

At the meeting of the Public Service Commission of the State of Montana held at the Commission's Offices in Helena, Montana, on Thursday, July 6, 2006, the following members were present:

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

APPEARANCE

Mike Lee, Utility Division

(244) In the matter of the Congressional Legislation, Senator Stevens Communications Bill - Discussion of sending a letter to Montana's Congressional delegation.

Commissioner Mood moved to send the draft letter to the Congressional delegation subject to circulation of draft language that covers the reported uncertainty about the exact provisions of the draft bill. Commissioner Schneider seconded the motion, which passed unanimously.

(245) In the matter of Qwest Services Corporation – N2006.6.86: On June 12, 2006 Qwest Service Corporation (Qwest) filed a Petition for Waiver of Months to Exhaust/Utilization Threshold requirements set forth in the FCC's Number Resource Optimization Order, FCC 00-429 and FCC 01-362. A waiver of the FCC's requirements would allow Neustar, Montana's Pooling Administrator, to provide numbering resource to Qwest in order for Qwest to satisfy a specific customer request from Glacier Bankcorp. in Bozeman. The FCC allows for such a waiver of rules when there is a specific customer request. The waiver process ("safety valve process") is addressed in FCC 01-362, paras. 57-66, which delegate waiver authority to state commissions.

Glacier Bank Corp. (Western Security Bank) recently acquired additional branch offices in Bozeman from Big Sky Western Bank and requested an additional 80 sequential Direct Inward Dial (DID) numbers from Qwest. While Qwest has sufficient numbering resources available in Bozeman to meet most demands, it does not currently have the sequential number block to meet this customer request. Therefore, per FCC procedures, Qwest submitted a request for the number resources to the NeuStar Numbering Pooling Administrator. Under the FCC requirements Qwest needed to show it was utilizing at least 75% of its number resources in Bozeman and that it would exhaust the remaining resources within 6 months. Qwest exceeds the utilization threshold of 75%. However, it does not meet the Months to Exhaust 6 month criteria. Qwest was denied the request for additional numbering resources in Bozeman. Therefore, under this normal number assignment process, Qwest would not be able to fulfill the numbering requests of Glacier Bank Corp.

Per the FCC "safety valve" process, Qwest has filed a petition asking this Commission to approve a Months to Exhaust/Utilization Requirement waiver for Glacier Bank in Bozeman and to direct the Pooling Administrator to assign the additional numbers. Per prior Commission staff agreement with Qwest, when making safety valve filings, Qwest is required to provide certain additional information. Qwest did provide this information.

Commissioner Raney moved to approve the Qwest petition for a waiver of months to exhaust/utilization threshold requirements in Docket N2006.6.86 and direct NEUSTAR, the number pooling administrator, to assign to Qwest one new thousands block of numbers in Qwest's Bozeman rate center.

(246) In the matter of Qwest Corporation – N2006.6.95 – on June 21, 2006 Qwest Corporation ( Qwest) filed for Commission approval a Master Service Agreement (MSA) between Qwest and the United States Postal Service (USPS). Qwest filed the MSA with the Commission for approval pursuant to Section 2/18 (Large Business Customers with a Multi-State Presence) of its Exchange and Network Service Tariff, and pursuant to the Commission's April 16, 2004 Notice of Commission Action (NCA) in Docket N2003.10.149. Also pursuant to the NCA, Qwest filed proprietary cost information. The MSA is the result of Qwest responding to a RFP issued by USPS to provide local voice services for the Qwest 14 state incumbent territory, including Montana. The services purchased by USPS are available from other competitive carriers in addition to Qwest.

Commissioner Raney moved to approve the Master Service Agreement between Qwest Corporation and the United States Postal Service in N2006.6.95. Commissioner Schneider seconded the motion, which passed unanimously.

#### APPEARANCE

Scott Fabel, Utility Division

(247) In the matter of CenturyTel - N2006.6.90 - on June 15, 2006, CenturyTel filed Transmittal No. 06-3. In this filing CenturyTel is requesting to offer a new packaged service called Simple Choice Unlimited. CenturyTel is requesting an effective of July 15, 2006.

Commissioner Schneider moved to approve CenturyTel's Transmittal No. 06-3 in Docket N2006.6.90. Commissioner Mood seconded the motion, which passed unanimously.

(248) In the matter of Qwest - N2006.6.91 - on June 16 2006 Qwest Filed Tariff Transmittal 06-10, Resident On-Line Ordering Promotion: Qwest is proposing to offer from July 16, 2006, through October 14, 2006, residence customers who are connecting service for the first time or moving to a new address, who purchase a qualifying package at their new address and who place their order on-line at Qwest's website will receive a waiver of the nonrecurring charges associated with their line.

Commissioner Raney moved to approve Qwest's Tariff Transmittal 06-10 in Docket N2006.6.91. Commissioner Mood seconded the motion, which passed unanimously.

(249) In the matter of Qwest Communications Corporation – N2006.6.92 – on June 16, 2006, Qwest Communications Corporation (QCC) filed Tariff Transmittal QCC06-10, Grandfathering Residence Choice Unlimited. This filing proposes to move the Choice Unlimited plan for residential customers to the Obsolete Service Offering section.

Commissioner Mood moved to approve QCC's Tariff Transmittal QCC06-10 in Docket N2006.6.92. Commissioner Raney seconded the motion, which passed unanimously.

(250) In the matter of Qwest LD Corp. – N2006.6.93 – on June 16, 2006 Qwest LD Corp. (QLDC) filed Tariff Transmittal QLdc06-06, Grandfathering residence Choice Unlimited. This filing proposes to move the Choice Unlimited plan for residential customers to the Obsolete Service Offering Section.

Commissioner Schneider moved to approve QLDC's Tariff Transmittal QLDC06-06 in Docket N2006.6.93. Commissioner Raney seconded the motion, which passed unanimously.

#### APPEARANCE

Martin Jacobson, Legal Division

(251) In the matter of Montana-Dakota Utilities Co. – D2006.5.62 – On May 4 2006, MDU filed a request for PSC approval of three new natural gas heating zones (also referred to as heat zones, therm zones, or thermal zones) in south-eastern Montana. The proposed new MDU heating zones will accommodate new heating zones initiated by Williston Basin Interstate Pipeline, MDU's interconnecting pipeline supplier in the area. Heating zones are areas in which the heat content of natural gas is separately measured for billing purposes. MDU proposes the addition of zone 39 (Montana/South Dakota border adjacent to the Baker/grasslands Junction), zone 40 (Montana/North Dakota border adjacent to Cabin Creek Junction), and zone 42 (between Baker/Grasslands Junction and the Cabin Creek Junction). The heat content of natural gas in each zone will be monitored by a chromatograph. MDU states that there is one new farm-tap customer in zone 39, there are no other customers in 39, 40, 42, but approval of the zones is reasonably necessary to efficiently accommodate anticipated new customer connections. MDU's heating zone boundary map on file with the PSC already reflects these proposed heating zones.

Commissioner Jergeson moved to approve MDU's requested new natural gas heating zones 39, 40, and 42. Commissioner Raney seconded the motion, which passed unanimously.

#### APPEARANCE

Wayne Budt, Administrator  
Transportation & Centralized Services Division

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

Commissioner Mood moved to approve the Commission Minutes for the week of June 26, 2006. Commissioner Raney seconded the motion, which passed unanimously.

APPEARANCE

Mike Lee, Utility Division

(253) In the matter of the Commission's discussion of Congressional Legislation, Sen. Stevens Communications Bill:

Commissioner Mood moved to send the draft letter to the congressional delegation subject to circulation of draft language that covers the reported uncertainty about the exact provisions of the draft bill. Commissioner Schneider seconded the motion, which passed unanimously.

APPEARANCE

Tim Sweeney, Legal Division

Gary Duncan, Utility Division

(254) In the matter of the Commission's discussion of D2006.4.49, D2006.4.50, D2006.4.52, D2006.4.57 - Blackfoot Communications, Inc., Blackfoot Telephone Cooperative, Inc., IDT Corporation, Qwest Corporation, AirCall, Inc. and CenturyTel of Montana, Inc.:

Commissioner Mood move to approve the Blackfoot Communications, Inc. /IDT Corporation interconnection agreement in D2006.4.49, the Blackfoot Telephone Cooperative, Inc., and IDT Corporation interconnection agreement in D2006.4.50, the Qwest Corporation/AirCall, Inc. interconnection agreement in D2006.4.52, and the CenturyTel of Montana, Inc. /IDT Corp. interconnection agreement in D2006.4.57. Commissioner Schneider seconded the motion, which passed unanimously.

(255) In the matter of the Commission's discussion of D2006.3.39 - Qwest Corporation - objections to PSC Staff and Montana Consumer Counsel data requests:

Commissioner Raney moved to overrule Qwest Corporations three general objections and specific MCC data requests in Docket D2006.3.39. Commissioner Schneider seconded the motion, which passed unanimously.

Commissioner Raney moved to overrule Qwest Corporation objections to data requests PSC 001(b) in Docket D2006.3.39. Commissioner Mood seconded the motion, which passed unanimously.

APPEARANCE

Martin Jacobson, Legal Division

(256) In the matter of the Commission's discussion of D2005.6.105 - PSC investigation of Qwest use of federal universal service funds:

Commissioner Molnar moved to grant the protective order applicable to the lists identified in docket D2005.6.105. Commissioner Mood seconded the motion, which passed unanimously.

(257) In the matter of the Commission's discussion of D2006.6.94 - NorthWestern Energy - 2006 qualifying facility avoided cost docket:

Commissioner Schneider moved to grant NorthWestern Energy's motion for protective order in D2006.6.94. Commissioner Raney seconded the motion, which passed unanimously.

APPEARANCE

Eric Eck, Utility Division

(258) In the matter of the Commission's discussion of D2006.5.66 - NorthWestern Energy 2006-2007 electric tracker:

Commissioner Raney moved to approve the 2006-2007 electric tracker draft interim order in D2006.5.66. Commissioner Mood seconded the motion.

Commissioner Raney withdrew his motion. Commissioner Mood withdrew his second.

APPEARANCE

Martin Jacobson, Legal Division

Leroy Beeby, Utility Division

(259) In the matter of the Commission's discussion of D2005.5.75 - Landmark Water Co., LLC - water rates:

Commissioner Raney moved to approve the final order in D2005.5.75. Commissioner Mood 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:

Connie Jones  
Commission Secretary

(SEAL)