

Service Date: March 19, 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 of)	UTILITY DIVISION
Northwest Telephone Systems, Inc.)	
for Rate Design Changes Eliminating)	DOCKET NO. 90.6.36
Touch-Call and Mileage Charges and)	
Increasing Certain Other Rates.)	ORDER NO. 5543

ORDER ON RECONSIDERATION

On June 1, 1990 Northwest Telephone Systems, Inc. (NWTS) filed an application with the Montana Public Service Commission (PSC or Commission) proposing certain changes to its Local Exchange Service tariffs, including elimination of Touch-Call Service charges and recurring mileage charges.

On June 29, 1990 the PSC notified NWTS that its filing was deficient for its failure to include cost of service studies pursuant to ARM 38.5.2807 or the revenue requirement and cost of capital information required by ARM 38.5.2803-38.5.2806 and 38.5.2808-38.5.2820. See Notice of Commission Action, June 29, 1990.

On June 29, 1990 the PSC also issued a Notice of Opportunity for Public Hearing in this matter.

On July 3, 1990 the Montana Consumer Counsel (MCC) filed a Petition for General Intervention and Request for Hearing.

On August 20, 1990 NWTS filed cost of service studies for Touch-Call service and mileage charges. The PSC has not yet ruled on the sufficiency of these studies pursuant to ARM 38.5.2807 and 38.5.2821. NWTS simultaneously filed a Motion for Partial Waiver of the Minimum Filing Requirement (Re: Revenue requirement and cost of capital information).

On October 1, 1990 the PSC deferred action on NWTS's Motion which it had filed August 20, 1990. See Notice of Commission Action, October 16, 1990. On December 10, 1990 NWTS filed a request for a ruling on its motion. On January 2, 1991 MCC filed an objection to NWTS's motion of August 20, 1990.

On January 4, 1991 the PSC denied the motion of NWTS for partial waiver of minimum filing requirements (ARM 38.5.2801 through 38.5.2821, except for 38.5.2807 and 38.5.2820). Notice of Commission Action, January 7, 1991.

On January 17, 1991 NWTS filed a Motion for Reconsideration of the PSC's denial of its motion. MCC opposed the motion. Oral argument was held before the PSC on February 21, 1991.

NWTS does not contend that ARM 38.5.2802 does not apply to its filing. See NWTS Motion dated August 16, 1990, p. 3. Therefore, the PSC will not address that issue in this order. Instead, NWTS argues that the circumstances of the filing merit an exercise of the PSC's discretion under ARM 38.5.2802(4) and ARM 38.5.202(4) to waive the revenue requirement and cost of capital filing requirements. NWTS submits that since its proposal is revenue neutral and would simply eliminate mileage and Touch-Call charges in a rate design change, it "does not merit the diversion of the substantial resources necessary" to provide the revenue and capital information.

MCC contends that NWTS has submitted insufficient information for it to adequately analyze NWTS's earnings picture. Specifically, MCC has not been provided with accounting or pro

forma adjustments, or closing separations or access charge information (e.g. end of year true-ups). In addition, the rate design changes proposed would result in significant rate increases to a large number of customers. MCC therefore requests the PSC to deny the motion and require the filing of the information.

At the oral argument, NWTS made a proposal to file all minimum filing requirement information in conjunction with another rate design case by July 1, 1992 (based upon a 1991 calendar test year).

CONCLUSIONS OF LAW

NWTS offers regulated telecommunications services in the state of Montana and is a public utility pursuant to Section 69-3-101, MCA. The Commission has authority to supervise, regulate, and control public utilities. Section 69-3-102, MCA.

The Commission properly exercises jurisdiction over NWTS's Montana operations pursuant to Title 69, Chapter 3, MCA.

The Commission has provided adequate public notice of all proceedings herein and an opportunity to be heard, to all interested parties in this docket. Section 69-3-303, MCA, and the Montana Administrative Procedure Act, Title 2, Chapter 4, MCA.

ORDER

After due consideration, the PSC hereby grants NWTS's Motion for Reconsideration and waives the revenue and cost of capital information required by ARM 38.5.2801 through 38.5.2806 and 38.5.2808 through 38.5.2819, on the condition and with the requirement that all of the information required by ARM 38.5.2801 through 38.5.2821 shall be filed by NWTS on or before July 1, 1992, with the revenue and cost of capital information based upon calendar year 1991 data.

Done and dated this 15th day of March, 1991 by a vote of 4-1.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

HOWARD L. ELLIS, Chairman

DANNY OBERG, Vice Chairman
Voted to Dissent-No Written Dissent

BOB ANDERSON, Commissioner

JOHN B. DRISCOLL, Commissioner

WALLACE W. "WALLY" MERCER, Commissioner

ATTEST:

Ann Peck
Commission Secretary

(SEAL)

NOTE: You may be entitled to judicial review in this matter. Judicial review may be obtained by filing a petition for review within thirty (30) days of the service of this order. Section 2-4-702, MCA.