Service Date: February 28, 2001

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

* * * * *

IN THE MATTER of the Application of ENERGY NORTHWEST INC. for Authority to Increase Rates and Charges For Electric Service.	))))	UTILITY DIVISION DOCKET NO. D2000.7.103 ORDER NO. 6259c

FINAL ORDER

APPEARANCES

FOR THE APPLICANT:

MICHAEL J. UDA, appearing on behalf of Energy Northwest, Inc., Doney, Crowley, Bloomquist & UDA, PC, Power Block Ste. 300, PO BOX 1185, Helena, Montana 59624-1185.

FOR THE INTERVENOR:

THOMAS S. MURI, appearing on behalf of Montana Consumer Counsel, 616 Helena Avenue, PO BOX 201703, Helena, Montana 59620-1703.

PUBLIC WITNESS:

THOMAS J. SCHNEIDER, appearing on his own behalf as an individual, 513 1st Street, Helena, Montana 59601-5357.

APPEARING BEFORE:

BOB ROWE, COMMISSIONER AND HEARING EXAMINER, Montana Public Service Commission, 1701 Prospect Avenue, PO BOX 202601, Helena, Montana 59620-2601.

DENISE PETERSON, Staff Attorney, and WILL ROSQUIST, Rate Analyst, were also present as support staff for the Commission.

BACKGROUND

1. On July 17, 2000, Energy Northwest Inc. (ENI) filed with the Montana Public Service Commission (Commission) an application for authority to increase rates for electric service by $719,192. ENI also requested an interim increase in electric rates of $719,192. ENI is a wholly owned subsidiary of Flathead Electric Cooperative, Inc. (FEC), providing electric service in the incorporated cities of Columbia Falls, Kalispell and Whitefish, Montana.

2. On July 24, 2000, the Commission issued Procedural Order No. 6259 and issued and published Notice of Application and Intervention Deadline.

3. The Commission granted intervention in this Docket to the Montana Consumer Counsel (MCC), the Department of Public Health and Human Services (DPHHS), the Department of Environmental Quality (DEQ), and Commercial Energy of Montana.

4. On August 22, 2000, the Commission issued Interim Order No. 6259a, granting interim rate relief in the amount of $654,408 on an annual basis.

5. The Commission granted ENI's request for a waiver of the requirement in ARM 38.5.194 to provide a marginal cost study to support cost allocations and rate design in a rate case filing. (Notice of Commission Action issued August 25, 2000.)

6. At the request of ENI and its affiliated parent FEC, the Commission issued Order No. 6259b, Protective Order, on August 31, 2000, to protect information claimed to be proprietary and confidential, which was provided in the combined Cost of Service Study. ENI maintained that the proprietary information included customer load information, pricing information, financial and business information, and business strategy information which could be used to the economic detriment of ENI.

7. On September 25, 2000, MCC submitted a letter stating that after on-site visits with ENI personnel and review of ENI's filing and information, MCC "does not disagree with [ENI's] request and will not be filing intervenor testimony."

8. On November 29, 2000, DPHHS submitted late-filed testimony under this Docket related to Universal System Benefits Programs (USBP). ENI filed a Motion to Strike the late-filed testimony on December 1, 2000, to which DPHHS responded on December 4, 2000. At a duly noticed work session on December 11, 2000, the Commission moved the late-filed testimony into Docket No. D99.5.130, ENI's USBP filing.

9. Commissioner Bob Rowe, Hearing Examiner, conducted a public hearing on December 12, 2000, beginning at 1:00 p.m. at the Criminal Justice Center, 900 South Main, Kalispell, Montana.

10. Warren McConkey, General Manager, and John Goroski, Rates and Analysis Manager, appeared and testified on behalf of Applicant ENI. MCC did not present witnesses.

11. ENI's counsel moved the prefiled testimony of Warren McConkey, Terri Smiley, Mark Johnson, Joseph McGrath, and John Goroski into the record, as well as all the data responses to requests of MCC, the Commission and the Department of Public Health and Human Services (DPHHS).

12. Thomas J. Schneider appeared and testified as an individual in support of Universal System Benefits Programs (USBP) and submitted written testimony into the record. Doug Rauthe, Executive Director of the Human Resource Development Council (HRDC), District 10, for Northwest Montana, appeared and testified in favor of continuing support for low-income programs, including weatherization and LIEAP. Kim Dewitt, also of HRDC, appeared and testified on energy programs.

13. At the conclusion of the hearing, the Commission directed DPHHS to submit DPHHS's late-filed testimony subject to the Motion to Strike into ENI's USBC proceeding in Docket No. D99.5.130, scheduled for hearing in May, 2001.

14. Counsel for ENI agreed to a final order of the entire Commission in lieu of a proposed order from the Hearing Examiner Commissioner Rowe. MCC has had no objection to a final order, and DPHHS's witness was not present on its behalf to object.

SUMMARY OF TESTIMONY

Applicant's Witnesses

Prefiled Direct Testimony

15. **Warren McConkey**, General Manager of FEC and ENI, testified that ENI has an approximate annual revenue shortfall in the amount of $720,000. Wholesale power costs exceeded expectations, largely because ENI was unable to obtain "preference power" from Bonneville Power Administration (BPA), and the "firm surplus power" is more costly. The 1999 Montana Legislature revised the taxation for ENI, so that now ENI is assessed at a 12 percent rate based on market price valuation rather than on book value. Interest rates have increased.

ENI must do more capital improvements to improve reliability. Mr. McConkey testimony provided the following background: ENI's operations as a not-for-profit cooperative entity; acquisition of PacifiCorp's service territory; actions to enhance local service and operational efficiencies; reasons for the shortfall in revenue as an "extraordinary event" under § 69-8-211, MCA; and principles guiding management in presenting the rate increase to the boards of FEC-ENI.

16. ENI is governed by a locally elected Board of Directors, and like FEC, is operated as a not-for-profit cooperative membership corporation. The Internal Revenue Service has recognized ENI's non-profit status. The owners of both ENI and FEC are patrons, not shareholders. Margins are retained and allocated to patrons based on usage and paid after a reasonable period of time.

17. Mr. McConkey testified that there were unexpected costs incurred in the acquisition from PacifiCorp, including necessary reliability upgrades in excess of the $4 million above-book gain on the sale dedicated to PacifiCorp's former ratepayers in the form of capital improvements. The balance of Mr. McConkey's testimony was presented in more detail in the following testimony of ENI's witnesses.

18. **Terri Smiley**, Manager, Administrative Services Division, FEC, provided direct testimony in this case. The main focus of her testimony was to explain why the revenue requirement for ENI should be determined on the basis of the combined financial statements of ENI and FEC. ENI is a not-for-profit corporation that is a subsidiary of FEC. To finance the acquisition of PacifiCorp’s Montana service area, FEC borrowed funds from two cooperative lenders. FEC then loaned money to ENI at cost to acquire the assets in ENI’s service territory. FEC is obligated to repay the debt incurred from the purchase of PacifiCorp’s Montana service area. ENI and FEC’s service territories are extensively intertwined, and the two service territories are operated as a single utility. In addition to reducing personnel, operating the two systems as a single unit allows for the elimination of duplicative facilities. Achieving these efficiencies is in the public interest.

19. Ms. Smiley indicated that since the two systems are operated as a single utility, ENI’s revenue requirement should be determined on the basis of the combined financial statements. FEC’s Board authorized increasing rates to FEC’s patrons in the same percentage for each rate class as ENI is requesting from the Commission to raise its rates. The FEC revenue

increase affected approximately 37,500 FEC accounts. The effect of setting rates on a consolidated basis lowered the total increase for ENI. If addressed separately, the total ENI rate increase would exceed 10 percent, compared to the proposed 6.1 percent.

20. According to Ms. Smiley the proposed increase in rates was necessary to (1) meet the requirements of the lenders; (2) rebuild equity; (3) improve cash flow; (4) achieve positive margins and a positive rate of return and (5) improve the overall credit worthiness of the utilities.

21. ENI's revenue requirement increase was determined using two methods. Method 1 included a 1999 Test Year adjusted for known and measurable changes; Method 2 employed the embedded Cost Of Service Analysis (COSA) set forth in Mr. Johnson's and Mr. McGrath's testimony. ENI did not propose the full revenue requirement found using either method. Instead, ENI requested an increase in rates of $720,000, which represented the minimum increase necessary to achieve positive margins and meet lender requirements.

22. FEC's loan covenants require an average Debt Service Coverage ratio (DSC) of 1.35 in two out of the three most recent years, based on FEC's consolidated year-end financial statement. DSC is a ratio of total billed debt service to the total cash margins. ENI and FEC had negative margins in 1999 and anticipated negative margins for 2000 as well. Forecasts indicated that the proposed increase would result in an average DSC ratio of 1.35 in 2001.

23. Equity as a percent of total assets is a standard financial ratio in the electric cooperative industry. Ms. Smiley testified that in the 1990's, the benchmark set by the Rural Utilities Service was reduced from 40 percent to 30 percent. Prior to the acquisition, FEC maintained approximately 28 percent equity. At year-end 1999, the consolidated equity as a percent of assets was 4 percent. ENI had negative equity based on two years of operating losses. Ms. Smiley stated that the combined company expects to reach a 20 percent equity target in approximately 15 years through revenue increases, productivity gains and synergies of operating the combined utility with one work force.

24. Cash generated by current rates is often insufficient to meet monthly expenses, requiring ENI to borrow on a short-term line of credit, which increases interest costs and reduces margins. ENI's borrowing authority established at the time of the acquisition is capped at $20 million. At year-end 1999 ENI had used over $19.4 million of that borrowing authority. The proposed rate increase would augment cash to cover daily operating expenses and reduce the need for both short and long-term borrowing.

25. Rate of return in the electric cooperative industry is typically measured as a percent of total capitalization, or as a percent of total equity. The combined utility's return on total capitalization for 1998 was 1.66 percent, while the national median return was 6 percent. The combined utility's return on equity for 1998 was 1.78 percent, while the national median was 6.83 percent. According to Ms. Smiley, a desirable return on capitalization would be 4 percent, and a desirable return on equity would be 5 percent. The proposed rate increase would produce higher margins, which would help improve the DSC ratio to an acceptable level, and avoid credit restrictions. It would restore confidence in the financial integrity of the combined utility.

26. **Mark C. Johnson**, Finance Manager for FEC, testified that the test year was calendar year 1999. Method 1, which adjusts the test year for known and measurable changes, included changes to reflect purchased power costs, property taxes and rate of return. The amount of the purchased power adjustment was $174,251, as explained in the testimony of John Goroski. For the year 2000, ENI would expense and pay its entire assessed amount of property taxes based on the statements received from Flathead County, which is the only county where ENI serves. The tax adjustment was $480,157.

27. Mr. Johnson explained that the primary consideration in developing a rate of return was to ensure that any revenue requirement increase would allow the combined company to meet its DSC with its lenders. Because of negative margins in 1999 and 2000, the combined company would not meet its DSC in 2001 without a rate increase. The rate of return adjustment was $580,983.

28. Method 2 is based on year-end 1999. ENI balances and the COSA revenue requirement are discussed in Mr. McGrath's testimony. The adjustments column represents the difference between the revenue requirement and the year-end 1999 test year balances. These adjustments did not reflect known and measurable changes. Rather, they are a function of the COSA's allocation of costs to ENI customer classes based on the most equitable method available for each specific cost.

29. ENI retained **Joseph L. McGrath**, Senior Project Manager, EES Consulting, Inc., 12011 Bel-Red Road, Suite 200, Bellevue, Washington, 98005-2471, to conduct an unbundled, allocated cost of service analysis of Flathead Electric Cooperative's total company embedded costs. ENI used the results of this cost study to establish its rate revenue requirement and to

support its rate increase request. Mr. McGrath's testimony explains, generally, how the cost study was performed.

30. Mr. McGrath sponsored Statements E, F and L related to the Commission's minimum rate case filing standards. Statement E pertains to working capital. For an investor-owned utility, working capital is an important component of rate base. But for ENI, rate base and return on rate base were not considered in developing the revenue requirement, because ENI is operated on a non-profit basis like a cooperative utility. ENI's working capital items include materials and supplies, purchased power and O&M expenses. Statement L presents the results of the cost of service study.

31. Statement F requires investor-owned utilities to develop their overall weighted cost of capital for rate of return purposes. Since ENI is operated on a non-profit basis, its "rate of return" is a derived percentage rather than a determination of capital cost rates. ENI's revenue requirement is set at a level that provides adequate debt service coverage and an ability to obtain additional dept capital at favorable interest rates. Cooperative utilities also try to maintain modest cash reserves to address emergencies or unforeseen events. The return rate for ENI is 13.27%. Debt capital represents 10.13% and additional return requirements amount to 3.14%.

32. **John M. Goroski**, Rates and Analysis Manager for FEC, provided testimony addressing the extraordinary event criteria in § 69-8-211, MCA, that must be met before a utility can increase the component of rates related to electricity supply. Mr. Goroski testified in support of the known and measurable adjustments to ENI's power purchase costs used in Mr. Johnson's Method #1 revenue requirement analysis, and discussed the data inputs and results of the Method #2 embedded cost of service analysis. Mr. Goroski also discussed ENI's requested interim and final rates.

33. <u>Extraordinary Event</u>. Section 69-8-211, MCA, provides for an exception to the rate moratorium requirements in that section, including an extraordinary event resulting in a four percent revenue requirement increase from July 1, 1998 through July 1, 2000. Mr. Goroski testified that increases in power supply expenses since FEC's acquisition of PacifiCorp's service area are enough to require an increase to the Company's revenue requirement of over four percent. ENI's pre-July 1998 power supply cost was $22.79 per megawatt-hour, based on PacifiCorp's stated average power supply cost in Docket D97.7.91 because ENI did not exist on July 1, 1998. ENI's actual power supply costs from November 1998 through June 30, 1999

averaged $25.26 per megawatt-hour. Mr. Goroski multiplied the $2.47 per megawatt-hour difference between the two power supply costs by ENI's 1999 megawatt-hour purchases and compared the result to ENI's total 1999 revenue requirement. Using this approach, Mr. Goroski estimated a revenue requirement increase of 5.02 percent. Using the same approach, Mr. Goroski estimated a 7.31 percent revenue requirement increase for the period July 1, 1999 through June 30, 2000.

34. Method 1 Power Cost Adjustment. Mr. Goroski testified that the known and measurable power supply-related cost adjustments to the 1999 test period are primarily updated power costs during January and February. The 1999 test period reflects the costs of an interim load following contract signed with PacifiCorp. In March 1999 ENI replaced the PacifiCorp load following contract with a contract with BPA. While the PacifiCorp load following contract was tied to the Mid Columbia index, the BPA contract was more predictable. Applying the BPA load following rate to the megawatt-hours ENI purchased in January and February 1999 results in a power cost adjustment of $174,251.

35. Method 2 Embedded Cost of Service Analysis**.** Mr. Goroski's testimony on the embedded cost of service analysis presented in Mr. Johnson's testimony was limited to the data used in the analysis and how the results of the analysis translated into ENI's proposed rates. The cost of service model relied on financial and statistical data for the combined FEC and ENI operations. FEC/ENI made adjustments to historical information that included one-time acquisition costs, but excluded known future costs. Mr. Goroski testified that because embedded cost of service study assigns costs based on cost causation, it is useful not only for allocating costs between FEC and ENI, but for assigning costs between customer classes.

36. ENI's Rate Proposals. Mr. Goroski testified that the primary objective of ENI's rate filing with the PSC is to implement consistent rates throughout the combined ENI-FEC service area, while maintaining financial stability. ENI did not propose any modifications to the existing rate designs, although the percentage increases requested did vary by customer class. Mr. Goroski testified that ENI's proposed class rate increases mirrored the rate increases approved by FEC's Board of Directors for FEC customers. According to Mr. Goroski, the Method #1 analysis demonstrated a need to increase ENI's revenue requirement by $1,420,566 and the Method #2 analysis showed that the revenue requirement should be increased by $1,280,837. However, ENI requested $719,192, less than what its cost analyses showed was

necessary, in part, because FEC and ENI expect to be able to obtain lower cost BPA "preference" power once ENI and FEC are merged.

Public Witnesses at the Hearing December 12, 2000

37. On behalf of HRDC, **Doug Rauthe** testified that he could not argue with ENI's need for a rate increase to continue to do business. However, HRDC has low-income folks who cannot easily adjust to an increase. He needed to take the opportunity to encourage funding of low-income programs and the start-up again of weatherization as was previously done by PacifiCorp. Low-income support should be broad-based, fair and equitable, and done by formula. Universal system benefit programs have been pretty well developed. Mr. Rauthe recognized FEC/ENI as good neighbors.

38. **Kim Dewitt** amplified Mr. Rauthe's testimony on energy programs for HRDC. She hoped that energy programs would continue to be funded, with retroactive funding for folks lost in transit, a dollar amount credited, based on a formula. She said that ENI was meeting its low-income requirements by donations to Energy Shares, but this funding was not broadbased. Columbia Falls Aluminum Company (CFAC) had been sustaining the funds. She hoped that benefits would be passed on to the low-income through a 15 percent discount. Otherwise, she foresaw that customers would be without heat after getting behind in their payments.

39. On cross-examination, Ms. Dewitt testified that Energy Share is adequately funded within ENI's service territory. CFAC's contribution is only used within the Flathead area, and excess funds go into the endowment for future years. CFAC resells power and their contribution to USB is $85,000 - $65,000 to Energy Share, used locally, and $20,000 to the state-wide endowment fund. One problem with Energy Share is that there is a one-time lifetime limit of $200. Ms. Dewitt indicated that ENI should consider weatherization, which PacifiCorp had done, as there was a need to conserve and lower customers' bills.

Thomas Schneider's Written Testimony Submitted at the Hearing

40. **Thomas J. Schneider** appeared on his own behalf at the hearing on December 12, 2000, not as a witness of DPHHS, and submitted written testimony stating that there is urgency related to ENI's low-income USBP for calendar year 2000. Although regulated utilities under Title 69, Chapter 8, Montana Code Annotated (MCA), were required to establish USBP programs for low-income customers funded through USBC tariffs, ENI still does not have approved USBP or USBC. The Commission has scheduled a hearing in mid-May 2001 in the

recently reinstated USBP Docket No. 99.5.130, but Mr. Schneider testified that immediate action in Docket No. D2000.7.103 is necessary to avoid the loss of another USB calendar year.

41. Mr. Schneider requested that the Commission evaluate ENI's responses to data requests on the USB issues, particularly low-income issues. He argued that the responses reveal that ENI's budget and expected expenditures for low-income USB did not satisfy the minimum 17 percent USB responsibility and that the low-income programs do not include either LIEAP discounts or low-income weatherization.

42. In addition, Mr. Schneider requested that the Commission order immediate funding of a $75 credit for each LIEAP customer for calendar year 2000. He estimated 150 to 170 ENI LIEAP customers, for a total USB credit at $11,250 to $12,750. He believed that this credit approach is achievable and necessary for ENI's low-income families for calendar year 2000, while the USB docket is pending. Finally in his written testimony, Mr. Schneider asked the Commission to consider ordering ENI to commit to provide low-income weatherization funds / contract with HRDC District 10 for calendar year 2000, as PacifiCorp had done.

<u>Mr. Schneider's Testimony at the Hearing</u>

43. Mr. Schneider stated for the record that he appeared as a "public witness," but he relied on the Data Responses to the requests of DPHHS. In his estimation, ENI spent $32,000, and did not meet the $38,000 minimum responsibility for low-income programs. To questioning about whether the Commission could adopt the USB as part of a rate case, he stated that the lack of USB tariff and budget should be taken care of now so that it is not lost for the calendar year. While the Commission can only address the USB in D99.5.130 prospectively, he felt that the present Docket is the place to address the deficiency of the USB in the previous calendar year.

<u>Testimony at the Hearing</u>

44. Mr. McConkey testified at the hearing that ENI requires this rate increase for two major categories of expenses: (1) power costs and (2) property taxes. He admitted that he had made a commitment not to increase rates on acquiring PacifiCorp's territory, on the assumption that ENI would qualify for preference power from Bonneville Power Association (BPA). He said that BPA had represented in initial discussions that ENI would qualify for the firm power rate or an equivalent. However, ENI's power costs escalated, in large part because of the expiration of the contract with Big Fork hydro facility. The price had gone form $24.50 to $200 a mW hour, causing ENI to be 20 percent of the cost responsibility for the affiliated companies.

In addition, ENI had an extraordinary increase in property taxes and only had a rate of return of 6 percent.

45. Mr. Goroski testified at the hearing that 60 percent of the annual revenue requirement is power costs. Generally, costs had escalated, with BPA and other contracts increasing beyond expectations, such that the 1999 revenue requirement was $500,000 and the 9 month period of 2000 was close to $700,000. He had thought that ENI could meet its debt service, but in his opinion, this additional expenditure of $200,000 - $300,000 was an extraordinary event and ENI's net revenue position was going "downhill. "

46. In response to the public testimony, Mr. Goroski testified that ENI had met the obligation for USB according to the 1999 report of the Department of Revenue, and the obligation for 2000 was not know. It was his expectation that ENI would have spent the required 17 percent of the total USB obligation. In response to Ms. Dewitt, Mr. Goroski testified that a lot goes on before a customer's service is shut off, and ENI will work with the customer and "do everything in our power" to keep the customer's service. Furthermore, ENI must go through the PSC before a shut-off.

FINDINGS OF FACT, DISCUSSION AND DECISION

47. MCC in its submission to the Commission on September 25, 2000, agreed with ENI's full request for $719,192, did not file intervenor testimony, and did not oppose the rate increase request at the public hearing. No one appeared at the hearing and protested this rate increase. Although there were concerns about the USB and support for the low-income customers, there was no testimony that ENI did not need and had not supported a revenue requirement increase in this amount.

48. ENI experienced an increase in revenue requirement categories including operating expenses, depreciation and energy supply, plus an adequate operating margin to service long-term debt and to provide for the rotation of patronage capital. The annual revenue requirement deficiency, based on the test year of 1999 is $719,192.

49. In Interim Order No. 6259a, the Commission granted a substantial portion of this request in interim rate relief in the amount of $654,408 on an annual basis, the sum of $480,157 and $174,251 determined as follows.

50. ENI demonstrated increases in power supply expenses in the amount of $174,251.

51. As an Investor Owned Utility (IOU) for property tax purposes, ENI's assets were assessed at 12 percent as Class 9 assets in Flathead County. In Exhibit MCJ-5, the amount of property tax for 1999 was shown as $625,491. For the year 2000 the amount of property tax owed will increase to $1,105,648, derived by multiplying the 2000 Department of Revenue Assessment of $17,800,000 by 6.21 percent, for an increase of $480,157 from 1999 to 2000. The Commission determined in the interim order that the increase in property tax expense of $480,157 met the extraordinary event requirements of ϶ 69-8-211(7)(c) (i), MCA, which requires a 4 percent annual revenue requirement increase from July 1, 1998, through June 30, 2000.

52. The Commission determines that issues related to Universal System Benefit Programs and Charges (USBP and USBC) were not appropriately, fully and timely raised in this Docket. Furthermore, the Commission has a proceeding in Docket No. D99.5.130 scheduled for hearing in May 2001 to address USBP and USBC, including the low-income issues and other USBP requirements, following a full hearing on the record. However, the Commission recognizes that public witnesses raised important concerns. Although the concerns should be fully addressed in the USBP proceeding, the Commission encourages ENI to work with the Human Resource Development Council and others to resolve these low-income and other USBP concerns.

53. The Commission determines that ENI shall incorporate the following rate spread, as recommended by ENI, for the $719,192 increase:

Residential	$330,800
Small Commercial	$366,862
Irrigation	$ 2,012
Lighting	$ 19,518

CONCLUSIONS OF LAW

1. Energy Northwest Inc. provides electric service within the State of Montana and as such is a “public utility” within the meaning of ϶ 69-3-101, MCA.

2. The Montana Public Service Commission properly exercises jurisdiction over the Energy Northwest Inc.’s rates and operations pursuant to Title 69, Chapter 3, MCA.

3. The public has had adequate notice and opportunity to participate, as required by the Montana Administrative Procedures Act (MAPA), Title 2, Chapter 4, MCA, and the

Commission's procedural rules found in the Administrative Rules of Montana (ARM), 38.2.101, et seq.

4. The rate levels and spread approved in this Order are just and reasonable.

ORDER

1. Energy Northwest Inc. shall implement rates designed to increase annual jurisdictional electric revenues by $719,192, including the interim rate relief of $654,408, for an additional increase over the interim increase in the amount of $64,784.

2. Energy Northwest Inc. shall adhere to and abide by all provisions in this Order. All rate schedules shall comply with all determinations as set forth in this Order.

3. Energy Northwest Inc. must file tariffs in compliance with the Findings of Fact in this Interim Order.

4. This Order is effective for service rendered on and after March 1, 2001.

DONE IN OPEN SESSION at Helena, Montana on this 27th day of February, 2001, by a vote of 5 to 0.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

GARY FELAND, Chairman

JAY STOVALL, Vice Chairman

BOB ANDERSON, Commissioner

MATT BRAINARD, Commissioner

BOB ROWE, Commissioner

ATTEST:

Rhonda Simmons
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 ARM 38.2.4806.