

Service Date: March 1, 1999

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

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IN THE MATTER OF GREAT FALLS GAS)	UTILITY DIVISION
COMPANY, Application for Approval of a Plan)	
to Offer Open Access and Customer Choice)	DOCKET NO. D98.3.68
for Natural Gas Supply (Restructuring))	ORDER NO. 6064c

ORDER ON RECONSIDERATION AND EXTENSION OF TIME

1. On February 2, 1999, Great Falls Gas Co. (GFG) filed before the Public Service Commission (PSC) a motion requesting an extension of time for implementation of the rate design changes resulting from GFG's restructuring proposal (above-entitled docket) and the PSC's final order pertaining to GFG's proposal (Order No. 6064b, December 29, 1998). The PSC order required GFG implementation of the rate design changes on February 1, 1999. Prior to that date GFG met with PSC staff to discuss implementation and, as a result of that meeting, requested an extension of time to March 1, 1999. The PSC grants the extension.

2. On January 19, 1999, Montana Power Trading and Marketing (MPTM), an intervenor in the GFG restructuring proceeding, filed a motion before the PSC requesting reconsideration of a part of the PSC's GFG restructuring order (Order No. 6064b) or, in the alternative, clarification of that part of the order. MPTM's focus is on paragraph 94 and related provisions, all of which pertain to storage capacity.

3. In the GFG restructuring order the principal remedy imposed by the PSC in attempt to cure apparent anti-competitive results of certain GFG / Energy West Resource (EWR) pre-filing activities is a requirement that GFG competitively bid all services presently provided by EWR under a GFG / EWR contract entered prior to GFG's application for restructuring. Storage capacity is one aspect requiring special consideration and treatment to increase the chances of success of the principal remedy.

4. Storage capacity could be an essential component of services offered to GFG by any gas supplier bidding to provide services to GFG. If storage capacity is not reasonably available (i.e., at costs and terms and conditions comparable to storage capacity held by EWR) to gas suppliers who might choose to bid to provide services to GFG and if EWR chooses to bid to

provide services to GFG (which EWR probably will do) and if at that time EWR holds storage (which EWR probably will), EWR will have an advantage in the bid process.

5. Paragraph 94 requires, because EWR was the assignee of GFG's prerestructuring storage capacity, if EWR holds any storage at the time of bidding it will be assumed that the storage is storage assigned by GFG. With that assumption, if storage is not reasonably available to other bidders at the time of bidding, GFG must make arrangements through which bidders are on equal footing in regard to storage.

6. The exact way in which GFG will accomplish this is not specified in the PSC order. The PSC determines that it need not be specified. There are a number of ways in which GFG can put the bidders on equal footing in regard to storage for purposes of bidding if the circumstances demand. GFG is fully capable of selecting a satisfactory option.

7. The PSC determines that MPTM's motion for reconsideration and alternative request for clarification should be denied.

Done and dated this 17th day of February, 1999, by a vote of 5-0.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

DAVE FISHER, Chair

NANCY MCCAFFREE, Vice Chair

BOB ANDERSON, Commissioner

GARY FELAND, Commissioner

BOB ROWE, Commissioner

ATTEST:

Kathlene M. Anderson
Commission Secretary

(SEAL)