

BEFORE THE UTILITY DIVISION
DEPARTMENT OF PUBLIC SERVICE REGULATION
MONTANA PUBLIC SERVICE COMMISSION

IN THE MATTER OF THE APPLICATION)	
OF THE MONTANA POWER COMPANY FOR)	DOCKET NO. 6320
AUTHORITY TO ISSUE AND SELL NOT)	
TO EXCEED \$75,000,000 IN PRINCIPAL)	THIRD SUPPLEMENTAL
AMOUNT OF FIRST MORTGAGE BONDS))	ORDER NO. 4197

By its Second Supplemental Order No. 4197 dated November 21, 1975, this Commission authorized the Applicant, The Montana Power Company, hereinafter called the Company, to issue and sell not to exceed \$75,000,000 in principal amount of its First Mortgage Bonds, hereinafter called the "New Bonds," in response to a verified application supported by exhibits and data filed in accordance with rules and regulations of the Commission. On December 1, 1975, Applicant advised the Commission it planned to sell \$65,000,000 of New Bonds at a negotiated public offering on December 10, 1975, pursuant to a Registration Statement on file with the Securities and Exchange Commission under Registration No. 2-55036.

The interest rate and price to be received by the Company for issuance and sale of the New Bonds were to be determined by negotiations with a group of Underwriters and reported by telephone to the Commission, and following such negotiations the Company was to furnish the Commission with a supplement to its application, specifying the results of said negotiations for the sale and purchase of said New Bonds.

On December 11, 1975, the Company filed Supplement No. 4 to its Application, setting forth (1) the results of the negotiations for the sale and purchase of \$65,000,000 in principal amount of its First Mortgage Bonds, 9.7% Series due 2005 (the New Bonds); (2) that said negotiations with a group of underwriters provide for the New Bonds to bear an interest rate of 9.70% and a price to be paid to the Company (exclusive of accrued interest) of \$99.125 (per \$100 face value thereof) and the effective cost of money to the Company of 9.79%; and (3) that the New Bonds are to be reoffered to the public at the initial public offering price of \$100.00 (per \$100 of face value thereof) to yield 9.7%.

At a regular open session of the Montana Public Service Commission, held in its offices at 1227 11th Avenue, Helena, Montana, there came before the Commission for final action, the matters

and things in this Docket, and the Commission, having fully considered the application and all the data and records pertaining thereto on file with the Commission and being fully advised in the premises, makes the following:

FINDINGS OF FACT

1. That the Second Supplemental Order No. 4197 issued herein on November 21, 1975, has been complied with by Applicant and the authority for issuance and sale of the New Bonds is still in full force and effect.

2. That on December 11, 1975, the Applicant filed its Supplement No. 4 to Application as required by the Commission's Second Supplemental Order No. 4197, and showed therein that the issuance by the Company of the \$65,000,000 principal amount of First Mortgage Bonds, 9.70% Series, due 2005, was made in accordance with the terms of the Underwriting Agreement and the results of the negotiations for the sale and purchase of the New Bonds as authorized by the above Order.

CONCLUSIONS OF LAW

The securities transaction conducted by Applicant, as herein before authorized, is for a lawful purpose and consistent with the public interest; that the same is necessary, appropriate and consistent with the proper performance by Applicant of service as a public utility in the State of Montana; and that the aggregate amount of securities to be outstanding will not exceed the fair value of the properties and business of Applicant.

ORDER

IT IS ORDERED by the Commission:

(1) That the Application of The Montana Power Company, as supplemented herein, pursuant to Section 70-117-1 through 70-117.6 RCM 1947, and the use of the proceeds for the purposes set forth in such Application is approved.

(2) That said Application by The Montana Power Company, as amended by the supplements thereto, for an Order authorizing the issuance and sale of the New Bonds on the terms and conditions as set forth in said Application, as supplemented, be, and the same hereby

is granted.

(3) That the issuance and sale of the New Bonds, bearing an interest rate of 9.7%, and at a price to be received by the Company therefor of \$99.125 per \$100.00 of the principal amount thereof, plus accrued interest on the New Bonds to the date of payment for and delivery thereof, be, and the same hereby are, authorized.

IT IS FURTHER ORDERED that nothing in this order, and no provision of Sections 70-117.1 through 70-117.6, RCM 1947, or any act or deed done and performed in connection therewith, shall be construed to obligate the State of Montana to pay or guarantee in any manner whatsoever any security authorized by this order or authorized, issued, assumed or guaranteed under the provisions of said sections 70-117-1 through 70-117-6, RCM 1947.

Except as herein modified, all of the terms and provisions of Second Supplemental Order No. 4197, Docket No. 6320, dated November 21, 1975, shall remain in full force and effect.

The foregoing order was adopted by the Public Service Commission of the State of Montana.

DONE IN OPEN SESSION at Helena, Montana, this 9th day of December, 1975. By a unanimous vote of The Montana Public Service Commission.

BY ORDER OF THE PUBLIC SERVICE COMMISSION:

GORDON E. BOLLINGER, Chairman

P.J. GILFEATHER, Commissioner

THOMAS G. MONAHAN, Commissioner

JAMES R. SHEA, Commissioner

GEORGE TURMAN, Commissioner

ATTEST:

GAIL E. BEHAN
Secretary
(SEAL)