

News Release
Montana Public Service Commission

FOR IMMEDIATE RELEASE
October 23, 2013

PSC Cuts NorthWestern Rates, Orders Refund to Customers

HELENA – Yesterday, the five members of the Montana Public Service Commission voted unanimously to reject rate recovery for NorthWestern Energy costs related to a plant outage and certain energy efficiency programs, saving ratepayers millions of dollars.

Much of the savings come as a result of denying the additional power costs associated with the 2012 emergency shutdown of the Dave Gates Generating Station, NWE's natural gas fired generating unit located near Anaconda. NWE shareholders will be required to bear the roughly \$1.4 million cost.

In another substantial rate reduction, the Commission rejected the utility's estimates of the amount of energy saved by its energy efficiency programming. NorthWestern promotes conservation incentives such as CFL light bulbs and rebate programs, and ratepayers usually bear the cost of these programs as well as the utility's lost revenue because of the savings. The Commission found that a significant percentage of CFLs had not been installed, that free ridership on programs was not adequately accounted for, and that the utility's estimate of the hours during which CFLs are illuminated was unreasonable.

The PSC did not deny cost recovery for the underlying conservation programs.

"If ratepayers are paying for conservation promotions and programs in their rates and then actually conserve energy, it should be the ratepayers who reap the financial savings, not NorthWestern Energy," said Commission Vice Chair Bob Lake.

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