



Montana Public Service Commission

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PSC Evaluating NorthWestern Energy's Request to Increase Rates

The Montana Public Service Commission (PSC) will begin formal proceedings next week to determine if NorthWestern Energy (NWE) should be allowed to increase rates for both natural gas and electricity customers in the state. The hearing begins Monday, September 20, and could last two weeks.

NWE's proposal would increase a typical residential natural gas bill by 0.09 percent, and a typical residential electric bill by 3.35 percent. Throughout the multi-day meeting, Commissioners will hear testimony from NWE, the Montana Consumer Counsel, and other interested parties about the plan that NWE has designed to pay for the upkeep of the company's transmission and distribution system. The outcome of the hearing will likely affect all of NWE's 330,000 electric customers, and almost 180,000 natural gas customers, in Montana. The Commission anticipates making a decision on the issue before the end of the year.

It is important for NWE customers to note that there are two very different categories of charges on their bills, "supply charges" and "delivery charges." Supply charges refer to the amount NWE pays for natural gas and electricity in the market, and then passes the cost on to the customer. The company is not allowed to make any profit from this "pass through" transaction. Market prices can vary widely and are not subject to regulation by the PSC. Because supply charges can comprise more than 50% of a customer's bill, it is possible to experience swings in power bills unrelated to issues under the PSC's control.

In contrast, delivery charges are under the jurisdiction of the PSC and are at the center of the upcoming hearing. These charges cover NWE's costs to bring natural gas and electricity to the customer's home. They include investment in infrastructure and the general costs of the company to operate as a utility.

Detailed information related to the proposal can be found under Docket D2009.9.129 on the PSC website, <http://psc.mt.gov>. The September 20 meeting begins at 9:00 am and can be viewed live via the Internet at <http://psc.mt.gov/eDocs/> and will also be archived at the same location. For those wanting to attend in person, the Commission's office is located at 1701 Prospect Avenue in Helena. Those wishing to submit electronic comments can do so at <http://psc.mt.gov/Consumers/comments/>. Hard copy remarks can be sent to the Commission at PO Box 202601; Helena, MT 59620-2601.

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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