

Service Date: August 21, 1996

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

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IN THE MATTER OF SHELBY GAS)	UTILITY DIVISION
ASSOCIATION, Application for)	
Authority to Decrease Rates)	DOCKET NO. D96.8.132
on a Temporary Basis.)	
)	ORDER NO. 5938

FINAL ORDER

1. On August 5, 1996, Shelby Gas Association (SGA) filed an application with the Public Service Commission (PSC) to decrease its rates for natural gas service on a temporary basis. SGA proposes to reduce its monthly service charge from \$5.00/month to \$2.00/month and its commodity charge from \$4.00/Mcf to \$3.60/Mcf for the period commencing August 1, 1996, and ending May 31, 1997, or such other time as its requested revenue requirement reduction (about \$100,000) is achieved.

2. SGA also states that it is a cooperative association, consumer owned and controlled. As such, it specifies that its rates are somewhat regulated by the consumers themselves, in as much as the consumers elect the Board of Directors to govern and operate the utility. In regard to this SGA requests that the PSC issue an "opinion or declaratory judgment" as to whether SGA is exempt from regulation as a public utility.

3. SGA's filing has been noticed for public comment through PSC agenda notice (week of August 12, 1996). No comments have been received.

4. The PSC has reviewed and considered SGA's application and determines that it is complete for all purposes regarding the proposed temporary rate reduction. SGA's proposed rate reduction is just and reasonable and is approved. SGA shall reduce rates as described above. At the time that SGA's \$100,000 revenue requirement reduction has been met, the rates approved will increase to the pre-reduction level, modified by any other rate changes which may be approved by the PSC following this action. SGA will file with the PSC periodic reports reflecting the cumulative effects of the temporary rate reduction on the revenues of SGA.

5. SGA's request for an "order or declaratory judgment" on whether it is a public utility is denied. There is a specific administrative procedure (Petition for Declaratory Ruling) for obtaining such ruling. It requires that SGA submit complete facts and legal arguments on the question presented. If SGA is interested in commencing such procedure, information on the procedure required is available from the PSC.

6. SGA is a public utility subject to PSC jurisdiction pursuant to Title 69, MCA. The rates approved in this Order are just and reasonable.

Done and dated this 19th day of August, 1996, by a 5 - 0 vote.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

NANCY MCCAFFREE, Chair

DAVE FISHER, Vice Chair

BOB ANDERSON, Commissioner

DANNY OBERG, Commissioner

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 38.2.4806, ARM.