

Service Date: September 22, 1997

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

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IN THE MATTER of the Pass Through of Fees)	UTILITY DIVISION
Levied on Regulated Companies for Funding the)	DOCKET NO. D97.9.164
Department of Public Service Regulation.)	ORDER NO. 6013

FINAL ORDER

1. Section 69-1-402, MCA, provides for funding the Department of Public Service Regulation by a fee on all regulated companies (as defined in § 69-1-401(2), MCA). The Department of Revenue has notified the Public Service Commission (PSC) of the tax rate which will be effective for the period beginning October 1, 1997 and ending September 30, 1998. Section 69-1-403(4), MCA, requires that the PSC "by separate order authorize each regulated company to fully recover in its rates and charges, on an annual basis, the fees levied" This Order is being issued pursuant to that requirement.

2. Order No. 5943, issued September 27, 1996, authorized regulated companies to increase rates and charges for an annual period from October 1, 1996 through September 30, 1997. The authorized rate during that period was .18 percent (.0018).

3. The applicable rate for the tax period beginning October 1, 1997 is .22 percent (.0022). In order to permit full recovery of the PSC fees, this Order permits all regulated companies affected by this Order to reflect this tax rate in their revenue requirement as of October 1, 1997.¹ All rate regulated companies that pay the PSC fee may file tariffs reflecting the .22 percent tax rate.

¹ "[R]egulated companies affected by this Order" means those companies that are rate regulated by the PSC. Other companies regulated "in any manner" (§ 69-1-401(2), MCA) by the PSC are subject to the PSC tax but do not need special authorization to recover the tax in their prices.

4. On September 30, 1997 the authorization granted to regulated companies by Order No. 5943 to recover a tax rate of .18 percent (.0018) will expire. However, because the new rate represents an increase over the current rate, those rate regulated companies whose current tariffs are premised in part upon the .18 percent rate are not required to file new tariffs reflecting the expiration of that authorization. This Order is authorization for those companies currently recovering the .18 percent rate to either continue that recovery, or to file new tariffs reflecting recovery at a .22 percent rate. For rate regulated companies the filing of tariffs reflecting the rate authorized by this Order is permissive, not mandatory. Regulated companies may choose not to recover the PSC tax, or may choose to recover only a portion of the tax, in cases where the amount to be recovered would not justify submitting new tariffs. A rate regulated company may choose to defer implementing tariffs reflecting the tax until a later date (e.g., to coincide with other tariff changes). It should be noted, however, that the revenue requirement may not be accumulated unless otherwise authorized by the PSC.

5. All regulated services of a regulated company must absorb the rate increase proportionately to that service's contribution to the total gross operating revenue generated by the regulated activities within this state. As limited exceptions to this general approach, however, the floors in "flexible band" tariffs need not be exceeded and special market-based rates need not be increased.

CONCLUSIONS OF LAW

1. Pursuant to §§ 69-3-102, 69-13-201, 69-14-111, MCA, and Laws of Montana (1997), Chapters 349, 505 and 506, the Montana Public Service PSC has jurisdiction over regulated companies as defined at § 69-1-401, MCA.

2. The Public Service Commission is required by Section 69-1-403(4), MCA, to allow immediate recovery of the regulated utility fee by each affected company in its rates and charges on an annual basis.

3. This Order does not apply to companies not rate regulated by the PSC.

4. The increased revenue requirement approved herein is a reasonable means of complying with §§ 69-1-402 et seq., MCA.

ORDER

As necessary, rate regulated companies as defined in § 69-1-401, MCA, are authorized to file tariffs reflecting increased rates and charges effective October 1, 1997, consistent with the Findings of Fact contained in this Order. This authorization is permissive, not mandatory and effective dates may, at the companies' discretion, be after October 1, 1997.

Tariffs must be filed within fifteen (15) days of their proposed effective date.

Done and Dated this 15th day of September, 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 the Commission to reconsider this decision.
A motion to reconsider must be filed within ten (10) days. See ARM
38.2.4806.