

April 10, 1998

For more information, contact:

Bob Anderson - 406-444-6169

Dave Burchett - 406-444-6184

GREAT FALLS GAS CO. PROPOSES SUPPLIER CHOICE FOR ALL CUSTOMERS

Great Falls Gas Co. wants to offer access to its distribution system to competing natural gas suppliers and to provide all customers their choice of gas supplier by the fall of 1999.

Public Service Commissioner Bob Anderson said, "This proposal is the next logical step in the deregulation of the natural gas business. We'll look at it closely to make sure it's in the customers' interest."

Great Falls Gas currently offers supplier choice to industrial and larger commercial customers and now proposes a transition to supplier choice for residential and small commercial customers.

Under the company's plan filed with the Public Service Commission, ballots would be mailed to customers in the summer of 1999. Customers would either choose to contract with a new gas supplier or elect "traditional service" from Great Falls Gas. The company would contract with a supplier through a competitive bid process to provide this "traditional" natural gas service. Customers who fail to make a choice by October 1999 would be assigned to traditional service at first but would be assigned to other suppliers after three years.

Great Falls Gas would no longer be a supplier of natural gas as of October 1999, but would continue to provide gas distribution and transportation.

Great Falls Gas also submitted a rate design agreement reached between the company and the Montana Consumer Counsel, which represents residential and small commercial customers in PSC proceedings. The agreement calls for:

- No change in the amount of revenue for the company.
 - Increases in customer service charges which will be matched by reductions in rates. The monthly residential customer service charge is proposed to increase from \$4 to \$5.50. The monthly small commercial customer service charge is proposed to increase from \$5 to \$7.
 - Combining the large and medium commercial customers into one rate class. This will result in an average monthly increase over current rates of \$18 for existing medium commercial customers and an average monthly rate reduction of \$86 for existing large customers.
- ###