

Service Date: May 11, 2011

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

IN THE MATTER OF the Application) REGULATORY DIVISION
of AQUAFLO, LLC for Authority to Increase)
Rates and Charges and Amend Tariff Rules) DOCKET NO. D2009.1.9
And Regulations for Water and Sewer Service)
to its Helena, Montana, Customers)

IN THE MATTER OF the APPLICATION of) REGULATORY DIVISION
AquaFlo, LLC for Authority to Permanently)
Increase Rates and Charges and Amend Tariff) DOCKET NO. D2011.4.34
Rules and Regulations for Water and Sewer)
Service to its Helena, Montana, Customers)

NOTICE OF APPLICATION AND INTERVENTION DEADLINE

On April 27, 2011, AquaFlo, LLC (AquaFlo) filed before the Montana Public Service Commission (PSC) pursuant to Order 6985b in Docket D2009.1.9, its application to permanently increase rates and charges for water and wastewater service to its Helena, Montana, customers and to continue to charge the interim rates presently in place until the final rates are established.

In its application, AquaFlo is requesting to increase its connection charge for water and wastewater from its present interim rates of \$42.11 per month to \$58.74 per month (an increase of 39.5%). It is requesting to increase the cost of water from \$0.50 per 100 gallons to \$0.57 per hundred gallons (an increase of 14%). AquaFlo is requesting to increase its Excess Usage Charge of \$1.12 per 100 gallons over 45,000 per month for its Skyview and Northwest Minor subdivisions to \$1.14 per 100 gallons, and increase its excess usage charge of \$1.12 per 100 gallons in excess of 21,000 per month for its Northwest Major subdivision to \$1.14 per 100 gallons. Assuming no change in usage the estimated average monthly increase in cost of service will be \$21.35.

Overall, AquaFlo is requesting an increase in authorized revenues of \$34,554 from \$136,172 to \$170,726 which equals a 25.4% increase. The proposed rates were

developed to produce a 10.50% return on equity on a rate base of \$259,342 and an overall rate of return of 10.50%.

A copy of AquaFlo's application is available for inspection at the business offices of AquaFlo, LLC, P.O. Box 1091, Helena, Montana 59624; the PSC, 1701 Prospect Avenue, Helena, Montana 59620-2601; and the Montana Consumer Counsel (MCC), 111 North Last Chance Gulch Suite 1B, P.O. Box 201703, Helena, Montana 59620-1703, telephone (406) 444-2771. The MCC is available and may be contacted to assist and represent the interests of the consuming public in this matter.

Any interested person who is directly affected by this application before the PSC and who intends to protest the application as a party must intervene by filing a Petition to Intervene with the PSC at the above address no later than June 6, 2011. Any Petition to Intervene must be electronically submitted on the PSC's website at <http://psc.mt.gov> (go to "Electronic Documents" then "Login & Registration Page"). The filing party must also deliver or mail the original Petition to Intervene in paper format to the PSC by the filing deadline. The PSC will upload electronically filed documents to the PSC's website after the paper original has been officially received at the PSC office. One copy must be served on AquaFlo and the MCC (addresses above).

Any interested person who prefers not to formally participate in the matter as an intervenor may submit written comments on the matter to the PSC at the above address. Public comments may also be submitted to the PSC through the PSC's web-based comment form.

The PSC's jurisdiction over this matter is provided at Title 69, MCA. The substantive and procedural law applicable is Title 69, MCA, especially at Ch. 3 (public utilities), ARM Title 38, Ch. 5 (utilities), Title 2, Ch. 4, MCA (MAPA), ARM Title 38, Ch. 2 (PSC procedural rules), and any prior orders of the PSC which may bear on the issues presented.

If necessary, a procedural order governing the procedure and schedule in this matter will be issued following the deadline for intervention. The PSC and persons having petitioned for intervention in this proceeding may direct discovery to AquaFlo at anytime up to and including the procedural schedule final date for discovery on the utility application. AquaFlo must respond within fourteen calendar days to all discovery

requests directed to it more than fourteen calendar days prior to the deadline. Discovery issued less than fourteen days prior to the deadline must be answered according to direction in the procedural order. If there are no intervenors in this docket the Commission may schedule a hearing on its own motion, or may rule on the application based on the information contained in the AquaFlo filing.

The PSC initially notices proceedings through use of general service lists. Interested persons not intervening, but wishing to remain on the service list to receive notices and orders must notify the PSC in writing by the date fixed for intervention. Failure to submit notification will result in removal from the service list in this Docket.

BY THE MONTANA PUBLIC SERVICE COMMISSION

TRAVIS KAVULLA, Chairman
GAIL GUTSCHE, Vice-Chair
W. A. (Bill) GALLAGHER, Commissioner
BRAD MOLNAR, Commissioner
JOHN VINCENT, Commissioner