

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

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IN THE MATTER of the Application)	
of MONTANA-DAKOTA UTILITIES)	
for Approval of the Sale and)	UTILITY DIVISION
Transfer of the Assets and)	
Operating Responsibilities of the)	DOCKET NO. D97.10.187
Propane System in Culbertson,)	
Montana to Miller Oil Company.)	FINAL ORDER NO. 6025

ORDER APPROVING SALE/TRANSFER OF ASSETS

Background

1. On October 10, 1997, Montana-Dakota Utilities Company (MDU) filed an application with the Montana Public Service Commission (Commission) requesting a Declaratory Ruling or Order disclaiming jurisdiction or, alternatively, approving the sale of MDU's propane system in Culbertson, Montana, to Miller Oil Company, Inc. (Miller). The Commission will treat the application as a request for approval of the transfer. MDU explains that the proposed sale/purchase of the assets will have no substantial effect on utility service provided to MDU's customers in Culbertson and will not in itself result in a rate increase for any consumer. Miller states that it will continue to operate the system in accordance with the Commission's rules and regulations, filing tariff sheets showing the change in name to Miller Oil Company, Inc.

2. On October 22, 1997, the Commission issued a Notice of Opportunity for Public Hearing. The Notice gave interested parties until November 8, 1997, to request a hearing or submit protests regarding the

application. The Commission has received no protests or requests for hearing, and therefore will not schedule a public hearing.

FINDINGS OF FACT

3. The Commission finds that Miller is fit and capable of running the propane gas system in Culbertson. Miller has 18 employees. It operates two bulk oil plants, one in Plentywood, Montana, and one in Culbertson, Montana. Miller also operates two automobile service stations, one in Plentywood, and one in Culbertson. Miller's gross sales from combined operations were approximately \$2.6 million in 1996. The Commission finds that Miller has the financial and other resources necessary to provide adequate service in the future. The Commission finds that Miller is fit, willing and able to assume the service responsibilities associated with ownership and operation of the propane gas utility in Culbertson.

4. The Commission finds that the Asset Sale and Purchase Agreement submitted with the application indicates a responsible transaction. This application does not result in a rate increase to the customers.

5. Upon transfer, Miller Oil Company will continue to operate the propane system in Culbertson as a public utility subject to regulation by the Commission pursuant to Title 69, Chapter 3, MCA, and ARM 38.5.101 et seq. Miller Oil Company will be responsible for filing new tariffs with the Commission identical to the tariffs in place before the transfer.

CONCLUSIONS OF LAW

1. The Commission exercises jurisdiction over the propane gas rates and service provided by MDU as a public utility in Culbertson, Montana, pursuant to §69-3-102, MCA.

2. Public utilities are required to provide reasonably adequate service and facilities at reasonable rates. Section 69-3-201, MCA. The transfer of

ownership and operation of MDU's facilities and propane system in Culbertson will not result in inadequate service or unreasonable rates.

3. The Commission exercises jurisdiction over sales and transfers of assets, pursuant to its regulatory and supervisory powers and its general powers to do all things necessary and convenient in the exercise of its jurisdiction. Sections 69-3-102 and 69-3-103, MCA.

ORDER

NOW THEREFORE IT IS ORDERED:

1. The Montana Public Service Commission grants its approval and hereby authorizes MDU to transfer the propane system assets and operating responsibilities in Culbertson, Montana to Miller Oil Company.

2. Upon transfer, Miller Oil Company shall file rates and service tariff sheets reflecting the name change to Miller Oil Company, consistent with the rates and tariffs now on file for MDU for the customers in Culbertson, Montana.

3. Miller Oil Company shall comply with all laws, rules and regulations applicable to the provision of gas service pursuant to Title 69, MCA, and the rules promulgated thereunder at ARM at Title 38.

Done and Dated this 24th day of November, 1997, by a vote of 5 - 0.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

DAVE FISHER, Chairman

NANCY McCAFFREE, Vice Chair

BOB ANDERSON, Commissioner

DANNY OBERG, Commissioner

BOB ROWE, Commissioner

ATTEST:

Kathlene M. Anderson
Commission Secretary

(SEAL)

NOTE: Any interested party may request that the Commission reconsider this decision. A motion to reconsider must be filed within ten (10) days. See 38.2.4806, ARM.