

**MONTANA PUBLIC SERVICE COMMISSION  
UTILITY DIVISION  
AGENDA NO. 02-03-26**

Date Published: March 21, 2002  
For Work Week Commencing: March 25, 2002  
Business Meeting: March 26, 2002, 9:00 a.m.

*General Introduction This agenda is the Commission's Utility Division agenda for the work week designated. In the later part of each week (generally, Thursday by 2:00 p.m.) prior to the work week to which an agenda pertains, the agenda is posted on the public information bulletin board at the Commission offices, deposited in the mail directed to all persons who have properly requested notice by mail, emailed to all persons who have properly requested notice by email, and posted to the Public Service Commission's worldwide web site located at <http://www.psc.state.mt.us>.*

*Place of Meetings All meetings are held at the Commission offices, 1701 Prospect Avenue, Helena, Montana, unless otherwise noted.*

*Inquiries General inquiries concerning this Utility Division agenda and subscribing to notice by mail may be made to Steve Vick at (406) 444-6182. He may refer inquiries to another person within the agency.*

*Accommodation for Persons with Disabilities Anyone needing an accommodation for physical, hearing, or sight impairment in order to attend a scheduled meeting should contact the Commission secretary at (406) 444-6199 sufficiently prior to the meeting to allow accommodations to be made.*

**Work Sessions** All items identified below are for Commission discussion or action on the day designated.

1. D2001.10.144 – MPC/NEW Default Supply Portfolio – Placeholder to Consider Various Filings in this Docket and to Address Issues as They Arise. (3/26/02)
2. No Docket # - N/A but Relates to D2001.10.144 – MPC/NEW (With Press as Petitioner) – Court Case—GF Tribune, et al. (Media) v. MPSC; Cause No. CDV2001-708. – Placeholder to Discuss Issues as Necessary. (3/26/02)
3. D2001.7.84/D2001.10.144 – MPC Cost Recovery Mechanism – Discuss/Act on MPC's Proposed Cost Recovery Mechanism
4. D98.8.183 – MPC Compliance Filing on New QF Tariffs – Discuss/Act on MPC Request for Extension of Time

5. D2001.9.128 – MDU Integrated Resource Plan – Discuss/Act on Commission’s Response to MDU’s IRP. (3/26/02)
6. D2001.12.173 – Fairmont Hot Springs Initial Sewer Rates - Fairmont Estates Condo Association “Fairmont Estates” – Motion to Reconsider Commission Ruling Denying Petition for Late Intervention. (3/26/02)
7. D2002.1.3 – Mid-Rivers Telephone Cooperative – Discuss and Act on Mid-Rivers Motion for Protective Order. (3/26/02)
8. D2000.5.70 – Discuss and Act on Report Regarding 3 Issues Identified in Request for Comments as One Part of Final Wrap-Up Proceeding: (1) Qwest’s wholesale Performance results; (2) Unresolved Issue Regarding Checklist Item #11 – Local Number Portability; and (3) Suggestions for Different Procedure or Additional Topics for Final Omnibus Proceeding. (3/26/02)
9. Qwest and Various CLEC’s - Misc. Telecom Interconnection Dockets— Amendments – Discuss and Act on Numerous Applications for Approval of Interconnection Agreement Amendments. (3/26/02)
10. D2001.7.87; D2001.7.91; D2001.8.105; D2001.8.112; D2001.8.119; D2001.9.125; D2002.1.1; D2002.1.6 - Qwest and Various CLEC’s – Applications for Approval of Interconnection Agreements. (3/26/02)
11. FCC 02-8 - In the Matter of Schools and Libraries Universal Service Support Mechanism. (3/26/02)
12. D2000.5.70 – Qwest – Discuss and Act on Draft Report on the CLEC Forum. (3/28/02 – 9:00 a.m.)

Weekly Scheduling Meeting – Will be held at 8:45 a.m. on the day of the Business Meeting

**Action Items** All items identified below are for action at the Commission business meeting.

1. NORTHWESTERN ENERGY DOCKET NO. D2001.12.156 (Dave B)

On December 6, 2001, Northwestern Energy filed its annual gas cost and gas cost tracking filing with the Commission. On December 21, 2001, the Commission issued Interim Order No. 6394, putting into place rates designed to decrease annual Montana jurisdictional natural gas revenues by (\$32,311,658). At the same time, in Interim Order No. 5898i, the Commission ordered the Company to implement rates designed to increase annual Montana jurisdictional natural gas revenues by an amount of \$15,704,415. During the discovery process it was learned that Northwestern Energy had inadvertently included the difference between the November 2001 and December 2001 gas cost revenue and gas cost expense in both the prior year deferred gas cost calculation and the current year deferred gas cost calculation. Northwestern Energy has filed a revision to its previous tracker filing. The revised deferred gas cost rate corrects the error by reducing the deferred balance by \$9,433,032 plus interest, at 10.75 percent, due to the over-collection during the months of January through March of 2002. This correction results in an overall rate decrease compared to the interim rates currently in effect. Northwestern Energy is also revising the carrying charge rate used to determine the carrying charge expense or credit calculated on the activity in the deferred account. In the original filing Northwestern Energy erroneously used the pre-tax rate of return of 12.26 percent on the monthly deferred balance and should have used the rate of return of 8.82 percent.

2. MONTANA POWER COMPANY D2000.8.113 (Dave B)

In Docket No. D2000.8.113 Order No. 6271c, the Commission approved Natural Gas rates effective for service on and after May 8, 2001. These final rates were less than the interim rates that had been previously approved by the Commission on November 29, 2000. Order No. 6271c required that Montana Power (MPC) refund the amount overcollected between November 29, 2000 and May 7, 2001. The refunded amount

included interest. MPC has been refunding customers for the overcollection since October 1, 2001. The principle amount to be refunded was \$680,004, plus interest of \$77,916 through March 31, 2002, for a total amount of \$757,920. The refund of the overcollection is set to expire on March 31, 2002, and will result in a .8726% increase in rates. This increase is to become effective April 1, 2002.

**Notice Items** All items identified below are noticed for public participation purposes. Unless otherwise stated in the text of the notice, the items will be action items on the next following agenda or a subsequent agenda and participation may be had by submitting written comments to the Public Service Commission, 1701 Prospect Avenue, P.O. Box 202601, Helena, Montana, 59620-2601, within 5 calendar days following publication of this agenda. Public comments on a noticed matter may also be submitted within the required time through the PSC's web-based comment form at <http://psc.state.mt.us/PublicComment/PublicComment.htm>. Comments should reference the docket number of the matter.

**Information Items** All items identified below are for information only.

**Tentative Action Items for Agenda 02-04-02**

**New Filings Received in Past Week**

D2002.3.33 – PSC Investigation into the Scope of Jurisdiction over ETC's for the Purpose of USF.