

At the meeting of the Public Service Commission of the State of Montana held at the Commission's offices in Helena, Montana, on Tuesday, January 13, 2004, at 9:30 a.m. the following members were present:

Bob Rowe, Chairman
Thomas J. Schneider, Vice Chairman
Matt Brainard, Commissioner
Greg Jergeson, Commissioner
Jay Stovall, Commissioner

APPEARANCE

Nickie Eck
Transportation & Centralized Services Division

(7) In the matter of TN2200, lease between PSC No. 7316, between Boyne USA, Inc. dba Big Sky of Montana, Big Sky Montana and Rocky Mountain Motor Coach, Inc. dba Montana Motor Coach, Belgrade, Montana. Parties to that lease have requested that the lease be cancelled. Commissioner Brainard moved to cancel the lease. Commissioner Stovall seconded the motion, which passed unanimously.

(8) In the matter of T-03-54.ST, All Valley Cab, Inc., Belgrade, Montana an application to transfer PSC No. 2278 to David D. and Marla J. Francis dba All Valley Cab, Belgrade, MT. Commissioner Brainard moved to approve the transfer. Commissioner Jergeson seconded the motion, which passed unanimously.

(9) In the matter of the approval of the Commission Minutes; Commissioner Brainard moved to approve the minutes for the week of January 5, 2004. Commissioner Stovall seconded the motion, which passed 5 to 0.

APPEARANCE

Martin Jacobson

(10) In the matter of the Commission's discussion of FCC CC96-45, the FCC order on 10th Circuit Remand – Federal USF;

Commissioner Schneider moved to authorize intervention in an appeal and to direct staff to explore the different options of how the PSC can proceed in an intervention. Commissioner Stovall seconded the motion, which passed unanimously.

(11) In the matter of the Commission's discussion of Northwestern Energy annual qualified facilities avoided cost, reconsideration of procedural order, Docket No. D2003.7.86 ;

Commissioner Schneider moved to deny a 90 day extension to NWE. Commissioner Stovall seconded the motion, which passed unanimously.

(12) In the matter of the Commission's discussion of Gas Supply Acquisition Notice of Inquiry, Docket No. D2003.10.151;

Commissioner Rowe moved to instruct Northwestern Energy to meet and consult with interested persons including the Montana Consumer Counsel, to review the natural gas draft tariff then file a final proposed

natural gas tariff, all within 45 days. Commissioner Brainard seconded the motion, which passed 3 - 2. Commissioner Stovall and Commissioner Schneider dissented.

APPEARANCE

Robin McHugh

(13) In the matter of the Commission's discussion of NorthWestern Energy Bankruptcy;

Commissioner Schneider moved to accept the language of the stipulated order submitted to the Bankruptcy Court. Commissioner Brainard seconded the motion, which passed unanimously.

APPEARANCE

Robin McHugh, Kate Whitney, Eric Eck, Will Rosquist, Steve Vick, Brady Williamson (outside counsel via telephone)

(14) In the matter of the Commission's discussion of NorthWestern Energy Bankruptcy;

Commissioner Jergeson moved to direct outside counsel to not pursue PSC objection to the NWE incentive compensation plan in light of NWE offered concession on PSC jurisdiction over compensation rate recovery and on modified timing of Tier 1 payment. Commissioner Schneider seconded the motion, which passed with a vote of 4 – 1. Commissioner Stovall dissented.

(15) In the matter of the Commission's discussion of compliance with Supreme Court decision of 12/18/03, Great Falls Tribune et al. v. PSC and Montana Power Company (Northwestern Energy);

Commissioner Rowe moved to notice a meeting concerning compliance with Tribune v. PSC and MPC, requiring specific proposed amendments to PSC rules and practices. Commissioner Jergeson seconded the motion, which passed unanimously.

APPEARANCE

Mike Lee, Monica Tranel

(15) In the matter of the Commission's discussion of Qwest Long Distance (QLD), QLD Tariff, Docket No. D2002.12.153;

Commissioner Rowe moved to draft order as outlined in attached memo; QLD will be merged with QCC as outlined in memo. Commissioner Schneider seconded the motion, which passed with a vote of 3 - 2. Commissioner Brainard and Commissioner Jergeson dissented.

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

BOB ROWE, Chairman

THOMAS J. SCHNEIDER, Vice Chairman

MATT BRAINARD, Commissioner

GREG JERGESON, Commissioner

JAY STOVALL, Commissioner

ATTEST:

Judy Scheier
Assistant Commission Secretary

(SEAL)