

Service Date: August 30, 2001

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

* * * * *

IN THE MATTER OF Cut Bank Gas Company) UTILITY DIVISION
Application of Increased Rates for Natural Gas)
Service) DOCKET NO. D2000.11.185
) FINAL ORDER NO. 6311b
)

FINAL ORDER

BACKGROUND

1. On November 3, 2000, the Cut Bank Gas Company (CBGC) submitted to the Montana Public Commission (MPSC or Commission) an Application for Approval of Increased Rates for Natural Gas Service. CBGC also requested interim relief, but did not specify the amount of interim relief requested.

2. In its request, CBGC requested an increase in total revenue of \$144,159. To achieve this revenue, CBGC proposed an increase of \$0.28 per MCF and an increase of \$4.00 in the minimum monthly service charge. This would increase the price per MCF from \$4.736 to \$5.016 and the minimum monthly meter charge from \$5.25 to \$9.25.

3. On November 24, 2000, CBGC filed a Supplemental Motion Request for Interim Relief prior to a rate hearing. In the interim request, CBGC proposed an increase of \$0.28 per MCF and an increase of \$4.00 in the minimum monthly service charge. This would have increased the price per MCF from \$4.736 to \$5.016, and the minimum monthly meter charge from \$5.25 to \$9.25.

4. On November 30, 2000, the Montana Public Service Commission issued a Notice of Application and Intervention Deadline.

5. On December 19, 2000, the Montana Public Service Commission granted interim rate relief in the amount of \$0.28 per MCF, but denied the interim increase of \$4.00 in the minimum monthly metering charge.

6. On August 8, 2001, Cut Bank Gas Company and the Montana Consumer Counsel, the sole intervening party, reached a stipulated agreement.

FINDINGS OF FACT

1. Cut Bank Gas Company has a June 30 Fiscal Year.
2. Cut Bank Gas Company has incurred an average net loss of \$72,578 per year for the three years ending June 30, 2000.
3. Cut Bank Gas Company requested a 5.9 percent increase in the cost per MCF.
4. Cut Bank Gas Company requested a 76.2 percent increase in the monthly service charge per customer.
5. Based on the Montana Consumer Counsel's (MCC) review of Cut Bank Gas Company's filing in this docket, Cut Bank Gas Company and MCC agreed that a fair and equitable resolution of the issues raised in this docket is as follows:
 - a. Sales volume is based on sales of 250,607 MCF.
 - b. Cut Bank Gas Company produced gas of 27,400 MCF.
 - c. There is an unaccountable/loss factor of 3 percent.
 - d. Cut Bank Gas Company should be authorized to increase its minimum monthly service charge from \$5.25 per month to \$5.55 per month.
 - e. The MCF rate of \$0.28 approved in the Interim Order will remain in effect.

CONCLUSIONS OF LAW

1. Cut Bank Gas Company provides gas service within the State of Montana and as such is a "public utility" within the meaning of § 69-3-101, MCA.
2. The Montana Public Service Commission properly exercises jurisdiction over the Cut Bank Gas Company's Montana rates and operations pursuant to Title 69 Chapter 3, MCA.

ORDER

THEREFORE THE MONTANA PUBLIC SERVICE COMMISSION ORDERS THAT:

1. Cut Bank Gas Company is hereby ordered to increase rates for natural gas service by \$0.28 per MCF and increase the minimum monthly service charge by \$0.30 per month.
2. The Applicant shall adhere to and abide by all Findings of Fact in this Final Order and attached Stipulation (Appendix A). All rate schedules shall comply with all Commission determinations set forth in this Final Order.
3. The Applicant must file tariffs in compliance with the Findings of Fact in this Final Order.
4. This Order is effective for the first full billing cycle on or after September 1, 2001.

DONE IN WORK SESSION, at Helena, Montana on this 29th day of August, 2001, by a 5 to 0 vote.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

The original signed copy of this order is on file at the Commission's office.

GARY FELAND, Chairman

JAY STOVALL, Vice Chairman

BOB ANDERSON, Commissioner

MATT BRAINARD, Commissioner

BOB ROWE, Commissioner

ATTEST:

Rhonda J. Simmons
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.

MONTANA PUBLIC SERVICE COMMISSION

CERTIFICATE OF SERVICE

* * * * *

I hereby certify that a copy of a FINAL ORDER, ORDER NO. 6311b, in DOCKET NO. D2000.11.185, in the matter of CUT BANK GAS COMPANY, dated August 29, 2001, has today been served on all parties listed on the Commission's most recent service list, updated 6/13/01, by mailing a copy thereof to each party by first class mail, postage prepaid.

Date: August 30, 2001

Rachel Thompson
For The Commission

Montana Consumer Counsel

APPENDIX A

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

IN THE MATTER OF CUT BANK GAS)	Case No.: UTILITY DIVISION
COMPANY, Application for Approval of)	
Increased Rates for Natural Gas Service)	DOCKET NO D2000. 11 .185
)	
)	
)	STIPULATION

The Cut Bank Gas Company (CBGC) and the Montana Consumer Counsel (MCC) agree and stipulate as follows:

1. On November 3, 2000, CBGC submitted to the Montana Public Service Commission (MPSC or Commission) an Application for Approval of Increased Rates for Natural Gas Service. CBGC also requested interim relief, but did not specify the amount of interim relief requested. In its application CBGC requested an increase in total revenue of \$144,159. CBGC proposed an increase of \$0.28 per MCF and an increase of \$4.00 in the minimum monthly service charge.
2. On November 24, 2000, CBGC filed a Supplemental Motion Request for Interim Relief prior to a rate hearing. In the Interim request, CROC proposed an increase of \$.0.28 per MCF and an increase of \$4.00 in the minimum monthly service charge, resulting in an increase of the price per MCF from \$4.736 to \$5.0 16, and the minimum monthly meter charge from \$5.25 to \$9.25. On November 30, 2000, the Commission issued a Notice of Application and Intervention Deadline. On December 21, 2000, MCC petitioned the Commission for general intervention, which was granted.

3. MCC has conducted both formal and informal discovery on the application filed by CBGC.
4. Based upon MCC's review of CBG's filing in this docket, CBG and MCC agree that a fair and equitable resolution of the issues raised in this docket would be as follows:
 - a. Sales volume of 250607 MCF
 - b. CBG produced gas of 27400 MCF
 - c. Unaccountable/loss factor of 3%.
 - b. CBG should be authorized to increase its monthly service charge from the present \$55.25 per month to \$5.55 per month.
 - c. The MCF rate of \$0.28 per will remain the same as provided in the interim rate order.
5. The undersigned present this Stipulation to the commission as a reasonable settlement of the issues raised in this docket. Neither party, by their entry into this Stipulation, accepts any other party's position in this docket. This stipulation does not constitute acceptance, agreement, or concession to any ratemaking principle, cost of service determination, or legal principle.
6. The various provisions of this Stipulation are inseparable from the whole of the agreement. The reasonableness of the proposed settlement embodied in this Stipulation is contingent upon its adoption, in its entirety, by the Commission. If the Commission decides not to adopt, in its entirety, the proposed settlement embodied in this Stipulation, then the entire Stipulation is null and void. Neither party to the Stipulation shall be bound by any of the provisions and it shall have no force or effect whatsoever.

7. DATED July ,2001

CUT BANK GAS COMPANY

By _____
Dan F. Whetsone
President

DATED August 8, 2001

MONTANA CONSUMER COUNSEL

By _____
Thomas S. Muri
Staff Attorney