

BEFORE THE PUBLIC SERVICE COMMISSION OF WYOMING

IN THE MATTER OF THE APPLICATION)
OF FALL RIVER RURAL ELECTRIC)
COOPERATIVE, INC. FOR AUTHORITY)
TO IMPLEMENT A GENERAL RATE) DOCKET NO. 10000-CR-97-8
DECREASE OF \$741,868.00 OR AN)
OVERALL 6.03% DECREASE FROM)
TEST YEAR REVENUES)

APPEARANCES

Dee M. Reynolds, Ashton Idaho, for
Applicant Fall River Rural Electric Cooperative, Inc.

HEARD BEFORE

Ivan H. Williams, Hearing Examiner

MEMORANDUM OPINION, FINDINGS AND ORDER
(Issued April 3, 1998)

This matter is before the Commission upon the application of Fall River Rural Electric Cooperative, Inc., hereinafter referred to as Fall River or the Company, for authority to implement a general rate decrease of \$741,868.00 which constitutes an overall decrease of 6.03% based upon test year revenues.

The Commission, having reviewed the application, the public hearing evidence, its files regarding Fall River, applicable Wyoming utility law and otherwise being fully advised in the premises, FINDS and CONCLUDES:

FINDINGS

1. Fall River is a public utility as defined by W.S. § 37-1-101(a)(vi)(C) and, as such, subject to the Commission's jurisdiction pursuant to the provisions of W.S. § 37-2-112.
2. On January 31, 1996, Fall River filed an application requesting a general rate increase of 7.9%. The Company received Commission approval of this application but chose not to implement the increase. On March 17, 1997, the Company filed an application with the Commission requesting authority to implement a general rate decrease of 6.03% based upon its currently authorized rates. On March 31, 1997, the Company requested that the Commission grant it an interim rate increase of 1.875% based upon the rates that the Company was currently charging customers. The Company stated that the interim rate increase was necessary due to the fact that it had not implemented the originally authorized general rate increase.
3. On April 18, 1997, the Commission issued a Notice and Order approving the request for interim rate relief subject to further investigation and review.
4. Also on April 18, 1997, the Commission issued an order authorizing one commissioner or hearing examiner to

conduct the public hearing scheduled with regard to this matter.

5. On July 7, 1997 the Commission issued a procedural order setting the matter for public hearing in Alta, Wyoming on July 31, 1997.

6. Due to the nature of the service territory and the relatively small number of Wyoming customers served by Fall River, notice of the public hearing was provided by billing inserts.

7. No intervention petitions were filed regarding this matter.

8. Pursuant to the Commission's procedural order, a public hearing was held, with regard to this matter, on July 31, 1997 in the Alta Elementary School Gymnasium located in Alta, Wyoming.

9. At the hearing, Fall River was represented by Mr. Dee M. Reynolds who is the Company's General Manager. Mr. Reynolds offered testimony on the Company's behalf.

10. Mr. Reynolds testified that Fall River had previously implemented a seasonal rate for its residential customers. This rate was lower during the winter months and higher during the summer months. (Transcript at p. 5.) The Company, in a subsequent rate filing, received authority to implement a year-round declining block kilowatt hour rate. (Transcript at p. 6.) The Company had intended to implement the new rate in April of 1996 when the higher seasonal summer rate went into effect. However, the Company did not receive approval of the rate until September of 1996 when the lower winter rate was to have gone into effect. At the same time, the Company was notified of a pending wholesale power cost reduction from the Bonneville Power Administration. Consequently, the Company's Board of Directors decided to commission a new cost of service study based upon the reduced wholesale power rate. (Id.)

11. Mr. Reynolds concluded his testimony by stating that customer reaction to the implementation of the interim rates had been positive. (Transcript at p. 7.)

12. Mr. Jess N. Bottom offered a statement as a member of the Commission staff. Mr. Bottom testified that the interim rates provide reductions to annual retail sales revenues when compared to the rates previously charged by Fall River. (Transcript at p. 14.) Reductions occurred for all classes of service except the seasonal class. (Id.)

13. The following table contains a comparison of Fall River's interim rates with those rates previously charged to customers:

	PREVIOUS RATES	INTERIM RATES
RESIDENTIAL		
CUSTOMER CHARGE	\$10.00/MONTH	\$15.00/MONTH
ENERGY CHARGE	\$0.0788 (APR-SEP)	\$0.0561 (0-200 KWH) MIN. \$26.80
	\$0.0428 (OCT-MAR)	\$0.0561 (201-1400 KWH)
		\$0.0456 (OVER 1400 KWH)
SEASONAL		
CUSTOMER CHARGE	\$60.00 BI-ANNUAL	\$15.00/MONTH
ENERGY CHARGE	\$0.0788 (APR-SEP)	\$0.0561 (0-200 KWH) MIN. 26.80
	\$0.0428 (OCT-MAR)	\$0.0561 (201-1400 KWH)
		\$0.0456 (OVER 1400 KWH)

GENERAL SERVICE		
CUSTOMER CHARGE	\$13.00/MONTH/METER	\$15.00/MONTH/METER
ENERGY CHARGE	\$0.0498 (0-15,000 KWH)	\$0.0468 (0-15,000 KWH)
	\$0.0299 (OVER 15,000 KWH)	\$0.0315 (OVER 15,000 KWH)
DEMAND CHARGE	\$4.61 (EXCESS OF 10KW/MO)	\$4.15 (EXCESS OF 10KW/MO)
IRRIGATION		
ENERGY CHARGE	\$0.0181	\$0.0144
DEMAND CHARGE	\$2.74 KW/MO	\$3.36 KW/MO
HORSEPOWER CHARGE	\$17.54 (0-100HP)	\$17.54 (0-100HP)
	\$25.00 (101+HP)	\$25.00 (101+HP)
LIGHTING 175 WATT		
0 POLE	\$9.61/MO	\$9.61/MO
1 POLE	\$9.85/MO	\$9.85/MO
2 POLE	\$10.34/MO	\$10.34/MO
3 POLE	\$10.71/MO	\$10.71/MO
LIGHTING 400 WATT		
0 POLE	\$14.05/MO	\$14.05/MO
1 POLE	\$14.30/MO	\$14.30/MO
2 POLE	\$14.85/MO	\$14.85/MO
3 POLE	\$15.21/MO	\$15.21/MO

CONCLUSIONS

14. Proper notice of this matter was given in accordance with the provisions of the Wyoming Administrative Procedure Act, W.S. §§ 37-2-201 through 37-2-202 and the Commission's Procedural Rules and Special Regulations.

15. A public hearing was conducted with regard to this matter pursuant to the provisions of W.S. §§ 16-3-107, 16-3-108, 37-2-201, 37-2-203 and the Commission's Procedural Rules and Special Regulations.

16. Based upon the evidence presented with regard to this matter, the Commission finds that final approval of Fall River's application is in the public interest. The rate proposals contained within the application are based upon a sound cost of service analysis and provide overall rate reductions to all but the seasonal customer class.

IT IS THEREFORE ORDERED THAT:

1. Pursuant to open meeting action taken on August 20, 1997, final approval of the interim rate authority to implement a general rate increase of 1.870% is hereby granted to Fall River Rural Electric Cooperative, Inc.

2. This Order is effective immediately.

MADE and ENTERED at Cheyenne, Wyoming this 6th day of April, 1998.

PUBLIC SERVICE COMMISSION OF WYOMING

STEVE ELLENBECKER, Chairman

KRISTIN H. LEE, Deputy Chair

(SEAL)

ATTEST:

IVAN H. WILLIAMS, Assistant Secretary