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For more information contact:

Chair Greg Jergeson, 406.444.6166

PSC to Discuss Court Action to Stop NorthWestern Corporation's Plans to Sell Colstrip 4

Concerned about the future price and source of electricity for Montanans, Public Service Commission Chair Greg Jergeson is calling for additional information regarding NorthWestern Corporation's plans for Colstrip 4. Specifically, Jergeson and the PSC want to know why the parent company is not considering transferring the power plant to NorthWestern Energy (NWE) as a rate-based asset.

Jergeson requested the topic be added to the May 6 Public Service Commission (PSC) meeting, stating that NWE's recent filing with PSC related to its future sources of electricity supply included no discussion about the possible acquisition of Colstrip 4. Therefore, it has become apparent to him that NorthWestern Corporation has retained the services of Credit Suisse, not to analyze the options available to the company, but to act as the agent to sell Colstrip 4.

"The last time a utility company serving Montana residents with electricity followed the advice of Wall Street type financial advisors to sell their generation assets to the highest bidder, the customers, employees, and stockholders of that utility suffered great harm," observed Jergeson. "The goal then was for the management to get their hands on massive amounts of cash as quickly as possible, not the long-term interest of customers, employees or stockholders. It appears that NorthWestern Corporation has chosen to proceed with a similar strategy," he added.

Jergeson feels there is great potential for NWE to acquire Colstrip 4, under the auspices of HB 25 passed during the 2007 Legislative Session, an arrangement that could provide just and reasonable rates for consumers; a reasonable rate of return for stockholders; and provide relief from non-competitive, volatile and unfavorable market conditions.

In contrast, if NWE does not acquire Colstrip 4 as a rate-based asset, at a minimum NWE will have to continue to pay higher market prices for the electricity generated at the facility. If the power plant were to be sold to PPL Montana that would further exacerbate the problems with that company's already considerable market dominance. Or, if the assets were acquired by a vertically integrated utility in the northwest, Colstrip 4 electricity could be removed from market entirely and not be available to Montanans at any price.

Real time video and audio of the PSC's discussion on this issue will be available May 6 at <http://psc.mt.gov/eDocs/#Calendars>. Archives are available after the meeting, which begins at 9:30 am and it located at the PSC offices in Helena, 1701 Prospect Avenue.