

**MONTANA PUBLIC SERVICE COMMISSION
UTILITY DIVISION
AGENDA NO. 06-02-23**

Date Published: February 16, 2006
For Work Week Commencing: February 20, 2006
Commission Meeting: February 23, 2006, 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.mt.gov>.

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 Kate Whitney at (406) 444-3056. She 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. KLABZUBA OIL & GAS (N2000.4.59), LIBERTY GAS MARKETING (N2004.4.64), TRANSCANADA GAS SERVICES INC. (N98.7.154), SMARTENERGY.COM (N2000.9.143), MP ENERGY SERVICES (N97.10.193 & N97.10.194), MONTANA POWER TRADING & MARKETING (N98.7.161) (JOEL)

Requests by Klabzuba Oil & Gas, Liberty Gas Marketing and TransCanada Gas Services Inc. to terminate their gas supplier licenses and to cancel the gas supplier licenses of MP Energy Services, SmartEnergy.com and Montana Power Trading & Marketing as these entities no longer exist. Staff recommends approval. Suggested Action: Grant request to cancel Klabzuba

Oil & Gas', Liberty Gas Marketing's and TransCanada Gas Services Inc.'s natural gas supplier licenses and cancel the licenses of MP Energy Services, SmartEnergy.com and Montana Power Trading & Marketing.

2. Sprint N2006.1.8 (Scott)

On January 25, 2006, Sprint filed changes to its Montana P.S.C. Price list. The filing proposes to remove service offerings that are no longer being offered with any customers subscribing to them and make minor text changes for standardization purposes. Probable motion: Approve the changes to Sprint's Montana P.S.C. Price List in Docket N2006.1.8.

3. Qwest Communications Corporation N2006.1.9 (Scott)

On January 26, 2006, Qwest Communications Corporation (QCC) filed Tariff Transmittal QCC06-04. The purpose of this filing is to clarify the availability of residential *QWEST Choice* Long Distance Plan. Probable motion: Approve QCC's Tariff Transmittal QCC06-04 in Docket N2006.1.9.

4. Qwest Long Distance N2006.1.10 (Scott)

On January 26, 2006, Qwest Long Distance (QLD) filed Tariff Transmittal QLD06-04. The purpose of this filing is to clarify the availability of residential *QWEST Choice* Long Distance Plan. Probable motion: Approve QLD's Tariff Transmittal QLD06-04 in Docket N2006.1.10.

5. Citizens Telecommunications Company N2006.2.12 (Scott)

On January 31, 2006, Citizens filed Advice Letter No. MT-06-02 Special Promotion. The purpose of this filing is to introduce a promotional offering beginning March 1, 2006, and continuing through May 29, 2006. Residential and business Customers who move from one location to another location within the Company's service area will receive a waiver of the applicable non-recurring Service Request Charge. Citizens is requesting a March 1, 2006, effective date. Probable motion: Approve Citizens' Advice Letter No. MT-06-02 in Docket N2006.2.12.

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

1. N2005.12.182 – Qwest – Duplicate bill charge – Commission action. (2/23/06)
2. D2005.12.174 – Qwest – Pro hac vice application – Rule on application of Thomas M. Dethlefs for pro hac vice “good cause” admission. (2/23/06)
3. D2004.3.38 – Range Telephone Cooperative, Inc. – Application for ETC status in Qwest’s Forsyth, Montana exchange – Discussion, direction on further proceedings. (2/23/06)
4. D2004.3.47 – Cut Bank Gas Company – General rate case – Discussion, direction, action on final order. (2/23/06)
5. D2004.12.202 – Five Valleys Gas Company – General rate case – Discussion, direction, action on final order. (2/23/06)
6. D2005.9.148 – Montana-Dakota Utilities Co. – General gas rate case – Discussion, direction, action on MDU withdrawal and PSC order closing docket. (2/23/06)
7. D2005.12.177 – Energy West Montana – Adjustments to Energy West Montana’s USBC programs – Discuss and/or act. (2/23/06)
8. D2005.12.179 – Big Mountain Water – Request for tariff modifications – Reconsider earlier Commission action. (2/23/06)
9. N2005.8.124 – Implementation of rules pursuant to SB 415 – Renewable resource standards – Discuss issuing draft rules for comment. (2/23/06)
10. N2006.2.20 (Includes: D95.11.172, MPC; D97.7.148, Woods Bay; D99.4.96, Clark Fork Telecom; D99.10.241, US West; D2000.12.204, Chinook Pipeline; D2002.7.81, NorthWestern Energy; D2002.10.130, NorthWestern Energy; D2002.11.145, Northern Telephone Cooperative; D2003.9.135, Montana-Dakota Utilities; D2003.12.179, Qwest; D2005.6.97, Crystal Lakes.) – PSC Initiated – Utility Division, Case Management 2006, Closing Inactive Cases – Discussion, direction, action on inactive Utility Division cases. (2/23/06)
11. 2008 NARUC Attorneys’ Conference – Discuss hosting the conference. (2/23/06)

12. Out-of state staff travel – Act on travel requests: (1) Candace Beery to CREPC in Portland, April 5-6; (2) Kate Whitney to ROC in Scottsdale, AZ, March 28-29; (3) Tim Sweeney to Telecommunications Law Conference in Seattle, April 3-4. (2/23/06)

Other Meetings

2/22/06 9:00 a.m. - 5:00 p.m. - Montana PSC Smart Metering & Demand Response Workshop (Bollinger Room)

2/23/06 2:00 p.m. - 911 Program Information Meeting (Bollinger 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.mt.gov/Consumers/comments>. Comments should reference the docket number of the matter.

1. NORTHWESTERN ENERGY D2005.10.161 (Eric)

On February 15, 2006, NorthWestern Energy (NWE) filed an amended application to refinance and to borrow the proceeds from the sale of not to exceed \$170,205,000 principal amount of Pollution Control Revenue Refunding Bonds Series 2005. The original application in this Docket was approved by the Commission in Order No. 6698 which was approved November 8, 2005. That Order required that the effective interest rate for the transaction not exceed 5 percent. The amended application seeks approval for NWE to consummate this transaction if the effective interest rate equals or is less than the current effective rate of the securities of 6.22 percent.

2. NORTHWESTERN ENERGY N2006.2.19 (Eric)

On February 8, 2006, NorthWestern Energy (NWE) filed a request for an accounting order to authorize the company to defer recognition of any bad debt expense resulting from its funding of the Grid West RTO. The company is being requested to make a loan to Grid West to help finance its organization costs. If Grid West is successfully implemented, the loan will be

repaid and the accounting order will be moot. If, however, Grid West fails to become a successful operation, the accounting order gives the company the right to seek recovery of any unpaid portion in rates. The company will retain its burden of proof that any recovery from Montana ratepayers is appropriate.

3. NORTHWESTERN ENERGY N2006.2.16 (Leroy)

On February 6, 2006, NWE filed Tariff Letter No. 113-E to revise electric tariff rules to reflect the current effective income tax factor of 30 percent on customer line extensions and installations. This is a decrease from the present 33 percent income tax factor. These tariffs are effective for services on or after February 1, 2006.

4. NORTHWESTERN ENERGY N2006.2.17 (Leroy)

On February 6, 2006, NWE filed Tariff Letter No. 99-G to revise gas tariff rules to reflect the current effective income tax factor of 30 percent on customer line extensions and installations. This is a decrease from the present 33 percent income tax factor. These tariffs are effective for services on or after February 1, 2006.

5. NORTHWESTERN ENERGY N2006.2.18 (Leroy)

On February 6, 2006, NWE filed Tariff Letter No. 8-P to revise propane tariff rules to reflect the current effective income tax factor of 30 percent on customer line extensions and installations. This is a decrease from the present 33 percent income tax factor. These tariffs are effective for services on or after February 1, 2006.

Protective Orders – Notice Items The Commission has received the following requests for protective order pursuant to ARM 38.2.5007. The Commission will rule on the requests no earlier than 10 days after the publication date of this agenda. Comments on the requests may be submitted at any time prior to ruling. Any person wanting a copy of a protective order request should contact the Commission at (406) 444-6199.

1. NORTHWESTERN ENERGY D2006.2.21 (Martin)

On February 15, 2006 (electronic copy), NorthWestern Energy (NWE) filed a Motion for Protective Order in this docket, which is NWE's initial and

abbreviated 2006 natural gas procurement plan filed in accordance with guidelines approved on an interim basis in PSC Docket No. N2005.6.101. NWE requests information relating to natural gas purchases and purchase procedures (including costs, volumes, delivery locations, supply sources, evaluation of supply sources, utilization of storage and transportation, and so forth) be protected from uncontrolled public disclosure on the bases of trade secret and confidential business information.

2. QWEST CORPORATION D2005.6.105 (Martin)

On February 14, 2006, Qwest Corporation (Qwest) filed a Motion for Protective Order in this docket, which is the PSC's investigation of Qwest's use of universal service funds. Qwest requests that lists of unattended wire centers, intrastate access revenue detail, customer numbers and annual recurring and non-recurring revenues, DSL history and related customer numbers and capital investment, local network spending by central office, and DSL and VOIP customer numbers be protected from uncontrolled public disclosure on the bases of trade secret and proprietary business and technical information

Protective Orders – Information Items The Commission has issued the following protective orders. These orders may be challenged pursuant to ARM 38.2.5008. Copies of these orders may be obtained by calling the Commission at (406) 444-6199

Information Items All items identified below are for information only.

New Filings Received in Past Week

N2006.2.13 – Electric City Power, Inc. – Application for License to Supply Electricity

D2006.2.14 – Qwest Corporation and Navigator Telecommunications – Wireline Interconnection Agreement

D2006.2.15 – Cut Bank Gas Company – Application for Increased Rate for Natural Gas Service and Request for Interim Relief Prior to a Rate Hearing

N2006.2.16 – NorthWestern Energy – Tariff Letter 113-E – Revised Tariff Rules to Reflect the Current Effective Income Tax Factor of 30% on Customer Line Extensions and Installations

N2006.2.17 – NorthWestern Energy – Tariff Letter 99-G – Revised Tariff Rules to Reflect the Current Effective Income Tax Factor of 30% on Customer Line Extensions and Installations

N2006.2.18 – NorthWestern Energy – Tariff Letter No. 8-P – Revised Tariff Rules to Reflect the Current Effective Income Tax Factor of 30% on Customer Line Extension and Installations

N2006.2.19 – NorthWestern Energy – Request for an Accounting Order Authorizing the Deferral of Start-Up Funding for Transmission RTO Grid West

N2006.2.20 – PSC Initiated – Case Management 2006 Closing Inactive Cases

D2006.2.21 – NorthWestern Energy – Initial Abbreviated 2006 Natural Gas Procurement Plan

D2006.2.22 – Avista Corporation – Application for an Order Disclaiming Jurisdiction