

Service Date: July 21, 1992

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

IN THE MATTER Of The Application) UTILITY DIVISION
Of The Town of Whitehall To Increase) DOCKET NO. 92.5.23
Rates And Charges For Water Service) ORDER NO. 5636
In Its Whitehall, Montana Service Area.)

* * *

ORDER DENYING INTERIM WATER RATE INCREASE APPLICATION

FINDINGS OF FACT

1. On May 13, 1992, the Town of Whitehall (Applicant or Town) petitioned the Montana Public Service Commission for authority to increase water rates and charges for its Whitehall, Montana customers on a permanent basis by approximately 154%. This constitutes a revenue increase of approximately \$68,000.

2. Concurrent with this filing for a permanent increase in rates, the Town filled a petition for an interim increase of 154%, equaling a revenue increase of \$68,000 or 100% of the proposed permanent increase.

3. The Commission's examination of the data, filed in support of the Applicant's proposed rate increase, revealed that capital improvement projects, which are the basis for this request for a permanent increase, are not mandated and therefore, the Commission must decide if these improvements shall take place.

4. The Commission's interim rules and guidelines call for "a clear showing that the petitioning utility is suffering an

obvious income deficiency" before the Commission will authorize the grant of interim rate relief. The Commission cannot, without prejudging issues, find that the Applicant is suffering an obvious income deficiency.

5. The Commission finds that the Town's request for interim rate relief should be denied.

CONCLUSIONS OF LAW

1. The Applicant, the Town of Whitehall, is a public utility as defined in Section 69-3-101, MCA. The Montana Public Service Commission properly exercises jurisdiction over Applicant's rates. Title 69, Chapter 7, 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. The Commission concludes that the denial of an interim rate increase is just, reasonable and within the discretion granted by Section 69-3-304, MCA.

ORDER

IT IS HEREBY ORDERED THAT:

1. The Applicant, the Town of Whitehall, is hereby denied authority to implement on an interim basis increased rates for its Whitehall, Montana customers.

DONE IN OPEN SESSION at Helena, Montana on this 21st day of July, 1992, by a 5-0 vote.

BY THE ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

DANNY OBERG, Chairman

WALLACE W. "WALLY" MERGER, Vice Chairman

BOB ANDERSON, Commissioner

JOHN B. DRISCOLL, Commissioner

TED C. MACY, Commissioner

ATTEST:

Ann Purcell
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 38.2.4806, ARM.