BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of Northwestern Corporation, d/b/a NorthWestern Energy, Sioux Falls, South Dakota, seeking approval of a natural gas general rate increase for Nebraska.	)	Application No. NG-0048 ORDER CERTIFYING CASE FOR NEGOTIATIONS Entered: July 24, 2007

BY THE COMMISSION:

On June 1, 2007, Northwestern Corporation, d/b/a NorthWestern Energy,(Northwestern), Sioux Falls, South Dakota filed an Application for Natural Gas Rate Increase (Application) under the State Natural Gas Regulation Act, *Neb. Rev. Stat.* § 66-1801 et seq. (2003) (the Act). The Application seeks to increase rates to customers located in North Platte, Kearney, Grand Island, and Alda.

In accordance with *Neb. Rev. Stat.* § 66-1838, Northwestern sought to negotiate the rate increase directly with the above-mentioned municipalities. On July 10, 2007, the Kearney City Council voted in favor of negotiations. On July 3, 2007, the Village of Alda voted in favor of negotiations. On July 17, 2007, the North Platte City Council voted in favor of negotiations. A copy of each of these resolutions has been provided to the Commission. Northwestern provided documentation demonstrating that ratepayers in Kearney, Alda, and North Platte represent 21,758 of the 41,304 ratepayers within the affected cities.

O P I N I O N A N D F I N D I N G S

Pursuant to *Neb. Rev. Stat.* §66-1838(6) (2003), "If the commission receives resolutions adopted prior to the expiration of the sixty-day period provided for in subsection (4) of this section evidencing the intent to negotiate from cities representing more than fifty percent of the ratepayers within the affected cities, the commission shall certify the case for negotiation between such cities and the jurisdictional utility and shall take no action upon the rate filing until the negotiation period and any stipulated extension has expired or an agreement on rates is submitted, whichever occurs first.

The Commission finds that resolutions evidencing intent to negotiate have been received from cities representing more than 50 percent of the ratepayers within the affected cities. Therefore, Northwestern's application for a rate increase should be certified for negotiations.

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Upon receipt of this certification, "cities adopting resolutions to negotiate and the jurisdictional utility shall enter into good faith negotiations over such proposed rate change."[1]

"Negotiations between the cities and the jurisdictional utility shall continue for a period not to exceed ninety days after the date of the rate filing, except that the parties may mutually agree to extend such period to a future date certain and shall provide such stipulation to the commission."[2]

Although "any information exchanged between the jurisdictional utility and cities is not a public record within the meaning of sections 84-712 to 84-712.09 and its disclosure to the commission, its staff, the public advocate, or any other person or corporation, for any purpose, is expressly prohibited,"[3] the Commission is available to assist in the resolution of discovery or procedural disputes.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission in the above-captioned matter that this matter is certified for negotiations.

MADE AND ENTERED at Lincoln, Nebraska, this 24th day of July, 2007.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

//s// Rod Johnson
//s// Frank E. Landis

Chairman

ATTEST:

Executive Director

[1] Neb. Rev. Stat. § 66-1838(9).

[2] § 66-1838(11).

[3] § 66-1838(12).

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