

Service Date: April 12, 1983

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)	DOCKET
THE COMPANY OF A LOAN AGREEMENT,)	<u>83.3.20</u>
INDENTURE OF TRUST, AND RELATED)	ORDER
DOCUMENTS TO SECURE THE PAYMENT)	<u>4973</u>
OF THE PRINCIPAL OF (PREMIUM,)	
IF ANY) AND INTEREST ON POLLUTION)	
CONTROL REVENUE BONDS TO BE ISSUED)	
BY ROSEBUD COUNTY, MONTANA IN)	
AN AMOUNT NOT TO EXCEED \$45,000,000.)	

On March 30, 1983, 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 County of Rosebud (“County”), Montana. The Application 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 §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.

The Application states that:

(1) Applicant proposes to execute certain documents to effect a borrowing by the Company from Rosebud County, Montana, of not to exceed \$45,000,000 for the purpose of financing the cost of a portion of pollution control facilities at Colstrip Units #3 and #4 and paying related expenses.

(2) The Bonds will bear an annual interest rate and will be sold at a price to the County determined by negotiation with underwriters. Under the Application, as soon as the date of issuance, rate of interest and maturity of the Bonds are determined, the Commission is to be advised by a supplement to the Application in this Docket.

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

(4) Expenses in connection with the issue are to be paid from the proceeds of the Bonds and Applicant will advise the Commission of such expenses by a supplement to the Application in this Docket.

(5) Counsel, by a supplement to the Application in this Docket, will issue an opinion respecting the legality of the Loan Agreement and related documents.

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

(7) The proposed Loan Agreement and related documents will be 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 Section 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 and 69-3-507, inclusive.

(4) Pursuant to MCA §69-3-504, notice of the filing of the application has been given by inclusion of the application in the Commission's agenda for April, 1983.

(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 §§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 11, 1983 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 is hereby approved and that Applicant is hereby authorized to execute certain documents identified in the Application, and pursuant thereto (i) to effect a borrowing from the County of Rosebud, Montana, of not to exceed \$45,000,000 at a stated interest rate of interest and for a period of time to be later provided to and subject to the approval of the Commission, (ii) to make repayment of such borrowing with interest, and (iii) to pay certain fees and expenses of the City and the Banks in connection with issuance of the Bonds, all for the purpose of financing the cost of a portion of the pollution control 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 provision of MCA, Sections 69-3-501 through 69-3-507, inclusive.

DONE IN OPEN SESSION at Helena, Montana, this 11th day of April, 1983,
by a 5 -0 vote.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION.

THOMAS SCHNEIDER, Chairman

JOHN DRISCOLL, Commissioner

HOWARD ELLIS , Commissioner

CLYDE JARVIS, Commissioner

DANNY OBERG, Commissioner

ATTEST:

Madeline L. Cottrill
Commission Secretary

(SEAL)

NOTE: Any interested party may request the Commission to reconsider this decision. A motion to reconsider must be filed within ten (10) days. See 38.2.4806, ARM.