

NEW RELEASE
MONTANA PUBLIC SERVICE COMMISSION

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PSC to Strengthen, Not Repeal Executive Pay Rule

HELENA -- The Montana Public Service Commission decided today, by unanimous vote, to strengthen rather than repeal a PSC rule requiring disclosure of public utility executive salaries. The PSC plans to amend the existing rule to provide a more transparent approach that better reflects state law.

The existing rule was intended to force public disclosure of a utility company's top three executive salaries, but in the commission's view, includes conflicting language that renders the rule ineffective.

According to PSC vice chairman Bob Lake, "the commission reviewed the many comments it received on the proposed rule repeal and decided the better course of action was to amend and improve the rule rather than repeal it altogether. One of the reasons for the legal challenge is the rule's arbitrary nature in requiring disclosure of three executives only, regardless of the size of the company," he said.

The current rule partly states that the salaries of a regulated utility's three highest paid Montana-based employees are public and cannot be given protected status by the PSC. But in another section, it authorized the commission to grant protective orders.

"The rule, as written, is internally contradictory, and creates confusion rather than transparency," said commissioner Roger Koopman. "It also invites expensive lawsuits like the one we are now facing. Clearing up the rule by amendment will preserve its original intent, make it more understandable and provide for legally appropriate commission review," he stated.

The PSC had conducted a rulemaking proceeding on its proposal to repeal the rule. As a result of today's direction from the commission, PSC staff will create a draft amendment that will treat utility executive compensation information in a non-discriminatory manner that reflects the requirements of state law. If the PSC agrees with the draft language, the proposed amendment will be noticed to the public for comment prior to final PSC action.