

Montana Public Service Commission
 1701 Prospect Avenue
 PO Box 202601
 Helena MT 59620-2601

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For more information, contact:
 Dave Burchett -- 406-444-6184
 Denise Peterson -- 406-444-6377
 Bob Rowe -- 406-444-6167

PSC TO HOLD HEARING ON MOUNTAIN WATER'S PROPOSED RATE HIKE

The Public Service Commission will hold a public hearing in Missoula concerning the proposed settlement of the pending Mountain Water Company rate case. A hearing for members of the public will be held Thursday, October 10, at 7 p.m. in the City Council Chambers, City Hall, 435 Ryman. The stipulation will be formally presented to the Commission in a technical hearing at 3 p.m. on October 10 at the same location.

The settlement agreement was proposed by Mountain Water and the Montana Consumer Counsel, which represents residential and small business customers in cases before the PSC. The City of Missoula agreed to the settlement. Neither the City nor the Consumer Counsel filed testimony in the case. However, the Consumer Counsel's staff participated with PSC staff in auditing the company's operations, and the Consumer Counsel - Mountain Water settlement is based on the audit.

In its rate case filed in April, Mountain Water requested a total rate hike of about 15 percent to raise an additional \$1,174,624 in annual revenue. According to the company's filing, Mountain Water made approximately \$2.8 million worth of gross capital improvements in 1995, including a computer-based telemetry system that the company claims will enable it to respond to changing conditions and customer demand automatically and will monitor and report equipment failure 24 hours a day.

The PSC granted an interim 7.7 percent rate increase to Mountain Water in August that increased the company's annual revenue by \$575,413. If the settlement is approved, the permanent increase would be \$215,401 in addition to the interim, for a total increase of \$790,814.

- more -MOUNTAIN WATER HEARING -- page 2

If the settlement is approved by the PSC, Mountain Water's rates would increase over the temporary increase, approved in August and now in effect, as follows:

Metered customers:	1.42%
Flat-rate customers:	2.35%
Sprinkling:	6.42%
Public fire hydrants:	.48%

Rates for private fire protection would not change.

The total increase from before the August interim would be as follows:

Metered customers:	10.20%
Flat-rate customers:	10.19%

Sprinkling: 14.56%
Public fire hydrants: .48%

Typical residential bills per month would be:
Metered -5/8 x 3/4, 20 Ccf \$30.06
Flat - Residential - 4 rooms, 1 bath \$26.34

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