

At the meeting of the Public Service Commission of the State of Montana held at the Commission's Offices in Helena, Montana, on Tuesday, February 28, 2006, the following members were present:

Greg Jergeson, Chairman  
Brad Molnar, Vice Chairman  
Doug Mood, Commissioner  
Robert H. Raney, Commissioner  
Thomas J. Schneider, Commissioner

APPEARANCE

Leroy Beeby  
Utility Division

(72) In the matter of NorthWestern Energy February 6, 2006 filed Tariff Letter No. 113-E to revise electric tariff rules to reflect the current effective income tax factor of 30 percent on customer line extensions and installations. This is a decrease from the current 33 percent income tax factor- Docket No. N2006.2.16:

Commissioner Schneider moved to approve the February 6, 2006 filed Tariff Letter No. 113-E in Docket No. N2006.2.16. Commissioner Raney seconded the motion, which passed 4-0.

(73) In the matter of NorthWestern Energy February 6, 2006 filed Tariff Letter No. 99-G to revise gas tariff rules to reflect the current effective income tax factor of 30 percent on customer line extensions and installations. This is a decrease from the current 33 percent income tax factor. These Tariffs are effective for services on or after February 1, 2006- Docket No. N2006.2.17:

Commissioner Raney moved to approve the February 6, 2006 filed Tariff Letter No. 99-G in Docket No. N2006.2.17. Commissioner Molnar seconded the motion, which passed 4-0.

(74) In the matter of NorthWestern Energy February 6, 2006 filed Tariff Letter No. 8-P to revise propane tariff rules to reflect the current effective income tax factor of 30 percent on customer line extensions and installations. This is a decrease from the current 33 percent income tax factor. These Tariffs are effective for services on or after February 1, 2006- Docket No. N2006.2.18:

Commissioner Mood moved to approve the February 6, 2006 filed Tariff Letter No. 8-P in Docket No. N2006.2.18. Commissioner Raney seconded the motion, which passed unanimously.

APPEARANCE

Eric Eck  
Utility Division

(75) In the matter of NorthWestern Energy February 15, 2006 filed amended application to refinance and to borrow the proceeds from the sale of not to exceed \$170,205, 000 principal amount of Pollution Control Revenue Refunding Bonds Series 2005. The original application in this docket was approved by the Commission in Order No. 6698 which was approved November 8, 2005. That Order required that the effective interest rate for the transaction not exceed 5 percent. The amended application seeks approval for NorthWestern Energy to consummate this transaction if the effective interest rate equals or is less than the current effective rate of the securities of 6.22 percent. A default order on the amended application has been drafted- Docket No. D2005.10.161:

Commissioner Schneider moved to grant NorthWestern Energy's amended application to refinance the Pollution Control Revenue Refunding Bonds Series 2005 in the amount of \$170,205,000. Commissioner Mood seconded the motion, which passed unanimously.

APPEARANCE

Wayne Budt, Administrator  
Transportation & Centralized Services Division

(76) In the matter of the approval of Commission Minutes:

Commissioner Mood moved to approve the Commission Minutes for the week of February 21, 2006. Commissioner Molnar seconded the motion, which passed unanimously.

APPEARANCE

Martin Jacobson  
Legal Division

(77) In the matter of the Commission's discussion of the Public Service Commission investigation of Qwest use of federal USFs- Docket No. D2005.6.105:

Commissioner Schneider moved to approve the application for items 2 through 8 in accordance with trade secret and Commission rules. Commissioner Raney seconded the motion, which passed unanimously.

Commissioner Schneider moved to grant the Protective Order related to item 1 on the grounds of confidential business information for critical security infrastructure information. Commissioner Raney seconded the motion, which passed unanimously.

APPEARANCE

Will Rosquist, Utility Division  
Al Brogan, Legal Division

(78) In the matter of the Commission's discussion of Electric City Power, Inc. application for license to supply retail electricity- Docket No. N2006.2.13:

Commissioner Jergeson moved to deny without prejudice the application of Electric City Power, Inc. license to supply retail electricity. Commissioner Schneider seconded the motion, which passed unanimously.

APPEARANCE  
Eric Eck  
Utility Division

(79) In the matter of the Commission's discussion of NorthWestern Energy Accounting Order for Organizational Costs for Grid West- Docket No. N2006.2.19:

Commissioner Jergeson moved to approve the accounting order in Docket No. N2006.2.19. Commissioner Schneider seconded the motion, which passed unanimously.

APPEARANCE  
Al Brogan, Legal Division  
Joel Tierney, Utility Division

(80) In the matter of the Commission's discussion of Havre Pipeline Co. application to revise and Unbundle its Interruptible Transportation Natural Gas Service, to Establish an Interruptible Compression Service Rate and an Interruptible Transportation Service Rate, to seek Approval for Reclassification of Assets- Docket No. D2005.4.48:

Commissioner Jergeson moved to adopt the proposed order in D2005.4.48 as the final order subject to minor typographical and grammatical corrections. Commissioner Mood seconded the motion, which passed unanimously.

APPEARANCE  
Martin Jacobson  
Legal Division

(81) In the matter of the Commission's discussion of NorthWestern Energy initial abbreviated 2006 natural gas procurement plan- Docket No. D2006.2.21:

Commissioner Schneider moved to approve NorthWestern Energy's application for protective order consistent with state trade secret law and commission rules. Commissioner Raney seconded the motion, which passed unanimously.

APPEARANCE

Phil Cooke, Utility Division  
Robin McHugh, Administrator, Legal Division

(82) In the matter of the Commission's discussion of NorthWestern Energy Medical Emergency Rule application:

Commissioner Molnar moved to direct staff to draft an NCA to customer giving customer a medical form clarifying the existence of a medical emergency situation. Commissioner Raney seconded the motion, which passed unanimously.

APPEARANCE

Wayne Budt, Administrator, Transportation & Centralized Services Division  
Staci Litschauer, Centralized Services Division

(83) In the matter of the Commission's discussion of (1) Agency IT report, (2) Records management, and (3) EPP budget items:

Commissioner Raney moved to approve the agency IT report. Commissioner Mood seconded the motion, which passed unanimously.

Commissioner Raney moved to approve the records management documents and submit for approval to the designated committee for approval. Commissioner Jergeson seconded the motion, which passed unanimously.

APPEARANCE

Will Rosquist  
Utility Division

(84) In the matter of the Commission's discussion of Implementation of rules pursuant to SB 415- renewable resource standards- Docket No. N2005.8.124:

Commissioner Molnar moved that the Commission direct legal staff to ask the Attorney General for a ruling on the constitutionality of the statute presented before the Commission. Commissioner Mood seconded the motion, which failed with a vote of 3-2. Commissioners Schneider, Jergeson, and Raney voted no.

Commissioner Schneider moved to issue a notice of opportunity to comment on the two alternatives to fulfill the Commission's statutory responsibility under the Act about which the Commission has made no determination. Commissioner Raney seconded the motion, which passed 4-1. Commissioner Molnar voted no.

There being no further business to come before the Commission the meeting was adjourned.

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GREG JERGESON, Chairman

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BRAD MOLNAR, Vice Chairman

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DOUG MOOD, Commissioner

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ROBERT H. RANEY, Commissioner

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THOMAS J. SCHNEIDER, Commissioner

ATTEST:

Connie Jones  
Commission Secretary

(SEAL)

At the meeting of the Public Service Commission of the State of Montana held at the Commission's Offices in Helena, Montana, on Thursday, March 2, 2006, the following members were present:

Greg Jergeson, Chairman  
Brad Molnar, Vice Chairman  
Doug Mood, Commissioner  
Robert H. Raney, Commissioner  
Thomas J. Schneider, Commissioner

APPEARANCE

Candace Beery, Utility Division

(85) In the matter of the Commission's discussion of the Organization of MISO States (OMS) that will hold a special Board of Directors meeting on March 3, 2006. The agenda includes two items: draft comments to DOE and to MISO.

The Department of Energy (DOE) has issued a Notice of Inquiry regarding the designation of National Interest Electric Transmission Corridors.

The OMS will consider draft comments that may be filed at DOE. The Midwest ISO (MISO) is developing cost-benefit analyses. As part of the stakeholder process, OMS is providing MISO its suggested measures to analyze the benefits of MISO operations.

Commissioner Jergeson moved to generally support the OMS comments as presented. Commissioner Jergeson is delegated to vote on any amendments. Commissioner Schneider seconded the motion, which passed unanimously.

There being no further business to come before the Commission the meeting was adjourned.

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GREG JERGESON, Chairman

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BRAD MOLNAR, Vice Chairman

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DOUG MOOD, Commissioner

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ROBERT H. RANEY, Commissioner

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THOMAS J. SCHNEIDER, Commissioner

ATTEST:

Judy Scheier  
Assistant Commission Secretary

(SEAL)