

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

October 13, 2005

In Reply Refer To:

Clark Fork & Blackfoot, L.L.C.
EnCana Border Pipelines Limited
Docket No. CP05-414-000
Presidential Permit

The Honorable Donald H. Rumsfeld
Secretary of Defense
Washington, D.C. 20301

Dear Mr. Secretary:

Pursuant to the provisions of Executive Order Nos. 10485 and 12038 of September 1, 1953, and February 3, 1978, respectively, and the Secretary of Energy's Delegation Order No. 00-004.00, effective December 6, 2001, enclosed herewith for your information and consideration is a copy of an application filed jointly by Clark Fork & Blackfoot L.L.C. (Clark Fork) and EnCana Border Pipelines, Ltd. (EnCana) (collectively "applicants") with the Federal Energy Regulatory Commission on September 13, 2005, in Docket No. CP05-414-000.

In the September 13, 2005 filing, the applicants seek authorization for EnCana to succeed to the Natural Gas Act (NGA) section 3 authorization and Presidential Permit issued to Montana Power L.L.C. (MPLLC) on May 18, 2001, *Montana Power Corp.*, 95 FERC ¶61,261 (2001). This order transferred from Montana Power Corp. to MPLLC authority to operate, maintain, and connect certain natural gas facilities at the United States/Canada international boundary near Port Whitlash, Montana and Aden, Alberta, Canada (the Whitlash Facilities). Applicants state that no additional facilities are proposed by this application, nor do they seek to change any of the terms and conditions in the Presidential Permit for the subject facilities.

Applicants explain that the when current Permittee, MPLLC, was acquired by NorthWestern Corporation on February 15, 2002, its name was changed to NorthWestern Energy L.L.C. and in 2002 its name was changed to Clark Fork & Blackfoot, L.L.C. When these changes occurred, the company did not apply to change the name of the Permittee on its Presidential Permit. Applicants maintain that the name changes have had no effect on the operation of these facilities.

EnCana is a wholly owned subsidiary of EnCana Corporation, a Canadian Federal Corporation incorporated under the Canada Business Corporation Act. EnCana's principal office is located at 1800, 855 – 2nd Street, S.W., Calgary, Alberta, T2P 3V4, Canada. Clark Fork is a wholly owned subsidiary of NorthWestern Corp. which does business as NorthWestern Energy. Both companies are corporations of Delaware. Clark Fork's principal place of business is 40 East Broadway, Butte, Montana 59701.

Also enclosed for your consideration is a draft copy of the amended Presidential Permit to be issued to EnCana, which incorporates terms and conditions you and the Secretary of State have heretofore required in similar cases. Consistent with current Commission policy, there are two substantive differences between the draft Permit and the existing Permit. Article 3 of the draft Permit does not limit the use of the subject facilities to the importation of gas. Thus, the facilities may be used for importation or exportation as consistent with current and future authorizations by the Department of Energy. Article 9 is revised to state that the Permittee is required to defer to the Commission's finding and requirement regarding which authorized facilities should be removed and which should remain in place, in the event that they are no longer used.

A similar letter, together with a draft of the proposed Presidential Permit and a copy of the application, is being sent to the Secretary of State. If the Secretary of State should make an unfavorable recommendation or propose any material change in the draft of the Permit, the Commission will immediately advise you.

The Commission would appreciate receiving your views regarding issuance of the proposed amended Permit at an early date. Please do not hesitate to contact me at (202) 502-8400, or Ethel Morgan at (202) 502-8450, if you need any further information.

By direction of the Commission.

Magalie R. Salas,
Secretary.

cc: The Honorable Condoleezza Rice

Enclosure
Application of Clark Fork & Blackfoot, L.L.C. and
EnCana Border Pipelines Limited
Presidential Permit

DRAFT

**AMENDED PERMIT AUTHORIZING CLARK FORK & BACKFOOT, L.L.C.
(CLARK FORK) TO TRANSFER TO ENCANA BORDER PIPELINES LIMITED
(ENCANA) AUTHORIZATION HELD IN THE NAME OF THE MONTANA
POWER, L.L.C. (NOW CLARK FORK) TO OPERATE AND MAINTAIN
NATURAL GAS FACILITIES AT THE INTERNATIONAL BOUNDARY
BETWEEN THE UNITED STATES AND CANADA**

**FEDERAL ENERGY REGULATORY COMMISSION
Docket No. CP05-414-000**

Clark Fork, a Delaware corporation, is a wholly owned subsidiary of NorthWestern Corp., dba as NorthWestern Energy, also a Delaware corporation and EnCana Border Pipelines Limited, which is a wholly owned subsidiary of EnCana Corporation, incorporated under the laws of Canada, filed on September 13, 2005, in Docket No. CP05-414-000 an application pursuant to Executive Order Nos. 10485 and 12038 and the Secretary of Energy's Delegation Order No. 00-004.00, requesting that the Commission issue an order: (1) authorizing Clark Fork to transfer to EnCana existing Natural Gas Act Section 3 authorization (held in the name of Clark Fork's predecessor, the Montana Power, L.L.C.(MPLLC)) to site, construct and operate facilities at Aden, Alberta, Canada, and Port Whitlash, Montana, for the importation of natural gas into the United States; and (2) authorizing Clark Fork to assign to EnCana the Presidential Permit which was issued to MPLLC authorizing it to construct, operate, and maintain facilities at the Aden/Port Whitlash import point.

By letter dated 2005, the Secretary of State, and by letter dated 2005, the Secretary of Defense favorably recommended that the amended Permit be granted. The Federal Energy Regulatory Commission finds that the issuance of an amended Permit, reflecting the name changes of various companies, to EnCana is appropriate and consistent with the public interest.

Pursuant to the provisions of Executive Order Nos. 10485 and 12038, dated September 3, 1953, and February 3, 1978, respectively, the Secretary of Energy's Delegation Order No. 00-004.00 effective December 6, 2001, and the Commission's regulations, permission is granted to EnCana (Permittee) to operate and maintain the natural gas facilities described in Article 2 below, upon the terms and conditions of the Permit.

Article 1. It is expressly agreed by the Permittee that the facilities herein described shall be subject to all provisions and requirements of this Permit. This Permit may be modified or revoked by the President of the United States or the Federal Energy Regulatory Commission and may be amended by the Federal Energy Regulatory Commission, upon proper application therefor.

Article 2. The following facilities are subject to this Permit:

.02 miles of 16-inch diameter pipeline extending from the international boundary between the United States and Canada in Toole County, Montana to Pipeline Valve # 4 At NW NW sec.1 T37N R3E where the Whitlash Facilities interconnect with the 16-inch diameter owned by NorthWestern (the Cut Bank Pipeline).

Article 3. The natural gas facilities authorized herein, or which may subsequently be included herein by modification or amendment, may be utilized for the importation or exportation of natural gas between the United States and Canada only in the amount, at the rate, and in the manner authorized under Section 3 of the Natural Gas Act.

Article 4. The operation and maintenance of the aforesaid facilities shall be subject to the inspection and approval of representatives of the United States. The Permittee shall allow officers and employees of the United States, showing proper credentials, free and unrestricted access to the land occupied by the facilities in the performance of their official duties.

Article 5. If in the future it should appear to the Secretary of the Army that any facilities or operations permitted hereunder cause unreasonable obstruction to the free navigation of any of the navigable waters of the United States, the Permittee may be required, upon notice from the Secretary of the Army, to remove or alter the same so as to render navigation through such waters free and unobstructed.

Article 6. The Permittee shall be liable for all damages occasioned to the property of others by the operation or maintenance of the facilities, and in no event shall the United States be liable therefor. The Permittee shall do everything reasonable within its power to prevent or suppress fires on or near land occupied under this Permit.

Article 7. The Permittee agrees to file with the Commission, under oath and in such detail as the Commission may require, such statements or reports with respect to the natural gas exported, imported, or the facilities described herein, as the Commission may, from time to time, request. Such information may be made available to any federal, state, or local agency requesting such information.

Article 8. Neither this Permit nor the facilities, nor any part thereof, covered by this Permit shall be voluntarily transferred in any manner, but the Permit shall continue in effect temporarily for a reasonable time in the event of the involuntary transfer of the facilities by operation of law (including transfer to receivers, trustees, or purchasers under foreclosure or judicial sale) pending the making of an application for a permanent Permit and decision thereon, provided notice is promptly given in writing to the Commission accompanied by a statement that the facilities authorized by this Permit remain substantially the same as before the involuntary transfer. The Permittee shall maintain the facilities in a condition of repair for the efficient transportation of natural gas and shall make all necessary renewals and replacement.

Article 9. Upon the termination, revocation, or surrender of this Permit, the Commission shall determine which of the authorized facilities shall be removed and which shall remain in place. The facilities authorized shall be removed within such time as the Commission may specify, and at the Permittee's expense. Upon failure of the Permittee to comply with the Commission's direction to remove any authorized facilities, or any portion thereof, the Commission may direct that possession of the same be taken and the facilities be removed at the Permittee's expense, and the Permittee shall have no claim for damages by reason of such possession or removal.

Article 10. The Permittee agrees that when, in the opinion of the President of the United States, evidenced by a written order addressed to it as holder of this Permit, the safety of the United States demands it, the United States shall have the right to enter upon and take possession of any of the facilities, or parts thereof, maintained or operated under this Permit, and all contracts covering the transportation or sale of natural gas by means of said facilities, to retain possession, management, and control thereof for such length of time as may appear to the President to be necessary to accomplish said purposes, and then to restore possession and control to the Permittee; and in the event that the United States shall exercise such right it shall pay the Permittee just and fair compensation for the use of said facilities upon the basis of a reasonable profit in time of peace, and the cost of restoring said facilities to as good condition as existed at the time of taking over thereof, less the reasonable value of any improvements that may be made thereto by the United States and which are valuable and serviceable to the Permittee.

Article 11. This Permit is subject to any action which the Government of the United States may in the future deem expedient or necessary to take in case any part of the aforesaid facilities comes into the control of any foreign government.

Article 12. The Government of the United States shall be entitled to the same or similar privileges as may by law, regulation, agreement, or otherwise, be granted by the Permittee to any foreign government.

IN TESTIMONY OF ACCEPTANCE of all the provisions, conditions and requirements of this Permit, the Permittee this day of __, 2005 has caused its name to be signed by __, [pursuant to a resolution of its Board of Directors duly adopted] on the __ day of __, 2005, a certified copy of the record of which is attached hereto.

EnCana Border Pipelines Limited.

By _____

(Attest)

Executed in triplicate