

Service Date: February 20, 1996

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

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IN THE MATTER OF MONTANA POWER	)	UTILITY DIVISION
COMPANY, Revenue Requirements, Gas Costs,	)	
Allocated Cost of Service and Rate Design for	)	DOCKET NO. D96.2.22
Natural Gas Service and Consolidation of	)	
Related Cases and Issues.	)	ORDER NO. 5898

ORDER INITIATING PROCEEDING

Prompted by party responses to an additional issue of the Public Service Commission (PSC) in a pending Montana Power Company (MPC) general rate case, PSC Docket No. D95.9.128, and several informal inquiries and comments in that proceeding and in other MPC gas-related proceedings pending before the PSC, the PSC initiates the above-entitled revenue requirements, gas costs, and allocated cost of service and rate design (ACOS/RD) proceeding (comprehensive case) as a convenient and proper means of providing a forum to resolve issues unlikely to be otherwise adequately resolved.

Now pending before the PSC are three dockets which relate, in whole or in part, to MPC's natural gas service in Montana. Two dockets are trackers, Docket No. 94.11.50 (MPC's 1994 tracker) and Docket No. D95.12.166 (MPC's 1995 tracker), which primarily pertain to unreflected gas costs, gas cost tracking, and MPC's gas transportation adjustment clause. One docket is an MPC general rate case, Docket No. D95.9.128, which is primarily intended to pertain only to revenue requirements insofar as MPC's natural gas service is concerned. Parties in each of these cases have raised issues which might be more appropriately categorized as comprehensive case issues, which none of the three identified pending proceedings are necessarily intended or designed to address.

For these reasons, and because MPC has been intending to file an ACOS/RD case for its natural gas service, and because various parties and the PSC are interested in a comprehensive filing pertaining to natural gas service, the PSC commences the above-entitled docket. As a consequence

of or in conjunction with commencing this proceeding, the following PSC actions will occur and the following procedures will govern pending issuance of a procedural order:

a. The comprehensive case proceeding is hereby commenced and docketed as above-entitled. Further proceedings “on the merits” of the issues in the comprehensive case proceeding are suspended until on or about July 1, 1996, when MPC shall file its application and proposals.

b. Insofar as natural gas service issues are involved, Docket No. D95.9.128 (MPC’s general rate case) shall primarily remain revenue requirements only. Parties affected by this order who remain interested in those revenue requirements issues should remain parties to that docket to preserve their rights. The ACOS/RD issues and related comprehensive case issues raised in that docket will be “transferred” into the comprehensive case proceeding. “Transfer” will be accomplished by the parties raising those issues in the comprehensive case proceeding at the appropriate time (but see para. “f”, below).

c. The Commission will issue a final order in Docket No. 94.11.50 (MPC's 1994 tracker), essentially approving the previously issued interim order on a final basis. Issues not resolved by that final order, primarily those raised by Paladin Associates (PA), will be transferred to the comprehensive case proceeding. “Transfer” will be accomplished by PA raising those issues in the comprehensive case proceeding at the appropriate time (but see para. “f”, below).

d. The Commission will issue an interim order in Docket No. D95.12.166 (MPC's 1995 tracker). All further action in that docket will be consolidated into the comprehensive case proceeding. Adjustments (tracker-related revenue requirement only), if any result from the comprehensive case proceeding, will relate back to the date of that interim order.

e. All persons granted intervention in any of the three proceedings identified above and from which issues are “transferred” to the comprehensive case proceeding shall be deemed parties in the comprehensive case proceeding. These parties may file and serve a notice of intent to preserve that status, if that is deemed necessary by those parties.

f. All testimony, discovery, pending motions, and the like, on any and all issues “transferred” to the comprehensive case proceeding will be accepted into that proceeding upon motion or incorporation by reference, but should be updated by the parties to reflect changes which

may occur as a result of facts and figures in MPC's application and proposal. Parties may incorporate by reference, with or without amendment as may be necessary, all previous papers filed with the PSC in the proceedings identified above.

g. The comprehensive case proceeding, being comprehensive insofar as MPC's natural gas service is involved, needs no particular description on scope. However, as it is likely not anticipated by MPC, the PSC directs MPC to include testimony (relating to the 60,000 Mcf/year core/noncore threshold) on full unbundling of natural gas services to all customers (including core residential) and the reasons why such should or should not be implemented as a part of MPC's natural gas services.

h. Notwithstanding any of the provisions of para. "a", above, any person affected by this order may formally request reconsideration of this order or formally or informally seek other clarification of the intended procedures or how their rights and positions should be presented or will be affected by this order or the comprehensive case proceeding.

Done and dated this 14th day of February, 1996, by a vote of 5-0.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

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NANCY MCCAFFREE, Chair

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DAVE FISHER, Vice Chair

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BOB ANDERSON, Commissioner

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DANNY OBERG, Commissioner

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BOB ROWE, Commissioner

ATTEST:

Kathlene M. Anderson  
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.