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PSC Approves Accounting Order

In a move that will likely result in investment in the Montana economy, jobs, better service reliability, and safety, the Montana Public Service Commission (PSC) voted unanimously yesterday to allow NorthWestern Energy (NWE) to defer the expenses the company may incur in 2011-2012 as part of the first phase of an accelerated, multi-year distribution infrastructure repair and improvement plan. As a result of the vote, the nearly \$17 million in expenses the company plans to spend--over and above their regular operations and maintenance--on accelerated pole assessments, tree trimming, and other safety measures in the next two years, will be deferred until 2013 and then, the expense would then be spread out over five years.

"This is a good plan, good for Montana's economy, good for the Company and good for NWE ratepayers," said PSC Chairman Bill Gallagher. "The goal is to stop--and reverse--the trend of limping along with an ever aging infrastructure where pole evaluations and replacements, tree trimming, and other tasks are done under emergency conditions, usually in bad weather. By being proactive rather than reactive, and using systematic, orderly assessments and upgrades, the company--and better yet their customers--will save money, and may even save lives. It's the same principal as replacing the brakes or tires on your car before they fail completely."

The deferral of expenses allows the company to make their investment this year and next, creating jobs for Montanans, income for businesses and improving system reliability and safety without damaging the company's overall financial health. Then, in 2013, if the Company has made the investment and the PSC finds that the work was reasonable and necessary, the expenses would be spread out over five years of rates. Detailed information regarding NWE's distribution infrastructure repair and improvement plans can be found at the PSC website at <http://psc.mt.gov/eDocs/eDocuments/> PSC Order Number 7138, under Docket D2011.1.7

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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