

**MONTANA PUBLIC SERVICE COMMISSION
UTILITY DIVISION
AGENDA NO. 10-03-16**

Date Published: March 11, 2010
For Work Week Commencing: March 15, 2010
Commission Meeting: March 16, 2010, 9:00 a.m.

General Introduction This agenda is the Commission's Utility Division agenda for the work week designated. In the latter 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://psc.mt.gov>.

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

Live webcast Unless otherwise noted on this agenda, all Commission meetings held during regular business hours that are noticed on this agenda will be webcast live via the audio and video feed links on the PSC website (<http://psc.mt.gov/eDocs/#Calendars>). The audio feeds of meetings are also archived at the same website location.

Inquiries General inquiries concerning this Utility Division agenda and subscribing to notice by mail may be made to Kate Whitney at (406) 444-3056. She 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.

9:00 a.m. Weekly Scheduling (Commission Conference Room – No Web Audio Feed)

9:30 a.m. Business (Bollinger Room)

Public Comments

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

1. NORTHWESTERN ENERGY D97.11.219 (Eric)

On March 9, 2010, NWE filed its semi-annual true-up Advice Letter pursuant to Order No. 6035a. This filing is made by NWE in its role as servicer of the Natural Gas Transition Bonds. If the previous six-month period variance between the scheduled debt service and the actual amounts available to satisfy the scheduled debt service for such period exceeds 2 percent NWE is required to apply for adjustment to the Fixed Transition Amount (FTA) charges. The variance for the period was an under collection of 2.63 percent or \$116,219. An increase in FTA-GP, FTA-RA (Core), FTA-RA (Utility) and FTA-RA (Non-Core) rates is necessary based on future payment obligations and projected market load. The new FTA rates should ensure enough funds are collected to make the next principal and interest payment.

Staff recommends that the changes in the FTA charges be approved effective April 1, 2010. Probable Motion: Approve NWE's requested rate changes for the semi-annual true-up of the Natural Gas Transition Bonds.

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

1. D2008.12.146 – NWE – Application for Approval of Avoided Cost Tariff for New Qualifying Facilities – Consider extending period for final decision for 30 days for good cause pursuant to §2-4-623(1), MCA.(3/16/10)
2. D2009.9.129 & D2007.7.82 – NWE – Application for Authority to Establish Increased Natural Gas and Electric Delivery Service Rates and Implement Allocated Cost of Service and Rate Design Proposals – Discuss and act on NWE's request for waiver to allow late-filed motion for protective order, motion for protective order covering information contained in FIN 48 Implementation Binder, any other pending motions or discovery matters that are ripe for decision. (3/16/10)
3. D2005.11.163 – Utility Solutions – general rate case – Act on proposed interim rate request. (3/16/10)

4. D2009.1.9 – AquaFlo, LLC – general rate increase – Act on proposed stipulation for interim rates. (3/16/10)
5. D2006.7.108 – K.W.B. Pipeline Corporation – Application to Establish Permanent Rates for Transportation of Natural Gas – Discuss and act on final order. (3/16/10)
6. Operation of Section 75-20-216(6), MCA, related to agency reporting to DEQ on Major Facility Sitting Act applications and funding for agency reporting costs – Follow up to discussion at previous work session. (3/16/10)
7. Commission proposed rule – executive salary – Consider issuing a notice of public hearing. (3/16/10)
8. Commission Initiated – medical exception rule – Get Commission direction in notifying medical customers. (3/16/10)
9. EPP Process and Proposed Legislation for 2011 Legislative Session – Review identified EPP items, add additional items, discuss potential legislation. (3/16/10)

Other Meetings

3/15/10 – 1:00 p.m. – 2:30 p.m. – NRRI teleseminar, “Sanctity of Contract” Trumps “Public Interest” Intervention: The Supreme Court Revisits Mobile-Sierra—Again (Commission Conference Room – no web audio feed)

Weekly Scheduling, Review of Monthly Calendars, and Docket Status Updates (if requested by a Commissioner).

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.mt.gov/Consumers/comments>. Comments should reference the docket number of the matter.

1. NorthWestern Corporation (NOR) D2010.2.19 (Eric)

On February 23, 2010, NOR filed an application seeking authority to refinance up to \$225 million of Montana first mortgage bonds maturing on November 1, 2014 and issue a like principal amount of new first mortgage bonds. The issuance will have a term of 10 to 30 years and a coupon to be less than the current rate of 5.875 percent. NorthWestern will use the proceeds of the debt in this application to refinance the Existing Notes. By lowering the cost of its debt, NorthWestern will ultimately be able to pass the savings along to its ratepayers.

Protective Orders – Notice Items The Commission has received the following requests for protective order pursuant to ARM 38.2.5007. The Commission will rule on the requests no earlier than 10 days after the publication date of this agenda. Comments on the requests may be submitted at any time prior to ruling. Any person wanting a copy of a protective order request should contact the Commission at (406) 444-6199.

1. NorthWestern Energy. D2009.9.129 & D2007.7.82 (AI)

On March 10, 2010, NorthWestern Energy (NWE) filed a request for waiver to allow late-filed motion for protective order and a motion for protective order to govern access to certain information that has been requested by data requests in this docket. Specifically, NWE seeks protection of its 5-year projection of its capital structure including its “expected debt and capital leases, total equity, total capitalization, and total equity to capitalizations ratios for 2010 through 2014.” NWE’s argument is that the information is trade secret.

Protective Orders – Information Items The Commission has issued the following protective orders. These orders may be challenged pursuant to ARM 38.2.5008. Copies of these orders may be obtained by calling the Commission at (406) 444-6199.

1. NorthWestern Energy (NWE) D2009.9.129 & D2007.7.82 (A)

On March 2, 2010, the Commission granted NWE's motion for protective order to govern access to its state and federal income tax returns for the years 2006, 2007, and 2008.

2. NorthWestern Energy (NWE). D2009.9.129 & D2007.7.82 (A)

On March 2, 2010, the Commission granted NWE's motion for protective order to govern access to NWE's projections for revenue, income, gross margins, consolidated margins, Operating Administrative and General expenses, balance sheets, earnings per share, timing for the need for equity infusions, debt levels, segment returns, credit and financial metrics, and cash flow for NWE's Montana, South Dakota, and Nebraska operations for the years 2010 through 2013.

Information Items All items identified below are for information only.

New Filings Received in Past Week