



Montana Public Service Commission  
1701 Prospect Avenue  
PO Box 202601  
Helena MT 59620-2601

July 5, 2006

For more information, contact:  
Greg Jergeson – 406-444-6166  
Mike Lee – 406-444-6185

**PSC TO HOLD HEARING JULY 12 IN HELENA  
ON NORTHWESTERN ENERGY'S APPLICATION FOR  
APPROVAL OF 2003, 2004, AND 2005 AVOIDED  
COST COMPLIANCE FILINGS**

The state Public Service Commission will hold a hearing in Helena on Wednesday, July 12, concerning NorthWestern Energy's application for approval of 2003, 2004, and 2005 avoided cost compliance filings.

The hearing will begin at 9 a.m. in the PSC's Bollinger Room, 1701 Prospect Avenue.

These filings relate to NorthWestern's qualifying facility long term tariff and short term power purchase tariff, which govern the price NorthWestern will pay for electricity generated by qualifying facilities or QFs. Federal law provides that small power producers using renewable energy sources and cogenerators that meet certain conditions may be designated as QFs. The same law requires utilities like NorthWestern to buy electricity from QFs at rates not to exceed the utility's avoided cost, or the incremental cost to the electric utility of alternative electric energy which the utility would have generated or purchased from another source. The state utility commissions make the determination of utilities' avoided cost.

In addition to issues surrounding the above three filings, the Commission raised on two occasions additional policy issues that will also be addressed. These issues generally include contract issues, the basis for short term and long term rates, limits on QF procurement obligations and renewable energy credits.

A staff fact sheet is available on the Commission's website at <http://psc.mt.gov/eDocs/CurrentInterest/> that summarizes the status of the proceeding.

###

