

**MONTANA PUBLIC SERVICE COMMISSION
UTILITY DIVISION
AGENDA NO. 04-08-03**

Date Published: July 29, 2004
For Work Week Commencing: August 2, 2004
Commission Meeting: August 3, 2004, 9:00 a.m.

General Introduction This agenda is the Commission's Utility Division agenda for the work week designated. In the later part of each week (generally, Thursday by 2:00 p.m.) prior to the work week to which an agenda pertains, the agenda is posted on the public information bulletin board at the Commission offices, deposited in the mail directed to all persons who have properly requested notice by mail, emailed to all persons who have properly requested notice by email, and posted to the Public Service Commission's worldwide web site located at <http://www.psc.state.mt.us>.

Place of Meetings All meetings are held at the Commission offices, 1701 Prospect Avenue, Helena, Montana, unless otherwise noted.

Inquiries General inquiries concerning this Utility Division agenda and subscribing to notice by mail may be made to Steve Vick at (406) 444-6187. He may refer inquiries to another person within the agency.

Accommodation for Persons with Disabilities Anyone needing an accommodation for physical, hearing, or sight impairment in order to attend a scheduled meeting should contact the Commission secretary at (406) 444-6199 sufficiently prior to the meeting to allow accommodations to be made.

9:00 a.m. Weekly Scheduling (Commission Conference Room)

9:30 a.m. Business (Bollinger Room)

Public Comments

Action Items All items identified below are for action at the Commission business meeting.

1. NorthWestern Corporation (NOR) D2004.7.118 (Eric)

On July 20, 2004, NOR filed an application seeking authority to consummate \$600,000,000 in exit financing and to issue up to 35.5 million shares of common stock. The Exit Financing Facilities will be secured by first mortgage bonds in the amount of (i) up to \$473 million issued under NOR's indenture covering its Montana public utility assets and (ii) \$127 issued under NOR's indenture covering the South Dakota public utility assets. The terms of NorthWestern's Reorganization Plan provide that debt owed to NorthWestern's senior unsecured creditors and subordinated unsecured bond holders totaling approximately \$1.2 billion will be canceled and exchanged for 35.5 million shares of common stock

in reorganized NorthWestern. NOR's existing common stock will be canceled in accordance with the terms of the Reorganization Plan. A default order has been drafted.

2. Project Telephone Company N2004.7.115 (Scott)

On July 15, 2004, Project Telephone Company filed replacement tariff sheets which take into account the Federal Communications Commission's (FCC) new qualifying guidelines for the Lifeline Telephone Assistance Program.

3. Qwest Communications N2002.7.116 (Scott)

On July 16, 2004, Qwest filed tariff transmittal 04-09 Grand fathering residence packages and introduce new ones. The packages being grandfathers are: PREFERREDCHOICE (including CONVENIENCECEPAK); Two-Line PREFERREDCHOICE (including CONVENIENCECEPAK); Qwest Choice Home, Two-Line Qwest Choice Home; VALUECHOICE (including PRIVACYPAK); and Two-Line VALUECHOICE (including PRIVACYPAK). The new package Qwest is introducing are QWEST CHOICE Home, QWEST CHOICE Two-Line Home, QWEST CHOICE Home Plus, and QWEST CHOICE Two-Line Home Plus.

4. CenturyTel N2004.5.75 (Scott)

On May 21, 2004, CenturyTel filed tariff revision. In this filing Century Tell is requesting that language be added that clarifies ISDN-PRI and other local services are offered on an end user basis only and not to be used to transmit interexchange traffic that does not either originate or terminate at the customer premises. AT&T filed an objection. After negotiation CenturyTel filed modifications to its original tariff filing. Staff recommends approval.

5. PPM Energy N2004.7.104 (Will)

On July 6, 2004, PPM Energy submitted an application for a license to supply electricity to retail customers in the Montana service territories of NorthWestern Energy, Flathead Electric Cooperative and Glacier Electric Cooperative. The Company intends to solicit and serve large commercial and industrial customers with loads greater than 300 KW.

Work Sessions All items identified below are for Commission discussion or action on the day designated.

1. D2004.7.119 – Qwest Interconnection Agreement - Discuss and Get Direction on How to Proceed with MCI-Qwest Agreement. (8/3/04)
2. D2004.7.105 – Qwest Interconnection Agreement - Discuss and Act on Qwest - 3 Rivers Interconnection Agreement. (8/3/04)
3. D2004.3.39 – Multiple Carriers - Discuss and Get Direction on Pending Discovery Motions, Other Matters. (8/3/04)
4. D2004.2.21 – Act on Request for Protective Order filed by Commercial Energy in the Investigation of Electricity Market Activity Affecting Retail Customers, 2000 – 2001. (8/3/04)
5. N2004.1.15 – NorthWestern Energy – Discuss 2004 Electric Default Supply Resource Procurement Plan. (8/3/04)
6. NorthWestern Energy Bankruptcy – Placeholder to Report on and Get Direction on Any Matter Related to the Bankruptcy. (8/3/04)

Other Meetings

8/4/04 – 10:00 a.m. – Blackfoot Telephone EAS Hearing (St. Ignatius, Community Center)

8/4/04 – 2:00 p.m. – Blackfoot Telephone EAS Hearing (Plains, City Hall Council Room)

8/4/04 – 6:00 p.m. – Blackfoot Telephone EAS Hearing (Superior, Superior Court House, Commission Room)

8/5/04 – 10:00 a.m. - Blackfoot Telephone EAS Hearing (Seeley Lake, Seeley Lake Elementary School Gym)

8/5/04 – 2:00 p.m. – Triangle/Central Montana Telephone EAS Hearing (Choteau, Choteau County Library)

8/5/04 – 3:00 p.m. – Blackfoot Telephone Hearing (Hamilton, Court House Election Room)

8/5/04 – 6:00 p.m. – Blackfoot Telephone Hearing (Missoula, Public Library Reception Room)

8/5/04 – 6:30 p.m. – Triangle/Central Montana Telephone EAS Hearing (Lewistown, Fergus County Court House, Court Room 3rd Floor)

8/6/04 – 10:00 a.m. – Blackfoot Telephone EAS Hearing (Drummond, High School Library)

8/6/04 – 2:00 p.m. – Blackfoot Telephone EAS Hearing (Philipsburg, Granite County Museum – Reception Room)

Weekly Scheduling – Will be held at 9:00 a.m. on the day of the Commission Meeting

Notice Items All items identified below are noticed for public participation purposes. Unless otherwise stated in the text of the notice, the items will be action items on the next following agenda or a subsequent agenda and participation may be had by submitting written comments to the Public Service Commission, 1701 Prospect Avenue, P.O. Box 202601, Helena, Montana, 59620-2601, within 5 calendar days following publication of this agenda. Public comments on a noticed matter may also be submitted within the required time through the PSC's web-based comment form at <http://psc.state.mt.us/PublicComment/PublicComment.htm>. Comments should reference the docket number of the matter.

Information Items All items identified below are for information only.

New Filings Received in Past Week

D2004.7.118 – NorthWestern Corporation – Application for Authority to Consummate up to \$600 Million in Exit Financing and to Issue up to 35.5 Million Shares of Common Stock

D2004.7.119 – Qwest Corporation and MCImetro Access Transmission services Amendment to Interconnection Agreement for Elimination of UNE-P and Implementation of Batch Hot Cut Process and Discounts between Qwest and MCImetro

D2004.7.120 – Energy West Montana – Great Falls Gas Application to Increase Rates