

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

IN THE MATTER of The Application of The)	
MONTANA POWER COMPANY For Authorization)	
of the Execution by the Company of a Loan)	DOCKET NO. 81.3.36
Agreement, Indenture of Trust, Bank Letters)	
of Credit, Reimbursement Agreement, and)	DEFAULT ORDER NO. 4795
Related Documents to Secure The Payment of)	
The Principal of (Premium, if any) And)	
Interest on Pollution Control Revenue Bonds)	
to be Issued by the City of Forsyth, Montana)	
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On March 31, 1981, The Montana Power Company (“Applicant”) filed with the Public Service Commission its verified Application, pursuant to Sections 69-3-501 through 69-3-507 of the Montana Code Annotated (MCA), seeking an order authorizing it to execute certain documents, identified in the Application, to secure the payment of the principal of (premium, if any) and interest on Pollution Control Revenue Bonds (“Bonds”) to be issued by the City of Forsyth (“City”), Montana. The Application, supplemented on April 24, 1981, is supported by exhibits and data in accordance with the Commission practice and rules and regulations.

The Application states that Applicant is a public utility, as defined in MCA Sections 69-3-101, in that it furnishes electric and natural gas service in the State of Montana; that Applicant’s principal executive office is at 40 East Broadway, Butte, Montana; and that Applicant is duly qualified to do business in the States of Montana, Wyoming and Idaho. Detailed information with respect to the general character of Applicant’s business and the territory served by it is set forth in the Application on file in this Docket.

Notice of the filing of the Application has been given by publication in newspapers of general circulation in Applicant’s utility service area.

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The Application, as supplemented, states that:

(1) Applicant proposes to execute certain documents to effect a borrowing by the Company from the City of Forsyth, Montana, of not to exceed \$120,000,000 for the purposes of financing the cost of a portion of the pollution control and solid waste facilities at Colstrip Units #3 and #4 and paying related expenses.

(2) The Bonds are dated May 1, 1981, and are to mature in three years. The Bonds will bear annual interest rate of 8.75%.

(3) Further information regarding the Bonds is contained in the Application and exhibits on file in this Docket.

(4) Underwriters' fees in connection with the issue are to be paid from the proceeds and are \$13.75 per \$1,000 of Bonds issued.

(5) Other than approval of the Montana Public Service Commission, no regulatory authorization is required.

(6) The Guaranty is proper and lawful under provisions of Montana Law applicable to such transactions.

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, the Commission makes the following:

FINDINGS OF FACT

(1) The Applicant, The Montana Power Company, is a corporation organized and existing under and by virtue of the laws of the State of Montana and is qualified to transact business in the State of Montana.

(2) The Applicant is operating as a public utility, as defined in MCA Sections 69-3-101, and, as such, is engaged in furnishing electric and natural gas utility service in the State of Montana.

(3) The Commission has jurisdiction over the subject matter of the Application under MCA Sections 69-3-501 through 69-3-507, inclusive.

(4) Notice of the filing of the Application has been given by legal publication in all daily newspapers within Applicant's service area and the opportunity was given to request, by April 22, 1981, a public hearing, which would be held upon request on April 24, 1981.

(5) Opportunity to be heard with respect to the Application has been duly afforded; that due consideration has been given to the matters presented and filed in connection therewith; and that the Application should be approved as hereinafter ordered.

(6) The execution of documents securing the Bonds proposed by Applicant, as hereinafter authorized, will be for a lawful purpose and is consistent with the public interest; that such sale is appropriate for and consistent with the proper performance by Applicant of service as a public utility; and that the aggregate amount of securities outstanding and proposed to be guaranteed by Applicant will not exceed the fair value of the properties and business of Applicant.

CONCLUSION OF LAW

That the Application herein complies with MCA Sections 69-3-501 through 69-3-507, inclusive, and other laws of Montana as aforesaid and the same should be granted as hereinafter ordered.

ORDER

NOW, THEREFORE, at a session of the Public Service Commission of the State of Montana, held in its office at 1227 11th Avenue, Helena, Montana, on April 27,

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1981, there regularly came before the Commission for final action the matters and things in this Docket. The Commission being fully advised in the premises makes and enters the following Orders:

IT IS ORDERED that the Application of The Montana Power Company in this Docket for an order authorizing the Company to execute certain documents, identified in the Application, to effect a borrowing by the Company from the City of Forsyth, Montana, of not to exceed \$120,000,000 for the purposes of financing the cost of a portion of the pollution control and solid waste disposal facilities at Colstrip Units #3 and #4 and paying related expenses.

IT IS FURTHER ORDERED that the foregoing authorization is without prejudice to the regulatory authority of this Commission with respect to rates, service, accounts, valuations, estimates or determinations of cost, or any other matter subject to its jurisdiction as provided by law.

IT IS FURTHER ORDERED that nothing in this Order or any act or deed done and performed in connection herewith shall be construed to obligate the State of Montana or pay or guarantee in any manner whatsoever any security authorized by this Order or authorized, issued, assumed, or guaranteed under the provisions of MCA Sections 69-3-501 through 69-3-507, inclusive.

DONE IN OPEN SESSION at Helena, Montana, this 27th day of April, 1981, by a 4-0 vote.

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BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION.

Gordon E. Bollinger, Chairman

John B. Driscoll, Commissioner

Howard L. Ellis, Commissioner

Thomas J. Schneider, Commissioner

ATTEST:

Madeline L. Cottrill
Secretary

(SEAL)

NOTE: You may be entitled to judicial review of the final decision in this matter. If no Motion for Reconsideration is filed, judicial review may be obtained by filing a petition for review within thirty (30) days from the service of this order. If a Motion For Reconsideration is filed, a Commission order is final for purpose of appeal upon the entry of a ruling on that motion, or upon the passage of ten (10) days following the filing of that motion. cf. the Montana Administrative Procedure Act, esp. Sec. 2-4-702 MCA: and Commission Rules of Practice and Procedure, esp 38.2.4806 ARM.