

Service Date: June 19, 2012

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

IN THE MATTER OF the APPLICATION of) REGULATORY DIVISION
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 PUBLIC HEARING

PLEASE TAKE NOTICE that the Montana Public Service Commission (Commission) will conduct a public hearing in the Matter of the Application of AquaFlo, LLC, (AquaFlo) to Establish Increased Rates and Charges for Water and Sewer Service to its Helena, Montana, Customers. **The public hearing will commence on July 9, 2012, at 1:00 p.m. in the Bollinger Room at the Commission offices, 1701 Prospect Ave., Helena, Montana 59601 and continue from day to day, as necessary. There will be a specific opportunity for public comment at 5:00 p.m. on July 9, 2012, at the same location.**

On January 30, 2009, AquaFlo filed an application for authority to implement interim rates and permanently increase rates and charges in its Helena, Montana, service area. AquaFlo customers previously paid a flat rate of \$69.76 per month. On April 27, 2010, the Commission approved a Stipulation between AquaFlo and the Montana Consumer Counsel (MCC) which increased rates on an interim basis. The interim rates consist of a base charge of \$42.11 per month with a volumetric charge of \$5.00 per 1000 gallons. The interim rates are subject to refund if the rates are not justified in the future rate case which AquaFlo was required to file in 2011.

On April 27, 2011, AquaFlo filed its application to permanently increase rates based on

an annual revenue requirement of \$170,726 and to continue to charge the interim rates presently in place until the final rates are established. AquaFlo requested to increase its connection charge for water and wastewater from its present interim rate of \$42.11 per month to \$58.74 per month and to increase the usage charge from \$5.00 per 1000 gallons to \$5.70 per 1000 gallons. AquaFlo also requested approval to increase its excess usage charge.

On May 24, 2012, AquaFlo and the MCC filed a Stipulation in the docket agreeing that just and reasonable rates would be established based on an annual revenue requirement of \$141,239. If the Stipulation is approved, the rates would consist of a base charge \$45.27 per month with a volumetric charge of \$5.12 per 1000 gallons. Increases in the excess usage charge would also occur.

The Commission's jurisdiction over this matter is provided for in Title 69, MCA. The applicable law includes provisions of Title 69, MCA, and corresponding administrative rules of the Commission. The hearing itself will be conducted as a contested case hearing pursuant to Title 2, Ch. 4, MCA (MAPA); ARM Title 38, Ch. 2 (Commission procedural rules); and any prior orders of the Commission which may bear on the issues presented. The hearing is for the purpose of receiving technical evidence (testimony and exhibits) with respect to this Docket and public comment for consideration by the Commission. Testimony submitted at hearing is subject to cross-examination.

Any person may be represented by legal counsel at the hearing. The Montana Consumer Counsel, with offices at 111 North Last Chance Gulch, Suite 1B, P.O. Box 201703, Helena, Montana 59620-1703, telephone (406) 444-2771, is available and may be contacted to assist and represent the interests of the consuming public in this matter.

Anyone needing an accommodation for a physical, hearing, or sight impairment in order to attend or participate in the hearing should contact the Commission at (406) 444-6199 at least one week prior to the hearing. The Commission will make every effort to accommodate individual impairments.

BY THE MONTANA PUBLIC SERVICE COMMISSION

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