

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

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In the Matter of the Application of)	
Energy West, Incorporated (the "Applicant"))	Utility Division
for an Order Approving a Credit Agreement)	Docket No. D2004.3.30
Between the Applicant and LaSalle Bank)	Default Order No. 6547
National Association ("LaSalle"))	

FINAL ORDER

1. By application to the Commission dated February 27, 2004, the petitioner, Energy West Incorporated filed a Petition for an order approving the issuance of three credit arrangements. The first is a \$15,000,000 senior revolving credit facility ("Facility A"), with a subfacility for Letters of Credit in an amount equal to \$6,000,000. The second is a \$6,000,000 senior term loan ("Facility B"), and the third is a \$2,000,000 bridge facility ("Facility C"). (Facility A, Facility B and Facility C are referred to herein as the "Proposed Facilities".)

2. The petition was accompanied by a summary terms and conditions document that identified the essential terms that will be contained in the final loan documents between Energy West and LaSalle.

3. The Commission is required to issue an order (with certain exceptions) within 30 days of the date of the filing of a petition of this sort pursuant to 69-3-503, MCA.

4. Proper notice of this filing was made by the Commission on March 11, 2004. No requests for intervention were received pursuant to that notice.

Findings of Fact

1. Petitioner is a public utility subject to the regulation of the Commission pursuant to 69-3-101 et. seq.

2. Petitioner is a corporation incorporated under the laws of the State of Montana and provides natural gas service in various communities in the State of Montana under tariffs approved by this Commission.

3. The Commission has jurisdiction over the subject matter of this petition pursuant to 69-3-501 et. seq, MCA

4. The Application states that the issuance of the debt is a necessary component of the Company's debt restructuring and is in the public interest and that the proceeds of the capital generated from the issuance of the debt would be used for the repayment of debt currently outstanding under the Company's revolving line of credit (also with LaSalle).

Conclusions of Law

1. Energy West Incorporated is a public utility subject to the jurisdiction of this Commission pursuant to 69-3-101 et seq, MCA.

2. The issuance of securities by a public utility fall within the jurisdiction of the Commission pursuant to 69-30-501 et seq, MCA.

3. The issuance of the three credit facilities with LaSalle is hereby authorized and found to be consistent with the public interest.

4. The aggregate amount of securities outstanding, including the securities which are the subject of this petition, do not exceed the fair value of the Company's public utility properties and business.

Order

1. The Petition for approval of the issuance of the three credit arrangements with LaSalle Bank is hereby granted.

2. All of the conditions set forth in Order No. 6513 apply to this security issue.

Done in open session in Helena, Montana this 16th day of March, 2004 by a vote of 5-0.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

BOB ROWE, Chairman

THOMAS J. SCHNEIDER, Vice Chairman

MATT BRAINARD, Commissioner

GREG JERGESON, Commissioner

JAY STOVALL, Commissioner

ATTEST:

Connie Jones
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.