

Service Date: July 18, 1997

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

IN THE MATTER of the Application of ) UTILITY DIVISION  
ENERGY WEST, INCORPORATED, For ) DOCKET NO. D97.6.112  
Authority to Issue \$8,000,000 of Debt ) DEFAULT ORDER NO. 5991

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**FINDINGS OF FACT**

On June 26, 1997, Energy West Incorporated (EWST) filed with the Montana Public Service Commission its application pursuant to §§ 69-3-501 through 69-3-507, MCA, seeking authority to issue \$8,000,000 in long term securities.

The securities to be issued are 15 year Notes which are being issued primarily to retire short term debt which had been accumulated over the past several years due to expansion of the Company's operations in Montana and Arizona.

This application is governed by § 69-5-504, MCA, which requires that the Commission find that the transactions are in the public interest; that they are permitted under that section of the statutes, that the aggregate amount of the securities outstanding and proposed to be outstanding would not exceed the fair value of the properties and business of the public utility.

After consideration of the application including the above stated facts, the Commission makes the following:

**CONCLUSIONS OF LAW**

1. Energy West Incorporated, is a public utility furnishing natural gas service to customers in the communities of Great Falls, Ulm, and West Yellowstone, Montana. It also owns a natural gas distribution system in Cody, Wyoming and vaporized propane systems in Cascade, Montana and Payson, Arizona. It is subject to the jurisdiction of this Commission pursuant to Section 69-3-102, MCA.

2. Section 69-3-501, MCA et seq. provides for the regulation of issuance of securities and the creation of liens by gas and electric utilities including the following requirements: (a) the transaction be in the public interest; (b) the purposes of the securities be consistent with those sections of MCA; and,

(c) the aggregate amount of the securities outstanding and proposed to be outstanding would not exceed the fair value of the properties and business of the public utility.

3. The proposed issuance of securities is consistent with the requirements of law stated in the immediately preceding conclusions of law.

### **ORDER**

IT IS THEREFORE ORDERED by the Commission that:

1. The application of Energy West, Incorporated, filed on June 26, 1997, to issue long-term debt securities in the amount of \$8,000,000 is hereby approved.

2. Issuance of this Order shall not be interpreted as any indication of the ratemaking treatment to be accorded to the Company in future rate proceedings. Approval of the transactions authorized shall not be construed as precedent to any future action of this Commission.

3. Section 69-3-507, MCA, provides that neither the issuance of securities by Energy West, Incorporated, 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, assumed or guaranteed.

4. This Order shall be effective on execution.

DONE IN OPEN SESSION at Helena, Montana, this 14th day of July, 1997, by a vote of 5-0.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

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DAVE FISHER, Chairman

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NANCY McCAFFREE, Vice Chair

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BOB ANDERSON, Commissioner

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DANNY OBERG, Commissioner

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BOB ROWE, Commissioner

ATTEST:

Kathlene M. Anderson  
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.