

Service Date: Jan. 6, 1992

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) UTILITY DIVISION
AUTHORITY TO ISSUE AND SELL NOT)
TO EXCEED 1,396,495 SHARES OF) DOCKET NO. 91.12.58
COMMON STOCK PURSUANT TO)
ITS DIVIDEND REINVESTMENT) DEFAULT ORDER NO. 5598
AND STOCK PURCHASE PLAN)
)

DEFAULT ORDER

1. On December 16, 1991, The Montana Power Company (the "Applicant"), a corporation organized and existing under the laws of the State of Montana, filed with the Montana Public Service Commission (the "Commission"), its Application pursuant to Sections 69-30-501 through 69-3-507 of the Montana Code Annotated (MCA) seeking an order authorizing the issuance and sale of an additional 1,396,495 shares of its authorized but unissued no par value common stock pursuant to its Dividend Reinvestment and Stock Ownership Plan (the "Plan").

2. The Application is supported by exhibits and data in accordance with Commission practice and rules and regulations governing such issuance of securities by public utilities operating within the State of Montana.

3. The Application states that the Applicant is a public utility as defined in Section 69-3-101, MCA, in that it furnishes electric and natural gas service in the State of Montana; that the Applicant's principal executive office is at 40 East Broadway, Butte, Montana; and, that the Applicant is duly qualified to do business in the States of Montana, Wyoming, Idaho and Arizona. For detailed information with respect to the general character of the Applicant's business and the territory served by it, reference is made to the Application.

FINDINGS

1. The 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. The Applicant is a public utility as defined in Section 69-3-101, MCA, and is engaged in furnishing electric and natural gas service in Montana.

3. The Commission has jurisdiction over the subject matter of the Application under Section 69-3-501, MCA.

4. The Applicant requests authorization to issue not to exceed 1,396,495 additional shares of its authorized but unissued common stock pursuant to the Plan. The Application states that the Plan results from the merger and amendment of the Applicant's Dividend Reinvestment and Stock Purchase Plan (subject to Default Order No. 5348 of this Commission) and Customer Stock Purchase Plan (subject to Default Order No. 4651a of this Commission). Authorization of the requested additional shares of authorized but unissued common stock for the continuation of the Plan will serve the public interest in that it will provide funds for the Applicant's general corporate purposes and will provide a convenient and economical means for eligible shareholders and Montana utility customers of the Applicant to purchase shares of the Applicant's common stock through optional cash payments and the reinvestment of dividends on shares of the Applicant's common and preferred stock.

5. Public notice of this Application was given by its inclusion on the Commission's agenda for December 30, 1991.

6. The Applicant furnished complete financial data with its Application in accordance with developed practice of the Commission. The Application sets forth a copy of the appropriate corporate resolution pertaining to this matter.

CONCLUSIONS OF LAW

1. The authorization for issuance of common stock proposed by the Application, as authorized by this Order, will be for a lawful purpose and is consistent with the proper performance by the Applicant of acts undertaken to achieve its general corporate

purposes.

2. Issuance of this Order does not constitute acceptance of the Applicant's exhibits or other material accompanying the application for any purpose other than the issuance of this Order.

3. Approval of the Application shall not be construed as precedent to prejudice any further action of the Commission.

4. Section 69-3-507, MCA, provides that neither the issuance of securities by the Applicant pursuant to the provisions of this Order, nor any other act or deed done or performed in connection with the issuance, shall be construed to obligate the State of Montana to pay or guarantee in any manner whatsoever any security authorized, issued, assumed, or guaranteed.

ORDER

The Application of The Montana Power Company for authority to issue an additional 1,396,495 shares of its authorized but unissued common stock (which authorization includes 202,744 shares and 193,751 shares, respectively, presently authorized for issuance pursuant to Default Orders Nos. 4651(a) and 5348) pursuant to the Plan is approved.

DONE IN OPEN SESSION at Helena, Montana this 6th day of January, 1992, by a 5 to 0 vote.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

HOWARD L. ELLIS, Chairman

DANNY OBERG, Vice Chairman

BOB ANDERSON, Commissioner

JOHN B. DRISCOLL, Commissioner

WALLACE W. "WALLY" MERCER, Commissioner

ATTEST:

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.