

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

**IN THE MATTER OF THE MERGER BETWEEN)
NORTHWESTERN CORPORATION AND BBI)
GLACIER CORP., A SUBSIDIARY OF)
BABCOCK & BROWN INFRASTRUCTURE)
LIMITED)**

SCHEDULING ORDER

GE06-001

On June 7, 2006, Northwestern Corporation (NorthWestern) and Babcock & Brown Infrastructure Limited (BBI) filed a petition for declaratory ruling and for transaction approval if jurisdiction found. On June 19, 2006, NorthWestern and BBI filed an amendment to petition for declaratory ruling and for transaction approval if jurisdiction found. NorthWestern and BBI have entered into an agreement and plan of merger, dated as of April 25, 2006, which is pending approval of the stockholders of NorthWestern at its annual meeting to be held on August 2, 2006. In connection with this transaction a question has arisen as to whether the South Dakota Public Utilities Commission (Commission) has jurisdiction to approve the transaction. NorthWestern and BBI have filed a petition for a declaratory ruling pursuant to SDCL § 1-26-15 and ARSD 20:10:01:34. If the Commission concludes that it does in fact have jurisdiction, a second question is presented, namely, will the Commission approve the transaction.

On June 8, 2006, the Commission electronically transmitted notice of the filing and the intervention deadline of June 21, 2006, to interested individuals and entities. On June 21, 2006, the Commission received a Petition for Leave to Intervene and Provisional Request for Conditions to Approval of Merger from Missouri River Energy Services (MRS) and Petitions to Intervene from South Dakota Power Company (SD Power) and Heartland Consumers Power District (Heartland). On June 22, 2006, the Commission received a Joint Petition to Intervene from East River Electric Cooperative, Inc. (East River) and Basin Electric Power Cooperative, Inc. (Basin). At its July 11, 2006, meeting, the Commission granted intervention to MRS, SD Power, Heartland, East River and Basin.

The Commission has jurisdiction in this matter pursuant to SDCL Chapters 1-26 and 49-34A.

On July 11, 2006, Commission Counsel held a pre-hearing scheduling teleconference with counsel for NorthWestern and BBI, MRS, SD Power, Heartland, East River, Basin and Staff participating. The parties agreed to the following procedural schedule (all dates 2006):

July 21	NorthWestern/BBI to produce exhibits and list of witnesses pertaining to jurisdiction issue
August 21	Deadline for depositions on jurisdiction issue
September 1	NorthWestern/BBI brief on jurisdiction
September 22	Intervenors/staff briefs on jurisdiction
October 2	NorthWestern/BBI reply brief
October 19	Oral argument on jurisdiction at Commission regularly scheduled meeting

Staff may commence its discovery immediately to expedite the discovery process.

It is therefore

ORDERED, that the procedural schedule set forth above is established and shall be followed by the parties, and all above-described documents shall be filed and served on or before the above dates unless an order modifying this schedule is approved by the Commission.

Dated at Pierre, South Dakota, this 20th day of July, 2006.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.

By: Melaine Kaebo

Date: 7/20/06

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

Robert K. Sahr
ROBERT K. SAHR, Chairman

Dustin M. Johnson
DUSTIN M. JOHNSON, Commissioner *dl*

Gary Hanson
GARY HANSON, Commissioner