

Service Date: October 16, 2002

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

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IN THE MATTER OF NORTHWESTERN)	UTILITY DIVISION
ENERGY, Application to Establish Green)	
Power Service)	DOCKET NO. D2002.7.81
)	ORDER NO. 6448

INTERIM ORDER

On July 1, 2002, NorthWestern Energy (NWE) filed before the Public Service Commission (PSC) an application for approval of a renewable resource (green power) service. Montana public utilities, such as NWE, providing electric service are required to provide customers with an opportunity to select a green power product marketed separately (from the standard product). § 69-8-210(6), MCA. The green power product may be priced differently than the standard product provided by the public utility. *Id.* NWE proposes to offer all customers the attributes of renewable power generation (through a method known as green tags) for \$2 per 100 kilowatt-hour block, a charge that will be in addition to all other applicable tariff charges. NWE's marketing of the green power option could be through licensed Montana power marketers.

On July 25, 2002, the PSC issued public notice of NWE's application. Comments have been received from Natural Resources Defense Council, Renewable Northwest Project, Commercial Energy of Montana (power marketer), Montana Electric Buying Cooperative (power marketer), Montana Environmental Information Center, and Bonneville Environmental Foundation (green tag buyer and seller). None of those commenting oppose NWE's filing as a first step in NWE's efforts to provide a green power service. Most of those commenting suggest something needs to be done now and more needs to be done through time. Some suggest further procedures be through a structured setting with a reasonable and definite schedule.

On the following points the PSC agrees with NWE and those commenting. First, NWE's proposal should be approved, at least on an interim, temporary, first-step basis, as NWE's

proposal is acceptable in this context as a reasonable effort to implement green power service requirements. Second, more does need to be done and it should be done within a time reasonable to all concerned.

IT IS HEREBY ORDERED that NWE's proposed green power service is approved, with the following qualifications:

a. this order is effective immediately and will be implemented by NWE as reasonably soon thereafter as NWE can implement it;

b. NWE should consider, to the extent marketers will be involved, all Montana licensed power marketers to assist in marketing;

c. this order is temporary only and only in the sense that more needs to be done to reach finality regarding NWE's green power program, but exactly what needs to be done, the time required to do that, and whether this NWE filing is the appropriate one to determine those things are not known with certainty;

d. unless otherwise ordered by the PSC through subsequent temporary orders or a final order in this docket, NWE will file another request before the PSC for approval of an advanced, next-step green power service, or a continuation of the program approved in this order if necessary, no later than March 25, 2003; and

e. within 30 days of the service date of this order NWE will coordinate with PSC staff, those filing comments or intervening in this matter, and others who may be interested, for a conference to discuss issues, time frames, procedures, and so forth required to complete this docket or create another docket and continue to move NWE's green power requirement in a positive direction.

Done and dated this 8th day of October, 2002, by a vote of 5 to 0.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

GARY FELAND, Chairman

JAY STOVALL, Vice Chairman

BOB ANDERSON, Commissioner

MATT BRAINARD, Commissioner

BOB ROWE, Commissioner

ATTEST:

Rhonda J. Simmons
Commission Secretary

(SEAL)

NOTE: Any interested party may request the Commission to reconsider this decision. A motion to reconsider must be filed within ten (10) days. See 38.2.4806, ARM.