

Service Date: June 9, 2004

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
MT ASSOCIATES, LLC, for Authority)	DOCKET NO. D2004.5.74
to Establish Initial Rates and Charges for)	ORDER NO. 6573
Water Services)	

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PRE-NOTICE INTERIM ORDER

FINDINGS OF FACT

1. On May 19, 2004, MT Associates, LLC (“MTAL”) filed an application with the Montana Public Service Commission (PSC) requesting approval to establish initial interim rates and charges for combined water and sewer service to Skyview subdivision in or near Helena, Montana.
2. MTAL will ultimately serve 120 residential units. The system has been constructed as a stand-alone system, has previously been used by the subdivision residents, and has been operated by the Skyview Water and Sewer District (“District”). The District provided service to 80 residences in December 2003. MTAL anticipates there will be 110 customers by the end of 2004.
3. Because MTAL is a new utility with no actual test year period upon which to base its interim rate request, it represents that it has derived its initial rates from the District’s operations in calendar year 2003 and known and measurable adjustments that will occur in calendar year 2004. The initial rates submitted with this application incorporate, as a condition of service, the administrative rules of the PSC applicable to water utilities. The requested flat rate charge is approximately the same as that charged by the District.
4. Upon review the PSC finds the initial rates and charges as filed in this application to be just and reasonable for interim purposes and are therefore approved. These interim rates will apply for a one-year period which will provide MTAL with historical data from which to derive an actual test year based upon its own operations upon which the utility’s rates may be modified.

CONCLUSIONS OF LAW

1. MTAL is a new public utility furnishing water service to customers in the Helena, Montana area. MTAL is subject to the supervision, regulation and control of the PSC pursuant to Title 69, Chapter 3, Montana Code Annotated (MCA).

2. Section 69-3-304, MCA, provides that the PSC may temporarily approve increases pending a hearing or final decision.

3. The PSC concludes that the grant of an interim rate increase as set forth is just and reasonable and within the discretion granted by § 69-3-304, MCA.

ORDER

1. MTAL is hereby granted authority to implement, on an interim basis, increased rates for its Helena, Montana, area customers, designed to generate revenues based upon calculations on one hundred ten customers for potential revenues of \$79,735, not including any connection charges.

2. MTAL must file tariffs in compliance with this Interim Order.

3. Nothing in this Order precludes the PSC from adopting in a subsequent Interim Order (post-notice Interim Order) or a Final Order a revenue requirement different from that in this Interim Order. If the final decision is to disapprove all or part of the requested initial rates, the PSC may order a rebate to consumers of the amount collected, retroactive to the effective date of this Interim Order and shall order interest to be paid on any such rebate.

4. Interim approval of any matter in this proceeding should not be viewed as final endorsement by the PSC of any issues, calculations, or methodologies approved in the Interim Order.

5. This Interim Order is effective for all services rendered on and after June 1, 2004.

DONE IN OPEN SESSION at Helena, Montana on this 1st day of June 2004 by a vote of 5 to 0.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

BOB ROWE, Chairman

THOMAS J. SCHNEIDER, Vice Chairman

MATT BRAINARD, Commissioner

GREG JERGESON, Commissioner

JAY STOVALL, Commissioner

ATTEST:

Connie Jones
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.