

Service Date May 11, 1992

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 TREASURE STATE PIPE LINE COMPANY)
for Authority to Increase Rates and) DOCKET NO. 90.10.69
Charges for Natural Gas Service.)
_____) ORDER NO. 5512b

ORDER CLOSING DOCKET NO. 90.10.69

FINDINGS

1. On October 16, 1990, Treasure State Pipe Line Company (Applicant, TSP, or Company) filed an application with the Montana Public Service Commission (Commission) seeking authority to increase rates for natural gas service. TSP filed the application to recover higher purchased gas costs due to the loss of J. R. Bacon Drilling as a source of supply. The amount of the increase requested by TSP was \$1.0576 per Mcf.

2. On November 13, 1990, the Commission received a letter from the Company asking that the rate increases for TSP and Consumers Gas Company (CG) be stayed pending evaluation as to improvements in gas deliveries from J. R. Bacon Drilling.

3. On December 11, 1990, TSP filed an amended application in Docket No. 90.10.69, requesting an increase of \$.244 per Mcf to reflect higher purchased gas costs due to a fifteen percent reduction in total system supply from J. R. Bacon Drilling.

4. On December 17, 1990, the Commission issued Interim Order No. 5512 which granted TSP an increase of \$.216 per Mcf, resulting in a new rate of \$6.106 per Mcf. TSP included in the amended application a loss factor of 18.5 percent. The Commission approved a loss factor of 4.85 percent based on the use of a two-year average.

5. On November 4, 1991, the Commission received a letter from the Company requesting an increase of \$.5455 per Mcf to reflect higher purchased gas costs due to the loss of J. R. Bacon Drilling as a source of gas supply.

6. On November 4, 1991, the Commission issued Interim Order No. 5512a which granted TSP an increase of \$.5455 per Mcf, which resulted in a new rate of \$6.5871 per Mcf.

7. On April 13, 1992, the Commission issued Order No. 5616 in Docket No. 92.1.3 which approved the transfer of the assets of CG and TSP to the Town of Sunburst. The Commission finds that as a result of the issuance of Order No. 5616, all matters in Docket No. 90.10.69 are now moot.

CONCLUSIONS OF LAW

1. The Montana Public Service Commission properly exercises jurisdiction over public utilities providing natural gas service, pursuant to Title 69, Chapter 3, Montana Code Annotated.

2. Upon transfer of its public utility assets to the Town of Sunburst, Treasure State Pipe Line Company is no longer a public utility subject to the jurisdiction of the Commission for providing natural gas service in the Sunburst/Sweetgrass area.

ORDER

1. Wherefore, the Montana Public Service Commission issues this Order closing this Docket as moot.

DONE IN OPEN SESSION at Helena, Montana, on the 11th day of May, 1992, by a vote of 4-0.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

DANNY OBERG, Chairman

WALLACE W. "WALLY" MERCER, Vice Chairman

BOB ANDERSON, Commissioner

TED C. MACY, Commissioner