

Service Date: August 14, 1991

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

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IN THE MATTER OF the Application)	UTILITY DIVISION
of Mountain Water Company for)	
Authority to Increase Rates and)	DOCKET NO. 89.6.23
Charges for Water Services to its)	
Missoula, Montana Customers.)	ORDER NO. 5449c

FINAL ORDER

BACKGROUND

On April 5, 1990, by Order No. 5449a, and on June 29, 1990, by Order No. 5449b, the Commission refused to allow the Mountain Water Company (MWC) to reflect in its rates \$165,108 paid by MWC in 1988 and 1989 to comply with < 69-4-511, MCA. Consequently, MWC petitioned for judicial review of Commission Order Nos. 5449a and 5449b. On June 5, 1991, by Order on Petition for Judicial Review entered in Mountain Water Company v. Montana Department of Public Service Regulation, Montana Public Service Commission and Montana Consumer Counsel, Lewis and Clark County, Cause No. CDV 90-607, the District Court reversed the Commission and remanded with instructions to reflect the \$165,108 of compliance costs in rates.

On July 29, 1991 MWC and the Montana Consumer Counsel (MCC) jointly filed a motion requesting that MWC be allowed to accrue interest on its compliance costs, at the weighted cost of capital determined by the Commission in this Docket, from June 5,

1991 until such time as Mountain Water is authorized to reflect compliance costs and accrued interest in rates by means of a Commission interim or final order. MWC and MCC have stipulated that MWC intends to file an application for a general rate increase sometime in the fall of 1991.

DISCUSSION

The Commission concurs with MWC and MCC that it is most efficient to defer the reflection in rates of the above described costs until an order out of MWC's next general rate change application.

CONCLUSIONS OF LAW

Mountain Water Company is a public utility as defined in Section 69-3-101, MCA. The Montana Public Service Commission properly exercises jurisdiction over MWC's rates and services pursuant to Section 69-3-102, MCA.

The Order rendered below does not affect the right of the Montana Consumer Counsel or the Commission to appeal the Order of the District Court described above.

ORDER

NOW THEREFORE IT IS ORDERED THAT:

The joint Motion of the Mountain Water Company and the Montana Consumer Counsel is denied to the extent it requests, "... an order in the exact manner and style attached to the Motion as Appendix A'."

The substance of the joint Motion is granted and Mountain Water Company is hereby authorized to accrue interest from June 5, 1991 on \$165,108 of compliance costs at MWC's weighted cost of capital established in this Docket (11.769%), until such time as those costs and interest are reflected in MWC's rates by Commission order.

DONE AND DATED THIS 8th day of August, 1991 by a vote of 4-0.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

HOWARD L. ELLIS, Chairman

DANNY OBERG, Vice Chairman

JOHN B. DRISCOLL, Commissioner

WALLACE C. "WALLY" MERCER, Commissioner

ATTEST:

Ann Peck
Commission Secretary

(SEAL)

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