

Service Date: January 13, 2006

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

* * * * *

IN THE MATTER OF the Application of)	UTILITY DIVISION
Utility Solutions, LLC to Implement Initial)	
Rates and Charges for Water Service in its Elk)	DOCKET NO. D2005.11.163
Grove Subdivision, Gallatin County, Montana)	ORDER NO. 6707
Service Area)	

INTERIM ORDER

History

On November 1, 2005, Utility Solutions, LLC (USLLC), P.O. Box 10098, Bozeman Montana 59719, filed before the Public Service Commission (PSC) an application for approval to implement initial rates and charges for metered water service and monthly flat rate water service in USLLC’s Elk Grove service area. USLLC has also requested approval of special rules of service. The proposed metered rate consists of a customer charge of \$14.68 per month plus \$1.644 per 1000 gallons or fraction thereof. The proposed monthly flat rate tariffs are \$34.97 per month for residential customers, \$44.09 for daycare customers, \$86.65 for commercial customers and an irrigation charge of \$1.517 per hundred square feet. This would generate revenues of \$163,978 at the full build out of the subdivision given the usage estimates in the filing.

In its application, USLLC requested initial interim rates based on its proposed flat monthly rate tariff. In discussions with PSC staff, USLLC stated that it had made an error in its request for interim relief and that the interim relief is requested to be granted on the metered rates rather than the flat rate requested in its filing.

On November 30, 2005, the Montana Consumer Counsel filed a Petition to Intervene and on December 6, Anthony Kolnik filed a Petition to Intervene in the docket.

On December 9, 2005, USLLC objected to the intervention by Anthony Kolnik and on December 20, 2005, the PSC upheld the objection and denied intervention by Kolnik.

Conclusions of Law

1. USLLC is a public utility furnishing water service to customers in the Gallatin County, Montana area. As such, it is subject to the supervision, regulation and control of the Commission pursuant to Title 69, Chapter 3, Montana Code Annotated (MCA).

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

3. The Commission concludes that the granting of an interim rate increase of \$163,978 at full build out as set forth is just, reasonable and within the discretion granted by § 69-3-304, MCA.

ORDER

NOW THEREFORE, IT IS ORDERED THAT:

4. USLLC is hereby granted authority to implement on an interim basis increased rates for its Gallatin County, Montana customers, designed to generate additional annual revenues in the amount of \$163,978 at full build out. The metered rate shall consist of a customer charge of \$14.68 per month plus \$1.644 per 1000 gallons or fraction thereof.

5. USLLC is ordered to file with the Commission, tariffs reflecting the interim rate relief.

6. USLLC is ordered to file, by July 1, 2007, an application for final order and permanent rates based on a test year of income and expenses ending not later than January 9, 2007.

7. The increase granted is subject to rebate if the Commission determines that a lesser increase is warranted. Interest on any rebate will be calculated at the rate of return authorized by the Commission.

8. The interim relief granted in this Order is to be effective for services rendered on and after January 10, 2006.

DONE IN OPEN SESSION at Helena, Montana this 10th day of January, 2006, by a vote of 5 to 0.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

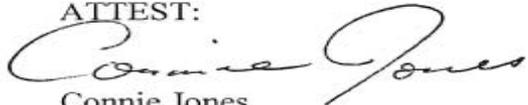

GREG JERGESON, Chairman


BRAD MOLNAR, Vice Chairman


DOUG MOOD, Commissioner


ROBERT H. RANEY, Commissioner


THOMAS J. SCHNEIDER, 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.