

At the meeting of the Public Service Commission of the State of Montana held at the Commission's Offices in Helena, Montana, on June 3, 2002, the following members were present:

Gary Feland, Chairman
Jay Stovall, Vice Chairman
Bob Anderson, Commissioner
Matt Brainard, Commissioner
Bob Rowe, Commissioner

APPEARANCE

Robin McHugh, David Hoffman, Will Rosquist, Eric Eck, Susan Good, Marla Larson

(241) In the matter of the Commission's discussion of Montana Power Company/NorthWestern Energy's Default Supply Portfolio Filing, Docket No. D2001.10.144; Commissioner Anderson moved to accept the staff's legal conclusion, based on the MCC brief, with respect to preapproval of default supply costs. Commissioner Feland seconded the motion, which passed with a vote of 4-1. Commissioners Anderson, Brainard, Feland and Rowe voted aye. Commissioner Stovall dissented.

Commissioner Anderson moved to find the electricity supply procured from PPL-Montana and Duke Energy was procured using industry-accepted procurement practices. Commissioner Feland seconded the motion, which passed unanimously.

Commissioner Anderson moved to direct NorthWestern Energy to file interim tariffs to recover its projected default electricity supply costs for the period July 1, 2002 through June 30, 2003, and directed NorthWestern Energy to file, after July 1, 2003, pursuant to § 69-8-210(4), MCA, and the cost recovery mechanism, for a final determination of prudently incurred electricity supply costs for the period July 1, 2002 through June 30, 2003. Commissioner Rowe seconded the motion, which passed unanimously.

Commissioner Anderson moved that efficiency should be considered on an equivalent basis with all other electricity supply alternatives as a part of the portfolio. Commissioner Rowe seconded the motion. Commissioner Brainard offered an amendment to the motion that outsourcing by the default supplier would be subject to the same scrutiny as other sources in the portfolio. Commissioner Feland seconded the amendment motion, which passed with a vote of 4-0-1. Commissioners Brainard, Feland, Rowe and Stovall voted aye. Commissioner Anderson abstained. The original motion passed unanimously.

Commissioner Rowe moved to maintain the bundled service rate at this time. Commissioner Brainard seconded the motion, which passed with a vote of 4-1. Commissioners Anderson, Brainard, Feland and Rowe voted aye. Commissioner Stovall dissented.

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

GARY FELAND, Chairman

JAY STOVALL, Vice Chairman

BOB ANDERSON, Commissioner

MATT BRAINARD, Commissioner

BOB ROWE, Commissioner

ATTEST:

Rhonda J. Simmons
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 Tuesday, June 4, 2002, the following members were present:

- Gary Feland, Chairman
- Jay Stovall, Vice Chairman
- Bob Anderson, Commissioner
- Matt Brainard, Commissioner
- Bob Rowe, Commissioner

APPEARANCE

Wayne Budt, Administrator
Transportation & Centralized Services Division

(242) In the matter of the approval of Commission Minutes; Commissioner Rowe moved to approve the Commission Minutes for the week of May 28, 2002. Commissioner Stovall seconded the motion, which passed unanimously.

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

GARY FELAND, Chairman

JAY STOVALL, Vice Chairman

BOB ANDERSON, Commissioner

MATT BRAINARD, Commissioner

BOB ROWE, Commissioner

ATTEST:

Rhonda J. Simmons
Commission Secretary

(SEAL)

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Jay Stovall, Vice Chairman
Bob Anderson, Commissioner
Matt Brainard, Commissioner
Bob Rowe, Commissioner

APPEARANCE

Lisa Swanson

(243) In the matter of the Commission's discussion of Colstrip Energy Limited Partnership's Complaint regarding NorthWestern Energy's Annual QFLT-1 Avoided Cost Compliance Filing, Docket No. D2001.7.100; Commissioner Rowe moved to vacate the hearing date and reschedule it at a later date. Commissioner Anderson seconded the motion, which passed unanimously.

APPEARANCE

Martin Jacobson

(244) In the matter of the Commission's discussion of the PSC's Natural Gas Universal System Benefit Program, Docket No. D2002.2.18; Commissioner Rowe moved to instruct staff to draft a report recommending the program be continued. Commissioner Stovall seconded the motion, which passed unanimously.

APPEARANCE

Martin Jacobson, Robin McHugh

(245) In the matter of the Commission's discussion of protective order rulemaking and Montana-Dakota Utilities gas rate case, Docket No. D2002.5.59, and Mountain Water's rate case, Docket No. D2002.5.60; Commissioner Anderson moved to, as part of the proposed rulemaking, provide for interim protective orders as recommended by staff. Commissioner Stovall seconded the motion, which passed unanimously.

Commissioner Stovall moved to issue interim protective orders to be followed immediately, if not sooner, by a motion for protective order specifying particular information to be protected (in Docket Nos. D2002.5.59 and D2002.5.60). Commissioner Rowe seconded the motion, which passed unanimously.

APPEARANCE

Monica Tranel

(246) In the matter of the Commission's discussion of Mid-Rivers Telephone Cooperative's Petition with the Federal Communications Commission to declare Mid-Rivers an ILEC in the Terry Exchange; Commissioner Stovall moved to send a letter to the FCC supporting Mid-Rivers' petition to be declared an ILEC in the Terry exchange. Commissioner Rowe seconded the motion, which passed unanimously.

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

GARY FELAND, Chairman

JAY STOVALL, Vice Chairman

BOB ANDERSON, Commissioner

MATT BRAINARD, Commissioner

BOB ROWE, Commissioner

ATTEST:

Rhonda J. Simmons
Commission Secretary

(SEAL)

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- Bob Rowe, Commissioner

APPEARANCE

Robin McHugh, David Hoffman, Will Rosquist, Eric Eck, Susan Good, Marla Larson

(247) In the matter of the Commission's discussion of Montana Power Company/NorthWestern Energy's Default Supply Portfolio Filing, Docket No. D2001.10.144; Commissioner Anderson moved to direct staff to prepare a draft order embodying the decisions the Commission made yesterday (Minute Entry No. 241) and including the substance of the comments in the staff memo. Commissioner Brainard seconded the motion, which passed with a vote of 4-1. Commissioners Anderson, Brainard, Feland and Rowe voted aye. Commissioner Stovall dissented.

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

GARY FELAND, Chairman

JAY STOVALL, Vice Chairman

BOB ANDERSON, Commissioner

MATT BRAINARD, Commissioner

BOB ROWE, Commissioner

ATTEST:

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APPEARANCE
Martin Jacobson

(248) In the matter of the Commission's discussion of Montana rural eligible telecommunications carriers' disaggregation, Path 1 and Path 3, Docket No. N2002.5.54 and N2002.5.58, respectively; Blackfoot Telecommunications, Docket No. D2002.5.55; Clark Fork Telecommunications, Docket No. D2002.5.56; and Ronan Telephone Company, Docket No. D2002.5.57; Commissioner Brainard moved to issue the 20-day notice of opportunity for hearing. Commissioner Rowe seconded the motion, which passed unanimously.

Commissioner Rowe moved to issue a notice requesting comment on the motion for protective order, with comment due in 7 days. Commissioner Brainard seconded the motion, which passed unanimously.

APPEARANCE
Martin Jacobson

(249) In the matter of the Commission's discussion of L.S. Jensen, discussion on annual report verified statement, Docket No. T-00.111.COM; Commissioner Rowe moved to conditionally accept the verified statement subject to the final order in the contested case proceeding. Commissioner Brainard seconded the motion, which passed unanimously.

APPEARANCE
Wayne Budt

(250) In the matter of the Commission's discussion of budget issues – request to transfer PSC enforcement officers to broadband pay plan; Commissioner Rowe moved to authorize the conversion to the broadband pay plan. Commissioner Stovall seconded the motion, which passed unanimously.

Commissioner Rowe moved to increase the base pay for PSC enforcement officers by \$3,500 each. Commissioner Stovall seconded the motion, which passed unanimously.

APPEARANCE
Robin McHugh, David Hoffman, Susan Good, Will Rosquist, Eric Eck

(251) In the matter of the Commission's discussion of the lawsuit filed by PPL-Montana on Order No. 5986t, Docket No. D97.7.90; Commissioner Brainard moved to close the work session on the lawsuit pursuant to the litigation exception. Commissioner Stovall seconded the motion, which passed with a vote of 4-1. Commissioners Anderson, Brainard, Feland and Stovall voted aye. Commissioner Rowe dissented.

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

GARY FELAND, Chairman

JAY STOVALL, Vice Chairman

BOB ANDERSON, Commissioner

MATT BRAINARD, Commissioner

BOB ROWE, Commissioner

ATTEST:

Rhonda J. Simmons
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(SEAL)