

Service Date: January 16, 2002

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 Cut)	UTILITY DIVISION
Bank Gas Company for Authority to Decrease)	DOCKET NO. D2001.12.176
Charges for Natural Gas Service)	INTERIM ORDER NO. 6395

INTERIM ORDER
FINDINGS OF FACT

1. Cut Bank Gas Company (Applicant) applied to this Commission for an order authorizing a decrease in the rates Applicant charges for natural gas service. The application sought authority to decrease rates in order to reflect all cost decreases granted to Montana Power Company's (MPC) Docket No. 2001.12.156 and Docket No. 96.2.22.
2. On December 21, 2001, the Commission Orders No. 6394 and 5898i granted MPC an interim natural gas rate decrease.
3. Orders No. 6394 and 5898i will result in decreases in natural gas costs to Applicant.
4. Applicant's rates will reduce from \$5.940329 per MCF to \$4.871329 per MCF, or a reduction of \$1.069 per MCF.

CONCLUSION OF LAW

1. Applicant is a "public utility" within the meaning of Section § 69-3-101, MCA.
2. The Montana Public Service Commission properly exercises jurisdiction over the Applicant's Montana operations pursuant to Title 69, Chapter 3, MCA.
3. Section § 69-3-304, MCA, provides in part, "The Commission may, in its discretion, temporarily approve increases or decreases pending a hearing or final decision."

4. The rate levels and spread approved herein are reasonable. The rebate provisions of Section § 69-3-304, MCA, protect ratepayers in the event that any revenue authorized by this order are found to be unjustified in the final order in this Docket.

ORDER

1. Applicant is hereby granted interim relief reflecting Findings of Fact in this order.
2. Such relief is to become effective for services rendered on and after January 1, 2002, and remain in effect until such time as a final decision is reached in this matter.
3. The rates shall be collected upon a constant uniform cents per MCF basis.
4. Interim revenues granted herein are subject to rebate based on return on equity of 8.75 % should the final order in this Docket disapprove this interim revenue.

DONE IN WORK SESSION at Helena, Montana, this 15th day of January, 2002, by a vote of 5 to 0.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

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 ARM 38.2.4806.