

Service Date: August 31, 2001

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

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IN THE MATTER OF ENERGY WEST)	UTILITY DIVISION
MONTANA, A DIVISION OF ENERGY)	DOCKET NO. D2000.10.176
WEST, INC., Application for an Increase in)	ORDER NO. 6305c
Natural Gas Rates Pursuant to its Gas Cost)	
Tracking Mechanism)	

IN THE MATTER OF ENERGY WEST)	UTILITY DIVISION
MONTANA (formerly GREAT FALLS)	DOCKET NO. D99.4.106
GAS) Application for Approval of)	ORDER NO. 6310a
Summary Closure under Optional Filing)	
Standard Procedures)	

ORDER ADOPTING AMENDED INTERIM ORDER
AND SUMMARY CLOSURE AS FINAL ORDER

1. On October 24, 2000, ENERGY WEST MONTANA (EWM), a Division of ENERGY WEST INC., filed an application with the Public Service Commission (PSC or Commission) to increase rates for natural gas service in both Great Falls and West Yellowstone by \$7,060,382. The PSC on December 4, 2000, approved an interim increase of \$6,468,215 to become effective on December 11, 2000.

2. On February 2, 2001, EWM filed an amendment to its initial application requesting additional annual revenues of approximately \$8.9 million. EWM stated that, since its initial application, it has been faced with purchased gas cost that far exceed the gas costs projected in the original filing. EWM and the Montana Consumer Counsel (MCC) signed a Stipulation agreeing that an immediate rate adjustment was necessary for two reasons: 1) an under-recovery of gas costs in the period of July 2000 to January 2001 and 2) increases in the look-forward gas cost projection since the October filing. On February 20, 2001, the Commission accepted the Stipulation providing for a monthly gas cost tracker and a one-year amortization of the January unreflected gas cost balance of \$7,748,268, combined with a look-forward gas cost projection of \$5.57. In accordance with the Company's approved gas cost

tracking mechanism the Commission approved an annual revenue amount of \$8,970,158 to be collected.

3. On April 19, 1999, EWM filed an application for approval of summary closure. EWM requested that summary closure be deemed applicable, through waiver of certain requirements (e.g., filing cost of service study, filing traditional rate case) of the optional filing standards procedure. EWM states that no rate change is necessary and summary closure is appropriate because: the EWM actual rate of return is presently less than its approved rate of return; EWM submitted a cost of service study as part of its recent restructuring case; the EWM restructuring should proceed without additional consideration of cost of service issues; and EWM preparation of a cost of service study would create additional expense for ratepayers.

4. The PSC now determines that EWM's Amended Interim Order should be granted approval as a Final Order. The Commission now orders that all provisions of Order 6305b pertaining solely to its interim nature or related interim procedures to be disregarded. The Commission further orders that EWM's request for summary closure, through waiver of certain requirements, as outlined above, be hereby granted.

DONE AND DATED at Helena this 29th day of August, 2001, by a vote of 5 to 0.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

GARY FELAND, Chairman

JAY STOVALL, Vice Chairman

BOB ANDERSON, Commissioner

MATT BRAINARD, Commissioner

BOB ROWE, Commissioner

ATTEST:

Rhonda J. Simmons
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.