Service Date: September 29, 2005

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

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IN THE MATTER OF FIRELIGHT MEADOWS, L.L.C., Application to Revise Rates and Charges for Waste Water Service	))))	UTILITY DIVISION DOCKET NO. D2004.5.71 FINAL ORDER NO. 6601a
IN THE MATTER OF FIRELIGHT MEADOWS, L.L.C., Application to Revise Rates and Charges for Water Service	))))	UTILITY DIVISION DOCKET NO. D2004.5.72 FINAL ORDER NO. 6602a

FINAL ORDER

Findings of Fact

1. On May 17, 2004, Firelight Meadows, L.L.C. (Firelight), filed before the Montana Public Service Commission (PSC), an application for approval of increased rates for water service (PSC Docket D2004.5.72) and waste water service (PSC Docket D2004.5.71). Firelight's proposed rate increases were based on a 2003 test year as follows:

WATER SERVICE	Present	Proposed	Percent Increase
Chalet Units	$ 41.50	$ 48.30	16.39%
Condominium Units	$ 35.75	$ 40.75	13.99%
Hot Tub	$ 12.00	$ 12.00	0.00%
Administration Building	$ 37.00	$ 42.15	13.92%
Daycare Center	$ 40.00	$ 46.30	15.75%

WASTE WATER SERVICE	Present	Proposed	Percent Increase
Chalet Units	$ 31.50	$ 36.70	16.51%
Condominium Units	$ 27.25	$ 31.25	14.68%
Administration Building	$ 28.00	$ 31.85	13.75%
Daycare Center	$ 30.00	$ 34.70	15.67%

2. The Montana Consumer Counsel (MCC) petitioned as an intervenor and was granted intervention in the two Dockets. MCC and the PSC conducted an on-site examination, extensive discovery, reviewed data responses and had discussions with representatives of Firelight.

3. One of the areas of concern was the cost of the original water plant and waste water plant. MCC and Firelight agreed that the original cost of the water plant was $627,764. They also agreed that the original cost of the waste water plant was $408,846.

4. MCC agreed that the proposed water and waste water service rates that were filed by Firelight were just and reasonable and recommended that they be approved by the Commission.

5. MCC and Firelight presented a signed stipulated agreement on August 18, 2005, a copy of which is attached to this Order as Attachment A.

6. On August 26, 2005, the PSC issued a Notice of Opportunity for Hearing and Stipulation Presentation, giving the affected customers of Firelight the opportunity to have a public hearing in these Dockets. There were no requests for a hearing or stipulation presentation received by the PSC by the deadline (September 16, 2005.)

7. The PSC has determined that the rates proposed by Firelight Meadows, L.L.C. and the MCC in its stipulated agreement are just and reasonable and that no hearing or presentation is necessary.

Conclusions of Law

8. Firelight Meadows, L.L.C., provides public water and waste-water service within the state of Montana, and as such is a "public utility" within the meaning of § 69-3-101, MCA.

9. The Montana Public Service Commission properly exercises jurisdiction over Firelight Meadows, L.L.C. rates and charges pursuant to Title 69, Chapter 3, MCA.

Order

THEREFORE THE MONTANA PUBLIC SERVICE COMMISSION ORDERS THAT:

1. Firelight Meadows, L.L.C. shall implement rates as stated in the Findings of Fact and the Stipulated Agreement between it and the MCC.

2. Firelight Meadows, L.L.C. must file tariffs in compliance with the Findings of Fact and the Stipulated Agreement between it and the MCC.

3. This Order is effective for service rendered on and after October 1, 2005.

DONE IN OPEN SESSION at Helena, Montana on this 27th day of September, 2005 by a vote of 5 to 0.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

Greg Jergeson, Chairman

Brad Molnar, Vice Chairman

Doug Mood, Commissioner

Robert H. Raney, Commissioner

Thomas J. Schneider, Commissioner

ATTEST:

Connie Jones
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.

Attachment A

DEPARTMENT OF PUBLIC SERVICE REGULATION
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* * * * *

IN THE MATTER OF FIRELIGHT MEADOWS, L.L.C., Application to Revise Rates and Charges for Waste Water Service	))))	UTILITY DIVISION DOCKET NO. D2004.5.71
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STIPULATION

Come now Firelight Meadows, L.L.C., (Firelight) and the Montana Consumer Counsel (MCC) and agree and stipulate as follows:

1. On May 17, 2004, Firelight filed with the Montana Public Service Commission (Commission) applications for approval of increased rates for water and waste water service. The proposed rate increases, based on a 2003 test year, are as follows:

Water Service:	Present	Proposed
Chalet Units	$41.50	$48.30
Condominium Units	$35.75	$40.75
Hot Tub	$12.00	$12.00
Administration Building	$37.00	$42.15
Daycare Center	$40.00	$46.30

Waste Water Service:	Present	Proposed
Chalet Units	$31.50	$36.70
Condominium Units	$27.25	$31.25
Administration Building	$28.00	$31.85
Daycare Center	$30.00	$34.70

2. MCC petitioned for and was granted intervention in the dockets. MCC conducted extensive discovery, reviewed data responses and had discussions with personnel of Firelight.

3. Firelight and MCC agree that the original cost of the water plant is $627,764, and further agree that the original cost of the waste water plant is $408,846.

4. MCC agrees that the proposed water and waste water service rates as filed are just and reasonable and should be approved by the Commission.

5. Firelight and MCC present this Stipulation to the Commission as a reasonable settlement of the issues raised in these dockets. By entering into this Stipulation, neither Firelight nor MCC indicates their acceptance of any particular rate making principle, cost of service determination or legal principle.

6. This Stipulation is the entire agreement between Firelight and MCC. If the Commission does not adopt the settlement embodied in this Stipulation in its entirety, the entire Stipulation is null and void, and Firelight and MCC are not bound by it.

Respectfully submitted August 18, 2005.

FIRELIGHT MEADOWS, L.L.C.

By _____
Paul S. Pariser
President

MONTANA CONSUMER COUNSEL

By _____
Mary Wright
Attorney