READING FILE.

Service Date: January 14, 1986

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

* * * * * *

IN THE MATTER Of The Application Of CONSUMERS GAS COMPANY for Authority to Increase Rates and and Charges for Natural Gas Service.	)))))	UTILITY DIVISION DOCKET NO. 85.5.21 ORDER NO. 5167a

ORDER ON RECONSIDERATION

FINDINGS OF FACT

1. On May 31, 1985, Consumers Gas Company (Applicant or CGC) filed a general rate case. The Application requested an increase of $38,992. Included in the general case was a motion for interim relief in the amount of $38,992, the same increase requested in the general filing. In addition to rate relief, the Applicant requested that the Commission waive or modify the current nontermination rules so that nonpaying customers can be terminated; and allow an interest charge of 1 percent per month for all accounts not paid within 30 days from the date of billing.

2. On October 2, 1985, and pursuant to a properly issued Notice of Public Hearing, the Commission conducted a hearing in the United Savings Bank, Shelby, Montana.

3. On November 29, 1985, the Commission issued Interim Order No. 5167 in this Docket.

4. The Interim Order referenced above granted the Applicant interim rate relief in the amount of $35,630. The Commission deferred ruling on both the Applicant's request for modification of the termination rules, and the allowance of a late payment charge, pending the issuance of a final order in this Docket.

5. The only adjustment made by the Commission to the Applicant's motion for interim relief was an increase in revenues in the amount of $3,362. The Commission reasoned that further consideration was required to determine the appropriate treatment for a source of income which was eliminated by the Applicant in its rate request. Accordingly, final disposition of the issue was reserved for the final order in this Docket.

6. On or about December 5, 1985, the Commission received a Motion for Reconsideration of Interim Order No. 5167, filed on behalf of CGC by its President, Gregory B. Holt. In its motion, the Applicant contends that the revenue adjustment made by the Commission in its interim order is contrary to uncontroverted evidence presented at the hearing. As such, the Applicant argues that the adjustment is clearly erroneous, and is not based upon substantial evidence presented to the Commission.

7. On or about December 9, 1985, the Commission staff waived the ten (10) day rule within which time the Commission should rule upon the Applicant's motion. A notice of staff action was issued on December 10, 1985.

ANALYSIS

8. The Commission is given the power to grant interim rate relief by Section 69-3-304, MCA, which provides in pertinent part as follows:

> Temporary approval of rate increases or decreases. The Commission may, in its discretion, temporarily approve increases or decreases pending a hearing or final decision.... (emphasis added)

9. As a policy matter, when granting interim rate relief, the Commission has always tried to promote rate consistency and stability. For this reason, an interim rate increase will typically consist of only those proposed adjustments which appear to be valid on their face.

10. In this proceeding, the Commission has determined that there is some question as to the propriety of the Applicant's adjustment of interest income which merits further consideration. Accordingly, the Commission has determined that this adjustment should not be included in interim rate relief.

CONCLUSIONS OF LAW

1. Consumers Gas Company is a public utility furnishing natural gas service to consumers in the State of Montana. As such, it is subject to the supervision, regulation and control of the Commission, Section 69-3-102, MCA.

2. Section 69-3-304, MCA, provides in part, "The Commission may in its discretion, temporarily approve increases pending a hearing or final decision."

3. If the final decision of the Commission is to disapprove the increase granted on an interim basis, the Commission will order a rebate thereof with interest of 12% to all customers.

ORDER

THEREFORE, THE MONTANA PUBLIC SERVICE COMMISSION ORDERS THAT:

1. The Applicant's Motion for Reconsideration is DENIED.

DONE IN OPEN SESSION this 8 day of January, 1986, by a vote of 3 - 0 .

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

DANNY OBERG, Commissioner and Hearing Examiner

TOM MONAHAN, Commissioner

CLYDE JARVIS, Chairman

ATTEST:

Trenna Scoffield
Commission Secretary

(SEAL)

NOTE: You may be entitled to judicial review in this matter. Judicial review may be obtained by filing a petition for review within thirty (30) days of the service of this order. Section 2-4-702, MCA.