

****REVISED****

RESOLUTION 9369

A RESOLUTION TO TERMINATE STREET LIGHTING
SERVICE CONTRACTS WITH NORTHWESTERN ENERGY COMPANY;
AUTHORIZING NEGOTIATION OF NEW CONTRACTS; AND/OR,
AUTHORIZING THE CITY TO ACQUIRE OWNERSHIP, OPERATION
AND MAINTENANCE OF STREET LIGHTING IN THE CITY OF GREAT FALLS

WHEREAS, the City has eighteen street lighting districts inclusive of 9,341 street lights;
and,

WHEREAS, the City contracts with NorthWestern Energy Company to install, operate
and maintain street lights within each district; and,

WHEREAS, NorthWestern Energy Company establishes compensation charges which
are approved by the Public Service Commission under said contracts
inclusive of ownership charges (NorthWestern Energy Company retains
ownership of the street light lighting facilities), operation charges,
maintenance charges and billing charges. Such charges are based on a
~~state-wide system~~ NorthWestern Energy system wide lighting costs and do
not reflect the City's particularized service; and,

WHEREAS, substantial financial savings may be realized by the City terminating such
contracts with NorthWestern Energy Company as the term for each
contract ends; and,

WHEREAS, opening negotiation for new contracts with charges that directly relate to
the actual value of street lighting services to customers in Great Falls;
and/or, if negotiations for new contracts fail, the City's acquisition of
ownership for such street lighting facilities (most facilities have repeatedly
been paid off through prior "ownership charges") inclusive of operation and
maintenance services is in the best interest of the citizens of Great Falls;
and,

WHEREAS, any negotiated rates between NorthWestern Energy Company and the
City of Great Falls would need approval by the Public Service
Commission; and,

WHEREAS, whether new contracts are negotiated or there is an eventual transfer of
ownership of the street lighting facilities to the City, the *de facto* acquisition
of such street lighting facilities by the City must be recognized by
acknowledging the payment of "ownership charges" over the years which
have covered the cost of such facilities multiple times over through
exorbitant charges; acknowledging obsolete facilities some of which have
been in existence for over 40 years; and recognizing the need to construct
new facilities which are more efficient and more aesthetically pleasing.

NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COMMISSION OF THE CITY
OF GREAT FALLS, CASCADE COUNTY, MONTANA:

That all street lighting service contracts with NorthWestern Energy Company should be terminated as the term for each contract ends pursuant to the notice and termination provisions contained therein and; that upon termination, the City should negotiate with NorthWestern Energy Company for new contracts that reflect the direct and specific value of street lighting service to customers in the City of Great Falls; and/or, should negotiations for new contracts fail, the City shall request an investigation of the justification for and the reasonableness of NorthWestern Energy's street lighting charges and shall move to effectuate the eventual ownership of such street lighting facilities; and thereafter, assume operation and maintenance of such street lighting service in the City of Great Falls.

PASSED AND ADOPTED by the City Commission of the City of Great Falls, Montana on this 2nd day of March, 2004.

Randall H. Gray, Mayor

ATTEST:

Carolyn Broquist, Deputy City Clerk

(SEAL OF CITY)

Approved for Legal Content: City Attorney

State of Montana)
County of Cascade :ss
City of Great Falls)

I, Carolyn Broquist, Deputy City Clerk of the City of Great Falls, Montana, do hereby certify that the foregoing Resolution No. 9369 was placed on its final passage and passed by the Commission of the City of Great Falls, Montana, at a meeting thereof held on the 2nd day of March, 2004, and approved by the Mayor of said City on the 2nd day of March, 2004.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Seal of said City this 2nd day of March, 2004.

Carolyn Broquist, Deputy City Clerk

(SEAL OF CITY)