.

8. The interim relief found appropriate in this Order should be recovered using the rate design set forth in Docket No. 85.5.17, Order No. 5173.

### CONCLUSIONS OF LAW

1. The Applicant, The Mountain States Telephone and Telegraph Company, is a corporation providing regulated telecommunications service within the state of Montana.

2. Montana Public Service Commission properly exercises its jurisdiction over the Applicant's Montana operation pursuant to Title 69, MCA.

3. Section 69-3-304, MCA, provides in part, "the commission may, in its discretion, temporarily approve increases pending a hearing of final decision."

4. The rates 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 \$782,800 on an annual basis.

2. Mountain Bell is authorized to file tariffs repricing its services as specified in this Order and in Order No. 5173 in Docket No. 85.5.17. Such tariffs will be effective January 1, 1986.

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 the rate of 14.03 percent per annum.

DONE IN OPEN SESSION at Helena, Montana this 16th day of December, 1985 by  
a 3 to 1 vote.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

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Clyde Jarvis, Chairman

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Howard L. Ellis Commissioner

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DISSENTING  
Tom Monahan, Commissioner

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Danny Oberg, Commissioner

ATTEST:

Trenna Scoffield  
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.