

May 6, 1999

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PSC HEARING ON ALLOCATION OF \$4 MILLION NET GAIN
FROM PACIFICORP SALE TO BE HELD MAY 12 IN KALISPELL

The allocation of \$4 million of the net gain to Montana customers from the profits of the PacifiCorp sale of its Montana electric distribution service territory to Flathead Electric Cooperative will be the subject of a public hearing to be held by the Montana Public Service Commission on Wednesday, May 12, in Kalispell. The hearing will be held at the City Council Chambers in City Hall, 1st Avenue East, beginning at 7 p.m.

When the PSC approved the terms and conditions of the sale last November, it initially determined the net gain on the sale should be returned to ratepayers in the form of \$1.25 million in distribution system improvements in the urban areas and \$2.75 million in direct payments to residential and small commercial customers.

Plum Creek Timber and Flathead Electric's regulated affiliate, Energy Northwest, Inc., each requested reconsideration of the PSC's decision. On April 15, both parties joined with the Montana Department of Environmental Quality in filing a joint recommendation on allocating the net gain. They recommended that the PSC approve applying the full \$4 million to the most essential distribution system improvements, to improve reliability and save financing costs. The Montana Consumer Counsel does not oppose the joint recommendation and will be available at the hearing May 12, along with representatives of Flathead Electric, to discuss the allocation of net gain and answer questions.

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