

**PUBLIC SERVICE COMMISSION
STATE OF MONTANA**

Greg Jergeson, Chairman
Brad Molnar, Vice Chairman
Doug Mood, Commissioner
Robert H. Raney, Commissioner
Thomas J. Schneider, Commissioner



1701 Prospect Avenue
PO Box 202601
Helena, MT 59620-2601
Voice 406.444.6199
Fax 406.444.7618
<http://www.psc.mt.gov>
E-Mail: psc@mt.gov

February 17, 2006

John Kappes
Assistant General Manager
and Vice President
Mountain Water Company
1345 West Broadway
PO Box 4826
Missoula MT 59806

Re: Compliance tariffs

Enclosed please find approved tariff schedules listed as follows:

Tariff Sheet No.: PT1-05-224, canceling Sheet 208.1
PT2-05-225, canceling Sheet 209.1
PT3-05-226, canceling Sheet 210.1
PT4-05-227, canceling Sheet 211.1

Docket No.: D2005.4.49, Order No. 6644c
Commission Approved: February 14, 2006
Effective: For service rendered on or after February 14, 2006

If you have any questions please contact me at 406-444-6180 or
dturkowski@mt.gov.

MONTANA PUBLIC SERVICE COMMISSION

Donna Turkowski
Utility Division

Enclosure



MOUNTAIN WATER COMPANY

P. O. Box 4826 • 1345 West Broadway • Missoula, Montana 59806 •
Phone (406) 721-5570

February 13, 2006

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2006 FEB 14 AM 9:55
PUBLIC SERVICE
COMMISSION

Ms. Kate Whitney
Montana Public Service Commission
1701 Prospect Avenue
Helena, MT 59620

Subject: Signed Tariff In Resolution of Docket 2005.4.49

Dear Ms. Whitney:

Enclosed for filing with the Montana Public Service Commission is the revised power tracker tariff resulting from the resolution of Docket 2005.4.49. If you have any questions about the enclosed, please contact me or John Kappes at (406)721-5570.

MOUNTAIN WATER COMPANY

Arvid M. Hiller
Vice President and General Manager

Mr. John Alke, Esquire
Hughes, Kellner, Sullivan and Alke
40 W. Lawrence Suite A
P O Box 1166
Helena, Montana 59634-1166

Public Service Commission of Montana

MOUNTAIN WATER COMPANY

Sheet PT1-05-224

Canceling Sheet 208.1

(Name of Company)

Power Service

1. APPLICABILITY

This rate schedule sets forth the procedure to be used in calculating annual power cost tracking adjustments. It specifies the procedure to be utilized to adjust the rates for water sold under Mountain's rate schedules in order to reflect: (a) changes in Mountain's projected annual power cost, and; (b) the accrual and amortization of the unreflected power cost account.

2. EFFECTIVE DATE/ADJUSTMENT PERIOD

Unless otherwise ordered by the Commission, the effective dates of the annual power cost tracking adjustment shall be bills rendered on and after the first day of October of each year. The adjustment period is the twelve month period from October 1st to September 30th of the following year.

3. ANNUAL POWER COST TRACKING ADJUSTMENT

The annual power cost tracking adjustment shall consist of two parts; (a) the projected annual power cost adjustment, and (b) the amortization of the unreflected power cost account.

(a) The projected annual power cost adjustment shall reflect changes in Mountain's annual cost of power projected to occur during the adjustment period.

(b) The amortization of the unreflected power cost account shall utilize a twelve month amortization of the applicable balance in the account, whether positive or negative, over the adjustment period.

4. PROJECTED ANNUAL POWER COST ADJUSTMENT

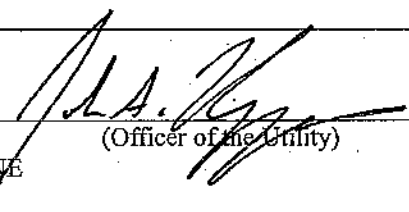
(a) The projected annual cost of power shall be the sum of all bulk power supply, transmission, distribution, and associated costs which will be incurred by Mountain during the adjustment period, regardless of how the supplier of such services has denominated their charges (customer

Issued

2-13-06

(Date)

By


(Officer of the Utility)

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PUBLIC SERVICE COMMISSION

 Secretary

Public Service Commission of Montana

MOUNTAIN WATER COMPANY

Sheet PT2-05-225
Canceling Sheet 209.1

(Name of Company)

Power Service

charges, demand charges, energy charges, transition charges, universal system benefit charges etc).

(b) The projected annual power cost adjustment shall be computed by comparing the projected annual cost of power during the adjustment period to the pro forma power expense approved by the Commission in Mountain's most recent filing for rate revisions related to changes in purchased power costs. The difference, whether positive or negative, will be allocated to Mountain's rate classes in accordance with the allocation methodology for power costs approved by the Commission in Mountain's most recent general rate case. For each rate class, the allocated adjustment amount will be billed at the monthly or seasonal rate necessary to recover that amount over the adjustment period, using the appropriate units of sale for the class for the adjustment period.

5. UNREFLECTED POWER COST ACCOUNT

The unreflected power cost account shall include:

- (a) All increased/decreased charges for power incurred by Mountain which were paid after the effective date of the most recent rate order related to power cost changes, and not yet included in water rates.
- (b) All refunds received from suppliers of power, or the component parts of power, such as bulk power supply, transmission, distribution, or associated charges.
- (c) The amount to be included in the unreflected power cost account shall be calculated as follows:
 - (1) Mountain shall first determine the pro-forma power cost allocated to metered and unmetered rate classes using the power cost allocation method approved by the Commission in Mountain's most recent general rate case.

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By [Signature]
(Officer of the Utility)

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[Signature] Secretary

Public Service Commission of Montana

MOUNTAIN WATER COMPANY

Sheet PT3-05-226

Canceling Sheet 210.1

(Name of Company)

Power _____ Service _____

- (2) Mountain shall next determine the amount of power cost included in the current per-CCF charge to general metered customers. The pro-forma power cost to be borne by metered customers will be divided by the pro-forma CCF sales calculated for the metered customer class in the last approved general rate case.
- (3) Mountain shall next determine the amount of power cost included per revenue dollar for general unmetered customers. The power cost to be borne by unmetered customers will be divided by the pro-forma sales revenue calculated for the unmetered customer class in the last approved general rate case.
- (4) Mountain shall then determine the amount of power cost collected from the metered and unmetered customer classes. Collection from metered customers will be calculated by multiplying the total number of CCF's actually sold for the period by the amount of power cost included in each CCF. Collection from unmetered customers will be calculated by multiplying the actual revenues billed to flat rate customers for the period by the amount of power cost included per revenue dollar.

The total actual power cost for the period will then be compared with the total power cost collected from customers.. The resulting difference, either positive or negative, will be applied to the unreflected power cost account.

(d) Amortization of unreflected power cost account:

The balance in the unreflected power cost account at the close of an adjustment period will be amortized, by customer class, over the twelve months of the next adjustment period. An amortization amount will be determined for each customer class, and charged to the customers of the class, which is appropriate for the units of sale to that customer class.

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(Date)

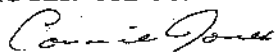
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MOUNTAIN WATER COMPANY

Sheet PT4-05-227

Canceling Sheet 211.1

(Name of Company)

Power _____ Service _____

6. TIME AND MANNER OF FILING

(a) Each filing by Mountain shall be made by means of revised tariff sheets identifying the amounts of the adjustments and the resulting currently effective rates.

(b) Each filing shall be accompanied by detailed computations which clearly show the derivation of the relevant amounts.

7. DE MINIMIS CHANGES

If the annual power cost tracking adjustment computed in accordance with this tariff is less than \$100,000, Mountain shall by letter advise the Commission of that fact, shall continue all accounting required under paragraph 5 of this tariff, Unreflected Power Cost Account, and include the resulting accruals in its next annual filing under this tariff. Deferrals made under this paragraph will accrue interest at Mountain's last approved weighted cost of capital.

Issued

2-13-06

(Date)

By

[Signature]
(Officer of the Utility)

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