Service Date: September 17, 1984

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 AUTHORITY TO ISSUE NOT TO EXCEED 150,000 SHARES OF NO PAR VALUE COMMON STOCK TO IMPLEMENT ITS TAX REFORM ACT EMPLOYEE STOCK OWNERSHIP PLAN.	)	UTILITY DIVISION DOCKET NO. 84.9.50 ORDER NO. 5083

On September 5, 1984, the Montana Power Company (Applicant) filed with this Commission a verified application requesting authority to issue and sell not to exceed 150,000 shares of its no par value common stock to implement its Tax Reform Act Employee Stock Ownership Plan (the Plan). The filing was duly noticed by inclusion thereof in the Utility Agenda of the Commission for September 10, 1984. The Applicant states that the shares would be issued in connection with the Plan described in the application. The application is supported by Exhibits and data in accordance with Commission practice and rules and regulations governing the authorization of issuance of securities by public utilities subject to its jurisdiction.

The application states that the Company is a public utility, as defined in 60-3-101, MCA, 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 the Company is duly qualified to do business in the States of Montana, Wyoming and Idaho. For detailed information with respect to the general character of the Company's business and the territory served by it, reference is made to the Application and exhibits.

The Application states with respect to the Stock that:

(1) The Company is able to increase its Investment Tax Credits by an additional 1% and 1/2% by use of the Plan.

(2) The contribution of stock to the Plan will be made to a Trustee, at a valuation of the stock at the average closing price of the stock on the 20 consecutive trading days immediately preceding the date upon which the credit is claimed.

(3) The Application discusses employee eligibility, limitations on withdrawal from the plan and other operative details.

(4) The proposed issuance of Stock is: (a) consistent with the public interest; (b) consistent with the proper performance by the Company of service as a public utility in the State of Montana and permitted by 63-3-501, MCA; and (c) will not result in securities outstanding, in the aggregate, which exceed the fair value of the properties and business of the Company.

The Application includes an opinion of counsel regarding the legality of the proposed issue, the other regulatory authorizations required, and the propriety of the proposed issues.

The Application was noticed by inclusion of notice of the filing thereof in the Commission's Agenda for September 10, 1984.

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

Montana.

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

4. That the issuance of not to exceed 150,000 shares of no par value Common Stock proposed herein by Applicant, as hereinafter authorized, for the purpose of implementing the Tax Reform Act Employee Stock Ownership Plan, as described in the Application, will be for a lawful purpose and are consistent with the public interest; that such issuance and sale is appropriate for and consistent with the proper performance by Applicant of service as a public utility; and that the aggregate amount of the securities outstanding, including the Common Stock subject to this proceeding, will not exceed the fair value of the properties and business of Applicant.

5. That notice of the filing of the Application has been duly given; 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.

CONCLUSION OF LAW

That the Application herein complies with Sections 69-3-501 through 69-3-507, MCA, 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 Helena, Montana, on September 17 , 1984, 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 for an order authorizing the issuance of not to exceed 150,000 shares of its no par value Common Stock, for the purpose of implementing the Tax Reform Act Employee Stock Ownership Plan, as described in the Application, is hereby approved and the issuance and sale of such Stock be, and the same is, hereby authorized under the provisions of this Order pursuant to Sections 69-3-501 through 69-3-507, MCA, inclusive.

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 Sections 69-3-501 through 69-3-507, MCA inclusive.

Issuance of this Order does not imply acceptance of the Application and exhibits and other material accompanying the Application for any purpose other than in connection with this proceeding.

DONE IN OPEN SESSION at Helena, Montana, this 17th day of September, 1984 by a 5-0 vote.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION.

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Thomas J. Schneider, Chairman

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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.