

Service Date: May 3, 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 THE COMPANY BEFORE DECEMBER 31,	)	
1983, OF THE APPROPRIATE FINANCING	)	DOCKET 83.4.26
DOCUMENTS TO SECURE THE PAYMENT OF	)	
THE PRINCIPAL OF (PREMIUM, IF ANY)	)	ORDER NO. 4979
AND INTEREST ON REFUNDING POLLUTION	)	
CONTROL REVENUE BONDS TO BE ISSUED	)	
BY THE CITY OF FORSYTH, MONTANA TO	)	
REFUND THE OUTSTANDING POLLUTION	)	
CONTROL REVENUE BONDS ISSUED IN	)	
1981 BY THAT CITY.	)	

ORDER

On April 21, 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 before December 31, 1983, certain documents described in the Application to secure the payment of the principal of (premium, if any) and interest on Refunding Pollution Control Revenue Bonds (“Refunding Bonds”) to be issued by the City of Forsyth (“City”), 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. It further states that the issuance of the Refunding Bonds is to be made in connection with the refunding of the \$120 million principal amount of the City's outstanding Series Pollution Control Revenue Bonds ("Bonds"), 1981 Series. These Bonds were issued to finance the Company's share of pollution control facilities for Colstrip Units #3 and #4, as described in Docket No. 81.3.36. These Bonds do not mature until June 1, 1984, but the Application states that the Applicant believes that, in view of market uncertainties, it is desirable to have flexible preliminary authorization to enter the tax exempt bond market substantially prior to the maturity date, in order to utilize all possible favorable market conditions. 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 before December 31, 1983, certain financing documents to effect a borrowing by the Applicant from the City of Forsyth, Montana, of not to exceed \$120,000,000 for the purpose of refunding the out-standing Colstrip Units #3 and #4 Pollution Control Revenue Bonds issued in 1981 by the City of Forsyth and paying related expenses.

(2) The Refunding Bonds will bear an annual interest rate and will be sold at such price to the City as shall be determined by negotiation with underwriters. As soon as the date of issuance, rate of interest, maturity date or dates, sinking fund or other terms of, and the price to the City for, the Refunding Bonds shall be determined, the Commission will be advised by a supplement to the Application in this Docket.

(3) Further information regarding the Refunding 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 Refunding 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 appropriate financing documents.

(6) Other than approval of the Montana Public Service Commission, no regulatory authorization is required for the Applicant to carry out the transactions contemplated hereby.

(7) The execution by the Applicant of the appropriate financing documents will be proper and lawful under provisions of Montana law applicable to such transaction.

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 §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 §§69-3-501 through 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 25, 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 transactions proposed by Applicant, as hereinafter authorized, will be for a lawful purpose and is consistent with the public interest; that such transactions will be appropriate for and consistent with the proper performance by Applicant of service as a public utility; and that the aggregate amount of securities to be outstanding and 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 May 2, 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, prior to December 31, 1983, certain documents described in the Application, and pursuant thereto (i) to effect a borrowing from the City of Forsyth, Montana, of not to exceed \$120,000,000 at a stated 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 in connection with issuance of the Refunding Bonds, all for the purpose of refunding the Bonds issued in 1981 by the City of Forsyth to finance the cost of the Company's share of the pollution control facilities at Colstrip Units #3 and #4 and to pay related expenses.

IT IS FURTHER ORDERED that the Applicant promptly report to the Commission, by telephone, and confirm by filing a Supplemental Application, once the terms of the appropriate financing documents for the Refunding Bonds have been established, the date of issuance, the price to the City, maturity date or dates, the rate of interest, and the sinking fund provisions, if any, as well as any other information with respect to the transactions authorized hereby as may be indicated in the Application or as may be requested by the Commission,

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 to pay or guarantee in any manner whatsoever any security authorized by this Order authorized, issued, assumed, or guaranteed under the provisions of MCA 69-3-501 through 69-3-507, inclusive.

DONE IN OPEN SESSION at Helena, Montana, this 2 day of May, 1983, by a 4 - 0 vote.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION.

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JOHN B. DRISCOLL, Commissioner

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HOWARD L. ELLIS, Commissioner

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CLYDE JARVIS, Commissioner

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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