

Service Date: November 29, 1985

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

* * * * *

IN THE MATTER Of The Application)
Of CONSUMERS GAS COMPANY for) UTILITY DIVISION
Authority to Increase Rates and) DOCKET NO. 85.5.21
and Charges for Natural Gas) INTERIM ORDER NO. 5167
Service.)
_____)

FINDINGS OF FACT

1. On May 31, 1985, Consumers Gas Company (Applicant or CGC) filed a general rate case. The Application requested an increase of \$38,992. Included in the general case was a motion for interim relief in the amount of \$38,992, the same increase requested in the general filing.

2. Pursuant to the requirements of A.R.M. 38.5.503, Applicant has transmitted notice of this request for an interim rate increase to the Shelby Promoter, a newspaper of general circulation in the area and the KSEN radio station.

3. On September 12, 1985, the Commission issued a Notice of Public Hearing.

4. On October 2, 1985, pursuant to the Notice of Public Hearing, a hearing was held in the United Savings Bank, Hospitality Room, Shelby, Montana.

5. The Applicant is seeking to increase natural gas rates by approximately 18%; for the Commission to waive or modify

the current non-termination rules so that non-paying customers can be terminated; and allow an interest charge of 1% per month for all accounts not paid within 30 days from the date of billing.

6. In this case the Applicant has proposed to eliminate \$2,914 of interest earned (Exh. #7 line 46). The reason for eliminating this income according to CGC, is that this income was earned by delaying payment to the Company's supplier, and this practice will no longer be followed. Examining Applicants Exhibit #3 the Commission notes that interest earned was \$3,130 in 1982, \$4,041 in 1983 and \$2,914 in 1984. The Commission does not agree with CGC that interest income should be eliminated. Not only was there interest income in the test year, there was interest income in 1982 and 1983. The Commission finds that a 3 year average of interest income should be included in the calculation of interim relief. This adjustment results in an increase in revenues of \$3,362.

7. As a result of Finding No. 6 the Commission finds that the Applicant is entitled to \$35,630 of interim relief (\$38,992 - \$3,362).

8. The Commission will rule on the Applicant's request to modify the termination rules and allow an interest charge on past due accounts in the final order in this Docket.

CONCLUSIONS OF LAW

1. Consumers Gas Company is a public utility furnishing natural gas service to consumers in the State of Montana. As such, it is subject to the supervision, regulation and control of the Commission, 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. If the final decision of the Commission is to disapprove the increase granted on an interim basis, the Commission will order a rebate thereof with interest of 12% to all customers.

ORDER

THEREFORE, THE MONTANA PUBLIC SERVICE COMMISSION ORDERS THAT:

1. Consumers Gas Company is hereby granted authority to implement on an interim basis increased rates designed to generate \$35,630 in additional revenue on an annual basis.

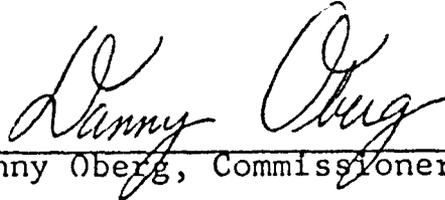
2. Consumers Gas Company is to file revised rate schedules spreading the increased revenues to the existing customer classes on a uniform cents per Mcf basis. For the purposes of this revision the Applicant should use a total Mcf sales figure of 24,542 mcf, as set forth in Exhibit No. 8 of Applicant's prefiled testimony.

3. Nothing in this Interim Order precludes the Commission from adopting in its final order after reviewing the entire record in this Docket a revenue requirement different from that contained in this Order.

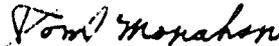
4. The interim relief granted in this Order is to be effective for natural gas service rendered on and after December 1, 1985.

DONE IN OPEN SESSION this 25th day of November, 1985, by a vote of 3 - 0 .

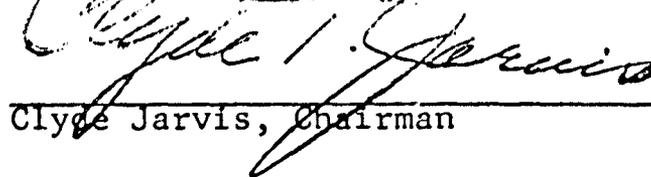
BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION.



Danny Oberg, Commissioner and Hearing Examiner

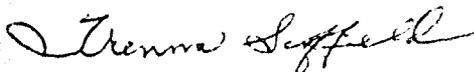


Tom Monahan, Commissioner



Clyde Jarvis, Chairman

ATTEST:



Trena Scoffield
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.