

Service Date: June 19, 1989

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) DOCKET NO. 89.6.15
AUTHORITY TO ISSUE AND SELL NOT TO)
EXCEED 400,000 SHARES OF PREFERRED) DEFAULT ORDER NO. 5414
STOCK AT AN ASSUMED VALUE OF \$100)
PER SHARE AND/OR \$100,000,000 OF)
LONG-TERM DEBT)

* * * * *

On January 7, 1988, the Montana Power Company (Applicant) received Order No. 5320 which allowed the Applicant to enter into a financing in order to issue through the sale of either Preferred Stock and/or Long-Term Debt the amount not to exceed 400,000 shares of Preferred Stock at an assumed value of \$100 per share and/or \$100,000,000 of Long-Term Debt no later than December 1, 1988.

Subsequently, the Applicant requested an amendment to Order No. 5320 to allow the Applicant to make long-term borrowings from two Revolving Credit Agreements after the December 1, 1988, deadline for borrowings under No. 5320. The Applicant received the requested authorization in Order No. 5381 in Docket No. 88.11.50.

On June 7, 1989, the Applicant requested an amendment to Order No. 5381 in order to allow the Applicant to increase the Long-Term Debt it may issue under Order No. 5381 from \$100,000,000 to

\$200,000,000 through borrowings under the Company's Revolving Credit Agreements. These Agreements are in the process of being amended to include such increased borrowings.

The Applicant had supplied the needed exhibits and other data in accordance with the Commission practice and rules and regulations in its initial application that was filed on December 8, 1987, and has supplied additional exhibits and data as required in these related proceedings since that time.

FINDINGS OF FACT

1. That Applicant, The Montana Power Company, is a corporation organized and existing under and by the 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 MCA Section 69-3-101, 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 MCA Sections 69-3-501 through 69-3-507, inclusive.

4. That the issuance of Long-Term Debt in the matter described in the Application and as hereinafter authorized will be for a lawful purpose and is consistent with the public interest;

and that such issuance is appropriate for and consistent with the proper performance by Applicant of service as a public utility.

5. That notice of this filing for an amendment to Order No. 5381 has been duly given; that due consideration has been given to the matters presented and filed in connection herewith; and that the Application for Amendment should be approved as hereinafter ordered.

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 2701 Prospect Avenue, Helena, Montana, on June 19, 1989, 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 Motion of Applicant, The Montana Power Company, for an amendment to Order Number 5381, allowing the Company to issue Long-Term Debt, not to exceed \$200,000,000, through borrowings under the Company's amended Revolving Credit Agreements is hereby approved and authorized subject to the provisions of this Order pursuant to MCA Sections 69-3-501 through 69-3-507 inclusive.

IT IS FURTHER ORDERED that the Applicant promptly report to the Commission, once the terms of the issue or issues have been established, the total price at which the issue or issues are to be borrowed by the Applicant; as well as any other information 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 or authorized, issued, assumed, or guaranteed under the provisions of MCA Sections 69-3-501 through 69-3-507, inclusive.

Issuance of this Order does not mean acceptance of the Applicant's exhibits or other material accompanying the Application for any purpose other than in connection with this proceeding.

DONE IN OPEN SESSION at Helena, Montana, the 19th day of June, 1989, by a 4-0 vote.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

CLYDE JARVIS, Chairman

HOWARD L. ELLIS, Commissioner

WALLACE W. "WALLY" MERCER, Commissioner

DANNY OBERG, Commissioner

JOHN B. DRISCOLL, Commissioner

ATTEST:

Ann Purcell
Acting Commission Secretary

(SEAL)

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