

Gas and Electric Information and Consumer Tips

The Public Service Commission (PSC) does not regulate the wholesale market price of natural gas. Natural gas prices are set in the national wholesale market, which was deregulated by the federal government in 1978. No state, including Montana, can regulate this wholesale market, and your local utility cannot control the market either. Prices are set regionally and nationally in this market. The PSC can and does make sure that wholesale gas costs show up accurately in your rates. When the price of natural gas goes up or down, more than ten cents a dekatherm, natural gas utilities will make a filing with the PSC called a gas tracker. Staff reviews the tracker for completeness and if complete it is approved at the staff level and allowed to go into effect at the first of the next month. PSC staff and staff from the Montana Consumer Counsel annually review all of the trackers and present that information to the Commission and formal action is taken at that time. Should any material errors be found, the utility will repay that amount back to the ratepayers along with a penalty. To keep costs as low as possible, natural gas companies buy natural gas from suppliers under varying contract terms. This purchasing arrangement stabilizes the price of gas for the duration of the contracts. The PSC does regulate the transmission and distribution of the gas commodity but not the price of the commodity itself.

The Public Service Commission does not regulate the wholesale market price of electricity. NorthWestern Energy (NWE) does not own any generation facilities and purchases wholesale electricity to serve its Montana default supply customers. These purchases are made from suppliers through contracts of varying lengths. This purchasing arrangement stabilizes the price of electricity for the duration of the contracts. The PSC regulates default supply prices by ensuring that the wholesale contracts NWE enters are prudent. The PSC can disallow wholesale power costs that are not prudent - only prudently incurred wholesale power purchase costs are passed on to Montana retail consumers. The change in the electric supply regulation is due to the 1997 Montana Legislature enacting the Electric Utility Industry Restructuring and Customer Choice Act. Montana-Dakota Utilities (MDU) was not required to restructure pursuant to the Electric Utility Industry Restructuring and Customer Choice Act. All aspects of electricity service provided by MDU to Montana retail customers remains fully regulated.

What can I do?

- ✓ **Conserve Energy** –
 - Turn down your thermostat – in the winter you can save as much as 3% of the energy your furnace uses simply by lowering your thermostat 1 degree F (if it's set between 65 and 72 degrees)
 - Close off rooms that are not in use
 - Use solar heat by opening curtains and drapes when the sun is shining
 - Lower the temperature on the water heater to 120 degrees
 - Install water-flow restrictors in showerheads and faucets
 - Refrain from using hot water to wash clothes when possible
 - Close the damper on the fireplace when not in use
 - Replace/clean your furnace filter
 - Replace aging appliances like water heaters and furnaces
 - Use caulking or weather stripping to seal air leaks around doors, windows and other openings, such as pipes or ducts
 - Check to see if your attic and basement (or crawl space) have enough insulation
- ✓ **Budget Billing** can levelize your bills by spreading out your utility costs throughout the year. Contact your local utility company to learn more about their Budget Billing program.
- ✓ The **Low-Income Energy Assistance Program (LIEAP)** can help with winter heating bills if you qualify. Get a LIEAP application and more information by calling your local Human Resource Development office. LIEAP can also help qualified persons with weatherization. Many utilities in Montana provide a rate discount to customers who are receiving LIEAP assistance.
- ✓ **Energy Share of Montana** provides emergency assistance with utility bills. Call 1-800-777-7589 or visit <http://www.energysharemt.com> for further details.
- ✓ Check with your local utility company to see if they perform free **Energy Audits**. An audit can help identify sources of inefficient energy usage.
- ✓ Don't overlook **other local sources of help** such as churches and civic groups.

Where can I get more information? Check out these web sites:

<http://www.quotewatch.com>

<http://www.eia.doe.gov>

<http://www.aga.org>

<http://www.naturalgas.org>

<http://www.naruc.org>