

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

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FILER

MONTANA POWER CO /MT/

CIK: **67727** | IRS No.: **810170530** | State of Incorporation: **MT** | Fiscal Year End: **1231**
Type: **8-K** | Act: **34** | File No.: **001-04566** | Film No.: **99671178**
SIC: **4931** Electric & other services combined

Business Address
40 E BROADWAY
BUTTE MT 59701
4067235421

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported) July 27, 1999

THE MONTANA POWER COMPANY
(Exact name of registrant as specified in its charter)

Montana (State or other jurisdiction of incorporation)	1-4566 (Commission File Number)	81-0170530 (IRS Employer Identification No.)
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40 East Broadway, Butte, Montana 59701
(Address of principal executive offices) (zip code)

Registrant's telephone number, including area code (406) 723-5421

Exhibit Index is found on page 9.

ITEM 5. Other Events.

Financial Results

SECOND QUARTER 1999 COMPARED WITH SECOND QUARTER 1998

The Company had consolidated net income of \$0.44 per share in the second quarter, an increase of \$0.05 per share - or approximately 13% - compared with second quarter 1998 consolidated net income of \$0.39 per share. Utility earnings for the second quarter 1999 were \$0.11 per share, an increase of \$0.02 per share - more than 22% - from second quarter 1998 earnings of \$0.09 per share. Nonutility earnings for the second quarter 1999 increased 10% to \$0.33 per share, compared with \$0.30 per share for the second quarter 1998.

Financial results for the second quarter 1999 more than offset lower first quarter 1999 results, which were adversely affected by warm weather during the primary winter-heating months, low wholesale power prices, and low overall oil and gas prices. Nearly every business unit contributed to the strong second-quarter 1999 performance.

Electric Utility and Natural Gas Utility

Income from electric utility operations for the second quarter 1999 remained relatively flat compared with income from operations for the second quarter 1998. Income from natural gas utility operations for the second quarter 1999 increased approximately \$2,700,000 compared with the second quarter 1998.

Electric Utility

Revenues from electric utility operations increased approximately \$4,300,000 - more than 4% - mainly because of higher rates in the off-system markets and increased sales of surplus power. As a result of electric deregulation, effective July 1, 1998, the Company began reflecting transmission revenues from the sale of electricity to the nonutility operations in intersegment revenues, resulting in an increase in intersegment revenues.

Power-supply expenses increased approximately \$1,700,000 primarily due to increased steam maintenance and higher contractual prices paid to small-power producers. These increased costs were partially offset by the elimination of secondary purchases by the utility. Transmission and distribution expenses increased approximately \$2,200,000 primarily because of additional transmission expense associated with increased sales of surplus power. Taxes other than income taxes and depreciation expense increased a total of approximately \$800,000, representing increased investment in plant and higher property values.

Natural Gas Utility

Revenues from natural gas utility operations increased approximately \$3,000,000 - more than 15% - primarily because of colder weather. Expenses associated with natural gas utility operations remained relatively stable.

Nonutility/Coal; Oil & Natural Gas; Independent Power Operations;
Telecommunications; Other

Nonutility financial results for second quarter 1999 versus second quarter 1998 were as follows: (1) income from coal operations remained relatively flat; (2) income from oil and natural gas operations increased

approximately \$900,000; and (3) income from independent power operations was relatively stable. Results for telecommunications operations, including a discussion of two particular events, are addressed more fully below in the "Telecommunications" section. Investment income increased approximately \$1,900,000, due to income earned as a result of the funds received from the prepayment.

Coal

Northwestern Resource's revenues increased \$3,600,000 primarily because volumes increased 3.5% and prices rose 9.6%. Western Energy's coal revenues fell slightly because an increase in tons sold was more than offset by a 3.0% decrease in prices. Western Energy's depreciation expense decreased approximately \$700,000 principally because of additional depreciation recorded on idle equipment in the second quarter of 1998. Increased tons sold by Northwestern Resources and Western Energy resulted in increased (1) operations and maintenance expense, and (2) taxes other than income taxes. These increased expenses more than offset the increased revenues from coal operations.

Oil & Natural Gas

Increased income from oil and natural gas operations resulted from higher (1) oil and natural gas prices, and (2) natural gas volumes sold. These two events more than offset decreases in oil volumes sold.

Independent Power Operations

Revenues from unconsolidated investments decreased mainly because of the late 1998 sale of one project and the settlement of another project in which Continental Energy Services held interests. The effects of these events were essentially offset by (1) higher revenues because of improved operations at other projects in which Continental Energy holds interests, and (2) decreased operations and maintenance expense because of lower project-development costs.

Telecommunications

In January 1999, Touch America received a discounted prepayment on a twelve-year contract with a capacity customer. As a result, private-line revenues (revenues from sales on Touch America's fiber-optic network) under that contract were \$6,000,000 lower as compared with the prior period. Revenues from dark-fiber sales were approximately \$2,800,000 lower primarily because of reduced sales of Touch America's portion of available dark fiber as compared with the same period in 1998. However, as a result of existing agreements, the Company expects to record \$3,000,000 in dark-fiber revenues during the remainder of 1999. Touch America also expects revenues from additional dark-fiber sales during the next two quarters.

Excluding the effects of (1) the prepayment, and (2) reduced revenues from dark-fiber sales, revenues from telecommunications operations increased approximately 50%. Based on the same exclusions, income from telecommunications operations increased approximately 40%.

The increase in operating revenues, after the above exclusions, consists of several elements. First, it reflects increased private-line revenues, which increased approximately \$2,000,000 due to higher sales of fiber capacity. Second, long-distance and equipment-service revenues increased approximately \$3,400,000 as a result of increased (1) long-distance customer and minute sales, and (2) price-per-minute sales.

Long-distance and equipment-service operations and maintenance expense increased approximately \$2,300,000 as a result of increased sales. Taxes other than income taxes - mainly property taxes - decreased approximately \$900,000 primarily because the Company released approximately \$700,000 that it had previously accrued.

Other Income

Other income increased approximately \$3,300,000. Approximately \$1,900,000 of this increase is attributable to investment income earned on the funds received from the prepayment. The use of these funds also contributed to decreased interest expense.

YEAR-TO-DATE 1999 COMPARED WITH YEAR-TO-DATE 1998

Year-to-date earnings through June 30, 1999 were \$1.04 per share, or \$0.01 per share higher than earnings for the six months ended June 30, 1998. The year-to-date \$1.04 per share consists of (1) Nonutility earnings of \$0.68 per share (compared with \$0.59 per share for the six months ended June 30, 1998), and (2) Utility earnings of \$0.36 per share (compared with \$0.44 per share for the six months ended June 30, 1998).

Electric Utility and Natural Gas Utility

Income from electric utility operations for the six months ended June 30, 1999 decreased approximately \$975,000 compared with income from operations for the six months ended June 30, 1998. Income from natural gas utility operations for the six months ended June 30, 1999 versus the six months ended June 30, 1998 increased approximately \$500,000.

Electric Utility

Revenues increased \$6,800,000 mainly because of higher rates in the off-system markets and increased sales of surplus power. As a result of electric deregulation, effective July 1, 1998, the Company began reflecting transmission revenues from the sale of electricity to the nonutility operations in intersegment revenues.

Transmission and distribution expenses increased \$5,300,000 primarily because of additional transmission expense associated with sales of surplus power. Taxes other than income taxes and depreciation expense increased a total of \$1,900,000, representing increased investment in plant and higher property values.

Natural Gas Utility

Revenues increased \$2,400,000 mainly because of higher transportation revenues, customer growth, and increased prices to recover gas supply costs. Expenses associated with natural gas utility operations remained relatively stable.

Nonutility/Coal; Oil and Natural Gas; Independent Power Operations; Telecommunications; Other

Nonutility financial results for the six months ended June 30, 1999 versus year-to-date 1998 were as follows: (1) income from coal operations was up approximately \$300,000; (2) income from oil and natural gas operations increased approximately \$900,000; and (3) income from independent power operations increased approximately \$6,200,000. Results for telecommunications

operations are discussed more fully below. Finally, investment income increased approximately \$4,400,000 due to income earned as a result of the funds received from the prepayment.

Coal

Northwestern Resource's revenues increased \$6,500,000 primarily because volumes increased 8.9% and prices rose 3.4%. Western Energy's coal revenues fell approximately \$2,200,000 mainly because of a \$2,700,000 refund issued to a buyer for final pit reclamation funds previously paid by that buyer. Western Energy's depreciation expense decreased \$1,600,000 primarily due to (1) the additional accrual mentioned in the "second quarter 1999" discussion above, and (2) equipment at the Rosebud Mine being fully depreciated late in the first quarter of 1998, resulting in lower depreciation expense in 1999. The increased tons sold by Northwestern Resources and Western Energy resulted in increased operations and maintenance expense.

Oil and Natural Gas

The increased income from oil and natural gas operations resulted from higher natural gas volumes and prices. These higher volumes and prices more than offset decreases in oil volumes and prices.

Independent Power Operations

Revenues from unconsolidated investments increased approximately \$1,100,000 because of improved operations at projects in which Continental Energy Services holds interests. In addition, lower project-development costs resulted in a \$3,800,000 decrease in operations and maintenance expense. Amortization expense also decreased approximately \$800,000 because of a late 1998 settlement relating to a project in which Continental Energy Services held an interest.

Telecommunications

Private-line revenues were \$11,000,000 lower due to the discounted prepayment versus the six months ended June 30, 1998. Revenues from dark-fiber sales were approximately \$3,500,000 lower primarily because of reduced sales of Touch America's portion of available dark fiber as compared with the same period in 1998. As stated in the "second quarter 1999" discussion, however, the Company expects to record \$3,000,000 in dark-fiber revenues under existing agreements during the remainder of 1999. It also expects additional revenues from dark-fiber sales during the third and fourth quarters.

Excluding the effects of (1) the prepayment, and (2) reduced revenues from dark-fiber sales, revenues from telecommunications operations increased approximately 50%. Based on the same exclusions, income from telecommunications operations increased approximately 25%.

The increase in operating revenues, after the above exclusions, consists of several elements. First, the increase reflects higher private-line revenues of approximately \$4,000,000. These increased revenues are attributable to increased sales of fiber capacity. It also includes increased long-distance and equipment-service revenues of approximately \$5,500,000. These revenues increased as a result of increased (1) long-distance customer and minute sales, and (2) price-per-minute sales.

Long-distance and equipment-service operations and maintenance expense increased approximately \$4,000,000 as a result of increased sales. Taxes other than income taxes - mainly property taxes - decreased approximately \$1,100,000 primarily because the Company released approximately \$700,000 that it had previously accrued.

Other Income

Other income increased approximately \$6,000,000. Approximately \$4,400,000 of this increase is attributable to investment income earned on the funds received from the prepayment. The use of these funds also contributed to decreased interest expense.

TWELVE MONTHS ENDED JUNE 30, 1999 COMPARED WITH TWELVE MONTHS ENDED JUNE 30, 1998

During the twelve months ended June 30, 1999, consolidated earnings were \$2.95 per share. For the twelve months ended June 30, 1998, consolidated earnings were \$2.23 per share. The \$2.95 for the twelve months ended June 30, 1999 - a 32% increase compared with the \$2.23 figure for the twelve months ended June 30, 1998 - consists of (1) Nonutility earnings of \$2.09 per share (compared with \$1.27 per share for the twelve months ended June 30, 1998), and (2) Utility earnings of \$0.86 per share (compared with \$0.96 per share for the twelve months ended June 30, 1998).

This Form 8-K may contain forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934. Forward-looking statements should be read with the cautionary statements and important factors included in the Company's Annual Report on Form 10-K for the year ended December 31, 1998 at Item 7, "Management's Discussion and Analysis of Financial Conditions and Results of Operations - Safe Harbor for Forward-Looking Statements." Forward-looking statements are all statements other than statements of historical fact, including, without limitation, those that are identified by the use of the words "expects," "believes," "anticipates" and similar expressions.

On June 22, 1999 the Board of Directors approved, effective August 6, 1999, a two-for-one split of the Company's outstanding common stock to all shareholders of record on July 16, 1999. Because the stock split was not effective at the financial statement date, all financial information regarding the outstanding common stock was presented on a pre-split basis with additional earnings-per-share amounts provided for the current year on a post-split basis.

For comparative purposes, the following table shows the breakdown of consolidated basic net income per share by principal business segment:

Quarter Ended		
	*Post-Split	
June 30, 1999	June 30, 1998	June 30, 1999

Utility Operations	\$	0.11	\$	0.09	0.05	
Nonutility Operations		0.33		0.30		0.17
Consolidated	\$	0.44	\$	0.39	\$	0.22

Six Months Ended

		*Post-Split				
	June 30,	June 30,	June 30,			
	1999	1998	1999			
Utility Operations	\$	0.36	\$	0.44	0.18	
Nonutility Operations		0.68		0.59		0.34
Consolidated	\$	1.04	\$	1.03	\$	0.52

Twelve Months Ended

		*Post-Split				
	June 30,	June 30,	June 30,			
	1999	1998	1999			
Utility Operations	\$	0.86	\$	0.96	0.43	
Nonutility Operations		2.09		1.27		1.05
Consolidated	\$	2.95	\$	2.23	\$	1.48

* Adjusted for the 2-for-1 stock split effective August 6, 1999.

ITEM 7. Financial Statements and Exhibits.

99a Preliminary Consolidated Statements of Income for the Quarters Ended June 30, 1999 and 1998; Six Months Ended June 30, 1999 and 1998; and Twelve Months Ended June 30, 1999 and 1998.

99b Preliminary Utility Operations Schedule of Revenues and Expenses for the Quarters Ended June 30, 1999 and 1998; Six Months Ended June 30, 1999 and 1998; and Twelve Months Ended June 30, 1999 and 1998.

99c Preliminary Nonutility Operations Schedule of Revenues and Expenses for the Quarters Ended June 30, 1999 and 1998; Six Months Ended June 30, 1999 and 1998; and Twelve Months Ended June 30, 1999 and 1998.

99d Preliminary Operating Statistics.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, a duly authorized signatory.

THE MONTANA POWER COMPANY
(Registrant)

By /s/ J. P. Pederson
J. P. Pederson
Vice President and Chief
Financial Officer

Dated: July 27, 1999

Exhibit Index

Exhibit	Page
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99b Preliminary Utility Operations Schedule of Revenues and Expenses for the Quarters Ended June 30, 1999 and 1998; Six Months Ended June 30, 1999 and 1998; and Twelve Months Ended June 30, 1999 and 1998.	11
99c Preliminary Nonutility Operations Schedule of Revenues and Expenses for the Quarters Ended June 30, 1999 and 1998; Six Months Ended June 30, 1999 and 1998; and Twelve Months Ended June 30, 1999 and 1998.	12-13
99d Preliminary Operating Statistics.	14

Exhibit 99a

<TABLE>
PRELIMINARY CONSOLIDATED STATEMENT OF INCOME
The Montana Power Company and Subsidiaries
<CAPTION>

	Quarter Ended		Six Months Ended		12 Months Ended		1998	1998	1998	1998
	June 30, 1999	1998	June 30, 1999	1998	June 30, 1999	1998				
	Thousands of Dollars									
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
REVENUES	\$309,708	\$259,111	\$631,476	\$553,160	\$1,340,374	\$1,079,336				
EXPENSES:										
Operations	155,034	102,854	308,594	231,280	613,791	458,275				
Maintenance	20,317	20,204	39,947	39,986	81,025	80,097				
Selling, general, and administrative		31,030	33,571	64,173	62,937	129,977	122,598			
Taxes other than income taxes			25,338	24,802	51,106	50,326	96,960	96,789		
Depreciation, depletion, and amortization		27,601	27,701	55,355		54,787	113,233			105,709
	259,320	209,132	519,175	439,316		1,034,986	863,468			
INCOME FROM OPERATIONS		50,388	49,979	112,301	113,844	305,388	215,868			
INTEREST EXPENSE AND OTHER:										
Interest	12,871	14,397	26,500	28,901	58,450	58,128				
Distributions on company obligated mandatorily redeemable preferred securities of subsidiary trust			1,373	1,373	2,746	2,746	5,492	5,496		

Other (income) deductions - net	11,641	15,652	(2,603)	22,774	(118)	29,800	(6,472)	56,108	(1,847)	40,122	(7,834)	(23,502)
INCOME TAXES		13,498	11,777		30,454		25,625		83,004		49,655	
NET INCOME	25,249	22,550	59,073	58,419	166,276	126,091						
DIVIDENDS ON PREFERRED STOCK			922	922	1,845		1,845		3,690		3,690	
NET INCOME AVAILABLE FOR COMMON STOCK	\$	24,327	\$	21,628	\$	57,228	\$	56,574	\$	162,586	\$	122,401
AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - BASIC (000)		55,092	54,983	55,083	54,929	55,058	54,797					
BASIC NET INCOME PER SHARE OF COMMON STOCK	\$	0.44	\$	0.39	\$	1.04	\$	1.03	\$	2.95	\$	2.23
AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - DILUTED (000)		55,549	55,065	55,470	55,005	55,277	54,855					
FULLY DILUTED EARNINGS PER SHARE OF COMMON STOCK	\$	0.44	\$	0.39	\$	1.03	\$	1.03	\$	2.94	\$	2.23
POST-SPLIT EARNINGS PER SHARE:												
*BASIC NET INCOME PER SHARE OF COMMON STOCK	\$	0.22	\$	0.20	\$	0.52	\$	0.51	\$	1.48	\$	1.12
*FULLY DILUTED EARNINGS PER SHARE OF COMMON STOCK	\$	0.22	\$	0.20	\$	0.51	\$	0.51	\$	1.47	\$	1.12

* Adjusted for the 2-for-1 stock split effective August 6, 1999.
</TABLE>

Exhibit 99b

<TABLE>
PRELIMINARY UTILITY OPERATIONS
<CAPTION>

	Quarter Ended		Six Months Ended		12 Months Ended							
	June 30, 1999	1998	June 30, 1999	1998	June 30, 1999	1998						
	Thousands of Dollars											
ELECTRIC UTILITY:	<S>											
REVENUES:	<C>											
Revenues	\$105,443	\$	102,437	\$221,977	\$219,235	\$453,461	\$437,703					
Intersegment revenues	108,221	103,895	228,445	221,689	465,051	6,468	2,454	11,590	4,876			
EXPENSES:	<C>											
Power supply	30,878	29,196	69,565	69,163	137,818	145,170						
Transmission and distribution		10,731	8,539	22,408	17,123	45,467	35,715					
Selling, general, and administrative	13,810	14,134	27,563	27,440	53,149	52,434						
Taxes other than income taxes		12,535	12,075	25,289	24,172	47,433	45,636					
Depreciation and amortization	81,448	77,128	13,494	13,184	164,267	27,173	26,369	57,328	52,497			
			171,998		341,195	331,452						
INCOME FROM ELECTRIC OPERATIONS		26,773	26,767	56,447	57,422	123,856	111,127					
NATURAL GAS UTILITY:	<S>											
REVENUES:	<C>											
Revenues (other than including gas supply cost revenues)		15,328	13,368	41,621	40,034	76,703	85,091					
Gas supply cost revenues		7,062	5,938	21,114	20,316	32,734	27,517					
Intersegment revenues	22,527	19,528	63,071	60,702	110,205	113,223	352	768	615			
EXPENSES:	<C>											
Gas supply costs	7,062	5,938	21,114	20,316	32,734	27,517						
Other production, gathering, and exploration	341	514	1,134	1,159	2,267	4,309						
Transmission and distribution		3,667	3,805	7,303	7,440	15,420	14,842					
Selling, general, and administrative	4,776	5,523	10,531	10,091	20,622	19,398						
Taxes other than income taxes		3,453	3,330	7,270	6,702	14,652	13,991					
Depreciation, depletion, and amortization	21,588	2,289	2,203	51,992	4,640	4,407	8,939	10,099				
		21,313		51,992	50,115	94,634	90,156					
INCOME FROM GAS OPERATIONS		939	(1,785)	11,079	10,587	15,571	23,067					
INTEREST EXPENSE AND OTHER:	<S>											
Interest	14,442	13,680	28,880	27,125	58,113	54,749						
Distributions on company obligated mandatorily redeemable preferred securities of subsidiary trust		1,373	1,373	2,746	2,746	5,492	5,496					
Other (income) deductions - net	14,782	14,375	(1,033)	29,309	(678)	(2,317)	(795)	(5,196)	(7,571)			
INCOME BEFORE INCOME TAXES		12,930	10,607	38,217	38,933	81,018	81,520					
INCOME TAXES		5,995	4,663	16,669	13,119	30,109	25,294					
DIVIDENDS ON PREFERRED STOCK			922	922	1,845	1,845	3,690		3,690		3,690	
UTILITY NET INCOME AVAILABLE FOR COMMON STOCK	\$	6,013	\$	5,022	\$	19,703	\$	23,969	\$	47,219	\$	52,536

Exhibit 99c

<TABLE>
PRELIMINARY NONUTILITY OPERATIONS
<CAPTION>

	Quarter Ended		Six Months Ended		12 Months Ended							
	June 30, 1999	1998	June 30, 1999	1998	June 30, 1999	1998						
	Thousands of Dollars											
COAL:	<S>											
REVENUES:	<C>											
Revenues	\$48,779	\$45,053	\$92,217	\$88,478	\$181,700	\$177,980						
Intersegment revenues		9,835	9,657	19,740	19,856	38,680	39,371					

EXPENSES:	58,614	54,710	111,957	108,334	220,380	217,351					
Operations and maintenance			36,530	32,427	68,862	64,191	137,634	128,339			
Selling, general, and administrative		4,740	4,369	9,762	9,421	20,929	20,350				
Taxes other than income taxes			6,657	6,424	13,014	13,112	23,951	26,329			
Depreciation, depletion, and amortization			1,799	2,531		3,684	5,267		5,013	11,893	
	49,726		45,751	95,322		91,991	187,527		186,911		
INCOME FROM COAL OPERATIONS		8,888	8,959	16,635	16,343	32,853	30,440				
OIL AND NATURAL GAS:											
REVENUES:											
Revenues	76,957	42,823	145,739	95,803	271,253	182,650					
Intersegment revenues		8,332	4,887	16,521	9,633	33,200	12,558				
	85,289	47,710	162,260	105,436	304,453	195,208					
EXPENSES:											
Operations and maintenance		70,748	34,250	133,461	77,410	247,947	147,738				
Selling, general, and administrative	4,732	5,643	8,960	10,005	19,880	15,722					
Taxes other than income taxes		1,553	961	2,577	2,312	5,173	4,214				
Depreciation, depletion, and amortization		5,955	5,471	11,519	10,848	22,931	19,334				
	82,988	46,325	156,517	11,519	100,575	295,931	187,008				
INCOME FROM OIL AND NATURAL GAS OPERATIONS		2,301	1,385	5,743	4,861	8,522	8,200				
INDEPENDENT POWER:											
REVENUES:											
Revenues	18,735	17,803	36,968	36,379	74,296	73,093					
Earnings from unconsolidated investments	4,130	6,798	9,464	8,351	90,638	18,659					
Intersegment Revenues		425	612	663	1,181	1,496	1,787				
	23,290	25,213	47,095	45,911	166,430	93,539					
EXPENSES:											
Operations and maintenance		16,178	17,167	31,911	35,841	61,080	69,018				
Selling, general, and administrative	980	1,181	1,811	2,155	4,402	4,249					
Taxes other than income taxes		457	434	919	899	1,787	1,521				
Depreciation, depletion, and amortization		784	1,453	1,561	2,372	8,194	4,180				
	18,399	20,235	36,202	41,267	75,463	78,968					
INCOME FROM INDEPENDENT POWER OPERATIONS		4,891	4,978	10,893	4,644	90,967	14,571				

</TABLE>

Exhibit 99c

<TABLE>

PRELIMINARY NONUTILITY OPERATIONS (continued)

<CAPTION>

	Quarter Ended June 30, 1999	1998	Six Months Ended June 30, 1999	1998	12 Months Ended June 30, 1999	1998					
	Thousands of Dollars										
TELECOMMUNICATIONS:											
<S>			<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
REVENUES:											
Revenues			\$21,372	\$	21,528		\$41,152	\$42,208	\$86,690	\$73,129	
Earnings from unconsolidated investments			721		3,564		2,100	5,644	7,365	6,041	
Intersegment Revenues			22,219	25,344	43,606	48,355	95,206	80,085	354	503	1,151
											915
EXPENSES:											
Operations and maintenance					9,382	6,725	17,828	12,912	32,027	24,454	
Selling, general, and administrative			2,887	3,142	3,142	5,670	5,606	12,235	10,456		
Taxes other than income taxes				384	1,313	1,425	2,559	2,489	4,522		
Depreciation, depletion, and amortization				2,109	12,888	1,708	4,524	3,249	8,364	5,184	
			14,762		29,447	24,326	55,115	44,616			
INCOME FROM TELECOMMUNICATIONS OPERATIONS			7,457	12,456	14,159	24,029	40,091	35,469			
OTHER OPERATIONS:											
REVENUES:											
Revenues	11,248	3,046	19,124	4,312	62,800	4,021					
Intersegment revenues	11,809	3,347	561	301	1,002	564	1,391	3,570			
			20,126	4,876	64,191	7,591					
EXPENSES:											
Operations and maintenance			11,456	3,743	18,887	5,258	64,301	5,963			
Selling, general, and administrative	(297)	968	1,027	815	2,424	5,535					
Taxes other than income taxes		300	265	612	570	1,474	576				
Depreciation, depletion, and amortization		1,172	1,153	2,254	8,918	2,275	4,066	2,522			
	12,631	6,129	22,780	8,918	72,265	14,596					
LOSS FROM OTHER OPERATIONS		(822)	(2,782)	(2,654)	(4,042)	(8,074)	(7,005)				
INTEREST EXPENSE AND OTHER:											
Interest	1,254	2,360	3,358	4,589	10,189	8,295					
Other (income) deductions - net	(3,103)	(6,534)	(4,357)	(1,085)	(9,892)	(3,865)	(14,091)	(20,846)			
			1,275	724	(3,902)	(12,551)					
INCOME BEFORE INCOME TAXES		25,818	23,721	51,310	45,111	168,261	94,226				
INCOME TAXES		7,504	7,115	13,785	12,506	52,894	24,361				
NONUTILITY NET INCOME AVAILABLE FOR COMMON STOCK		\$18,314	\$	16,606	\$37,525	\$32,605	\$115,367	\$69,865			

</TABLE>

<TABLE>
 PRELIMINARY OPERATING STATISTICS
 <CAPTION>

<S>	Quarter Ended			Six Months Ended			Change	%	
	1999	1998	Change	1999	1998	Change			
	June 30,	June 30,	<C>	June 30,	June 30,	<C>	<C>	<C>	
ELECTRIC UTILITY GENERATION (Mwhs):									
Hydroelectric	1,130,085	1,040,746		89,339	9%	2,000,284	1,858,735	141,549	8%
Coal Fired	980,595	983,636		(3,041)	0%	2,249,701	2,005,456	244,245	12%
Total	2,110,680	2,024,382		86,298	4%	4,249,985	3,864,191	385,794	10%
HEATING DEGREE DAYS:									
Normal	1,431	1,253		178	14%	4,381	4,500	(119)	(3%)
		1,257		Normal		4,708			
COAL SALES (thousand of tons):									
Montana	2,348	2,308	40	2%	5,073	5,050	23	0%	
Texas	2,039	1,970	69	4%	4,207	3,865	342	9%	
Total	4,387	4,278	109	3%	9,280	8,915	365	4%	
NONUTILITY OIL & GAS PRODUCTION SALES VOLUMES:									
Oil (Bbls)	124,286	158,580	(34,294)	(22%)	250,084	322,498	(72,414)	(22%)	
Natural Gas (Mcf)	6,989,661	6,582,650	407,011	6%	13,735,100	12,884,283	850,817	7%	
N G Liquids (Bbls)	126,811	152,266	(25,455)	(17%)	252,840	313,515	(60,675)	(19%)	