

Montana Public Service Commission
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PSC APPROVES AGREEMENT IN MOUNTAIN WATER RATE CASE

Water bills for Missoula customers of Mountain Water Co. will go up about 2-1/2 percent as the result of the Public Service Commission's decision last week to approve an agreement to settle the company's pending rate case as proposed by the company and the Montana Consumer Counsel. The Consumer Counsel represents residential and small business customers in cases before the PSC. The City of Missoula also agreed with the settlement.

Mountain Water's rates will increase over the interim rate hike, 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 will not change. The total percentage increases as a result of the rate case are:

Metered customers:	10.20%
Flat-rate customers:	10.19%
Sprinkling:	14.56%
Public fire hydrants:	.48%

Typical bills per month will be:

Metered -5/8 x 3/4, 20 Ccf	\$30.06
Flat - Residential - 4 rooms, 1 bath	\$26.34
Flat - Commercial	\$28.22

In the case filed last 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

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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. With approval of the settlement, the permanent increase will be \$215,401 in addition to the interim, for a total increase of \$790,814.

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 settlement was based on that audit.

Both a technical hearing and an evening public hearing were held in

Missoula on
October 10.

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