

At the Out-of-Cycle Work Session of the Public Service Commission of the State of Montana held at the Commission's Offices in Helena, Montana, on Monday, October 27, 2008, the following members were present:

Greg Jergeson, Chairman
Brad Molnar, Commissioner
Robert H. Raney, Commissioner
Ken Toole, Commissioner

Commissioner Mood was absent, but left his proxy with Commissioner Molnar.

APPEARANCE

Mike Lee, Utility Division

(383) In the matter of Intercarrier Compensation: Discuss filing an ex parte with the FCC on the subject of the FCC's imminent decision on ICC and USF reform.

Commissioner Toole moved the SUBMISSION of the draft comments, subject to minor editing changes, to the FCC with copies to the Congressional Delegations at the Governors office. Commissioner Mood seconded the motion, which passed unanimously.

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

GREG JERGESON, Chairman

DOUG MOOD, Vice Chairman

BRAD MOLNAR, Commissioner

ROBERT H. RANEY, Commissioner

KEN TOOLE, Commissioner

ATTEST:

Verna Stewart
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, October 28, 2008, the following members were present:

Greg Jergeson, Chairman
Brad Molnar, Commissioner
Robert H. Raney, Commissioner
Ken Toole, Commissioner

Commissioner Mood was absent, but left his proxy with Commissioner Molnar.

APPEARANCE
Eric Eck, Utility Division

(384) In the matter of D2008.9.117-Black Hills Power: On September 22, 2008, Black Hills Power filed a Quarterly Fuel Rate Rider application.

Commissioner Molnar moved to GRANT Black Hills Power's Quarterly Fuel Rate Rider application. Commissioner Raney seconded the motion, which passed unanimously.

APPEARANCE
Gary Duncan, Utility Division

(385) In the matter of D2006.10.152: Century Tel of Montana, Inc. and Bresnan Digital Services, LLC Interconnection Agreement Amendment.

Commissioner Toole moved to APPROVE the interconnection agreement amendment between Century Tel of Montana, Inc. and Bresnan Digital Service, LLC in Docket No. D2006.10.152. Commissioner Raney seconded the motion, which passed unanimously.

APPEARANCE
Wayne Budt, Administrator
Transportation & Centralized Services Division

(386) In the matter of TN2417: C.B. Geier, Helena, Montana requests permission to continue the lease of PSC No. 3584 to Tiger Express LLC, Helena, Montana for a one year period October 5, 2008 to October 5, 2009.

Commissioner Toole moved to APPROVE the lease renewal as requested. Commissioner Raney seconded the motion, which passed unanimously.

(387) In the matter of TN2418: Thomas F. Kenneally, Butte, Montana requests permission to continue the lease of PSC No. 4448 to The McGree Corporation, Butte, Montana for a one year period October 12, 2008 to October 12, 2009.

Commissioner Raney moved to APPROVE the lease renewal as requested. Commissioner Toole seconded the motion, which passed unanimously.

(388) In the matter of TN2419: Montana Tariff Bureau, as agent for Willson LLC dba City Cab, Billings, Montana, in an independent action in its Passenger Tariff No. 3, requests that fuel surcharge of \$.75 per fare covering the passenger transportation conducted under PSC No. 7489 be reduced to \$.50 per fare due to falling fuel prices.

Commissioner Molnar moved to APPROVE the reduction to the fuel surcharge as requested. Commissioner Raney seconded the motion, which passed unanimously.

(389) In the matter of the approval of Commission Minutes for the week of October 20, 2008.

Commissioner Toole moved to APPROVE the Commission Minutes for the week of October 20, 2008. Commissioner Raney seconded the motion, which passed unanimously.

APPEARANCE

Gary Duncan, Utility Division

(390) In the matter of the Commission's discussion of D2008.8.99: Qwest Corporation and Cleartech.com, Inc. Interconnection Agreement.

Commissioner Raney moved to APPROVE the interconnection between Qwest Corporation and Cleartech.com., in Docket D2008.8.99. Commissioner Toole seconded the motion, which passed unanimously.

APPEARANCE

Jim Paine, Legal Division

(391) In the matter of the Commission's discussion of D2008.1.6: Qwest AFOR protective order governing handling of customer proprietary network information.

Commissioner Molnar moved to APPROVE the protective order as to handling of Customer Proprietary Network Information as requested in Docket No. D2008.1.6. Commissioner Raney seconded the motion, which passed 4-0. Commissioner Toole abstained.

(392) In the matter of the Commission's discussion of D2008.1.6: Qwest's Amendment to Petition.

Commissioner Raney moved to APPROVE Qwest's Amendment of its petition which moves switched and special access as well as additional lines from non-price regulated to requested price-regulated status. Commissioner Molnar seconded the motion, which passed 4-0. Commissioner Toole abstained.

APPEARANCE

Scott Fabel, Utility Division

(393) In the matter of the Commission's discussion of D2008.9.110: Fuel and purchased power cost tracking adjustment-Electric Rate 58 and Contract Service Rate 35:

Commissioner Jergeson moved to APPROVE the change of the effective date of the fuel and purchased power tracker application to all customers from bills rendered to a service rendered basis. Commissioner Raney seconded the motion, which passed unanimously.

APPEARANCE

Justin Kraske, Legal Division
Eric Dahlgren, Utility Division

(394) In the matter of the Commission's discussion of Monitoring program and contracts for 2008/2009 heating season.

Commissioner Raney moved to APPROVE the natural gas BTU monitoring program and contracts for the 2008/2009 heating season. Commissioner Toole seconded the motion, which passed unanimously.

APPEARANCE

Justin Kraske, Legal Division
Tina Shorten, Consumer Division

(395) In the matter of the Commission's discussion of N2008.7.81: Medical emergency rule application.

Commissioner Raney moved to APPROVE a Notice of Commission Action be issued to find out additional information on the account and DENY the request of NorthWestern to terminate customer service. Commissioner Toole seconded the motion, which passed unanimously.

APPEARANCE

Robin McHugh, Administrator, Legal Division

(396) In the matter of the Commission's discussion of ACT report re: Commissioner Molnar email information request.

MOTION #1(in closed session): Commissioner Jergeson moved to APPROVE the release of information requested with the exception of the email in question due to safety and security reasons. Commissioner Raney seconded the motion, which passed unanimously.

MOTION #2(in open session): Commissioner Raney moved to RELEASE the requested information to the requestor excluding the one exclusion. Commissioner Toole seconded the motion which passed 3-2. Commissioner Mood and Commissioner Molnar voted no.

APPEARANCE

Greg Jergeson, Chairman

(397) In the matter of the Commission's discussion to submit a recommendation to the legislature to deregulate passenger service.

Commissioner Raney moved to have staff CEASE the pursuit of drafting legislation for regulation or deregulation of intrastate passenger transportation service with the state legislature and leave it to the members of the industry. Commissioner Toole seconded the motion which passed unanimously.

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

GREG JERGESON, Chairman

DOUG MOOD, Vice Chairman

BRAD MOLNAR, Commissioner

ROBERT H. RANEY, Commissioner

KEN TOOLE, Commissioner

ATTEST:

Verna Stewart
Commission Secretary

(SEAL)

At the Out-of-Cycle Work Session of the Public Service Commission of the State of Montana held at the Commission's Offices in Helena, Montana, on Friday, October 31, 2008, the following members were present:

Greg Jergeson, Chairman
Doug Mood, Vice Chairman
Brad Molnar, Commissioner
Robert H. Raney, Commissioner
Ken Toole, Commissioner

APPEARANCE

Al Brogan, Legal Division

(398) In the matter of D2008.4.36-NorthWestern Corporation Application for approval of its interest in Colstrip Unit 4 as an Electricity Supply Resource under Certain Terms and Conditions, including Certain Treatment of Net Operating Losses and PSC Investigation of NorthWestern Corporation's Compliance with Order 6505e.

MOTION #1: Commissioner Raney moved to FIND and CONCLUDE that NorthWestern Energy violated the provisions of Order 6505e in purchasing the Mellan Interests. Commissioner Toole seconded the motion, which passed unanimously.

MOTION #2: Commissioner Raney moved to FIND and CONCLUDE that NorthWestern Energy violated the provisions of Order 6505e in purchasing the SGE interests. Commissioner Toole seconded the motion, which passes unanimously.

MOTION #3: Commissioner Raney moved to FIND and CONCLUDE that NorthWestern Energy violated the provisions of Order 6505e by exceeding the limited investment basket. Commissioner Mood seconded the motion, which passed unanimously.

MOTION #4: Commissioner Raney moved to DIRECT staff to, after issuance of an order, to file a complaint in district court on behalf of the commission seeking the maximum penalty prescribed by law against NorthWestern Energy. Commissioner Toole seconded the motion, which passed unanimously.

MOTION #5: Commissioner Raney moved to FIND and CONCLUDE that NorthWestern Energy VIOLATED Order 6505e by granting a security interest [in NorthWestern Energy assets] to collateralize a loan to CLH by West LB. Commissioner Toole seconded the motion, which passed unanimously.

MOTION #6: Commissioner Toole moved to INSTRUCT staff to open a docket to investigate the effectiveness of the ring fencing provisions in Order 6505e currently in place. Commissioner Raney seconded the motion, which passed unanimously.

MOTION #7: Commissioner Raney moved to INSTRUCT staff to calculate the current limited basket cap. Commissioner Jergeson seconded the motion, which passed unanimously.

(399) In the matter of D2008.6.69-NorthWestern Corporation Application for approval of its interest in Colstrip Unit 4 as an Electricity Supply Resource under Certain Terms and Conditions, including Certain Treatment of Net Operating Losses and PSC Investigation of NorthWestern Corporation's Compliance with Order 6505e.

MOTION #1: Commissioner Jergeson moved to DIRECT staff to prepare an order finding that rate basing NorthWestern Energy's interest in Colstrip 4 including the amendments to return on equity and rate of return for the life of the project is in the public interest and is consistent with the requirements and PSC rules, and therefore, approving NorthWestern Energy's Application. Commissioner Molnar seconded the motion, which passed 4-1. Commissioner Toole voted no.

MOTION #2: Commissioner Raney moved to INSTRUCT staff to prepare a draft of the final order to include language to limit the NOL to \$161 million for consideration at the final work session. Commissioner Jergeson seconded the motion which passed 3-2. Commissioner Toole and Commissioner Molnar voted no.

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

GREG JERGESON, Chairman

DOUG MOOD, Vice Chairman

BRAD MOLNAR, Commissioner

ROBERT H. RANEY, Commissioner

KEN TOOLE, Commissioner

ATTEST:

Verna Stewart
Commission Secretary

(SEAL)