

NEWS RELEASE
MONTANA PUBLIC SERVICE COMMISSION

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CONTACT: Justin Post, (406) 444-6171

Parties Reach Agreement in NWE Rate Case Proceeding

HELENA - The Montana Public Service Commission (PSC) on Tuesday approved settlement agreements that resolve NorthWestern Energy's application to increase natural gas delivery service rates.

Under stipulated terms approved on a 4-1 vote, a typical residential customer using 100 therms of natural gas would see a \$3.72, or 4.57 percent, increase on monthly bills. That customer's monthly natural gas bill would increase from \$81.41 per month to \$85.13. That's still significantly lower than five years ago when a typical residential natural gas bill totaled \$158.69. A total residential natural gas bill approved in the stipulation has dropped more than 46 percent when compared with rates from June 2008.

Commissioners said the settlement strikes a balance by providing the utility needed revenue to safely and reliably operate and maintain its natural gas system at a reasonable cost to ratepayers. Commissioners have instructed PSC staff to begin drafting an order formally approving the stipulations and a 9.8 percent return on equity.

Commissioner Roger Koopman, R-Bozeman, said any increase is difficult for ratepayers, but pointed out that the company is making investments that he believes will improve the safety of all NorthWestern gas customers.

He pointed to the March 5, 2009 natural gas explosion that killed one woman and destroyed several buildings on East Main Street in downtown Bozeman. He said the stipulated increase will help pay for ongoing infrastructure improvements to help prevent future disasters.

"A precious life was killed in Bozeman as a result of an explosion," Koopman said. "This stipulation makes sense and for no other reason that it is going to help NorthWestern move forward in creating a safer environment for everyone."

Commissioner Travis Kavulla, R-Great Falls, dissenting, said "after doing the math, it seemed that \$2 to \$3 million was being included in rates that should not be as a result of the \$11.5 million increase proposed in the stipulation."

As part of the stipulated agreements, the Montana Consumer Counsel, Large Customer Group and NorthWestern Energy agreed to a revenue increase of \$11.5 million for gas delivery service. That's about \$4.2 million less than the utility requested in its general rate case filing with the Commission.

The stipulated agreement is \$1.7 million less than interim rates effective April 1. NorthWestern is required to refund any over collection plus interest at 10.25 percent.

For more information, visit psc.mt.gov or contact PSC Communications/Research Director Justin Post at (406) 444-6171. Follow the PSC at [Twitter.com/@MT_PSC](https://twitter.com/MT_PSC) or visit [Facebook.com/MontanaPSC](https://facebook.com/MontanaPSC).