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## **PSC Approves NWE Generation Ownership**

Montana's Public Service Commission (PSC) voted four to one today to issue a final order approving NorthWestern Energy's (NWE's) building and operating a natural gas-fired generator near Anaconda. PSC Chair Greg Jergeson, Vice Chair Ken Toole, and Commissioners Gail Gutsche and John Vincent voted in favor; Commissioner Brad Molnar voted no. The 150-megawatt Mill Creek Generation Station will provide the utility with "regulating" power needed to balance out the peaks and valleys in their system created by both customer consumption patterns and fluctuating sources of power like wind. NWE is currently buying this essential regulating power on the open market from out-of-state generators.

"This is one of the most important decisions made by the PSC in recent years," explained PSC Chair Greg Jergeson. "A resource such as Mill Creek gets NWE functionally on the road to being a more vertically integrated company. It will be a dependable source of regulating resources for many years to come, shielding Montana consumers from dysfunction in the electricity market."

The final order passed by the PSC today sets the plant's return on equity at 10.25 percent, rather than the 10.75 percent requested by NWE. Rate recovery of \$81 million of the plant's estimated \$200 million in costs was also approved, as was the generator's carbon offset plan. Construction is expected to begin later this year and the plant is slated to go on line in early 2011. More information about the Mill Creek plan is on the PSC webpage at <http://psc.mt.gov> under D2008.8.95.

Made up of 5 elected commissioners, the PSC works to ensure that Montanans receive safe and reliable service from regulated public utilities while paying reasonable rates. Utilities regulated by the PSC generally include private investor-owned natural gas, electric, telephone, water, and sewer companies. In addition, the PSC regulates certain motor carriers, and oversees natural gas pipeline safety and intrastate railroad safety.

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