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## **Montana District Court affirms PSC's decision to disallow electricity rate increase for Northwestern Energy Customers**

**Helena, Mont.—Wednesday, August 19, 2015**—Following nearly two years of litigation, Montana District Court Judge Brad Newman affirmed on Monday a 2012 order issued by the Montana Public Service Commission rejecting a request by Northwestern Energy to increase electricity rates for unforeseen outage costs and so-called “lost revenues” attributable to NorthWestern’s efficiency programs.

The decision is in response to a lawsuit filed by Northwestern Energy against the Commission that involved two issues: The Commission’s decision to disallow replacement power costs related to a 2012 outage at NorthWestern’s Dave Gates Generating Station at Mill Creek, as well as the Commission’s decision to attribute fewer savings to NorthWestern’s energy efficiency programs than claimed by the Company, which reduced certain costs that customers currently pay through their electricity supply rates.

In affirming the PSC’s order in his decision, District Court Judge Brad Newman stated that, “The Commission’s disallowance of replacement regulations costs and exclusion of claimed lost revenues was proper in order to ensure reasonable and just rates.” Judge Newman went on to write, “The agency appropriately utilized its experience, technical competence, and specialized knowledge and based its decision on substantive evidence.”

“I am very pleased with the Court’s decision in this matter as it is a huge win for consumers across Montana,” said PSC Chairman Brad Johnson, R-East Helena. “Private utilities must shoulder some of the risk when making business decisions as it is not the role of the PSC to act as a rubber stamp and allow all unforeseen costs to be passed on to consumers.”

“Past commissions may have more routinely allowed these kinds of expenses to be passed through to the customers,” said Commissioner Roger Koopman, R-Bozeman, “but the current PSC puts a very sharp pencil to every request that impacts power bills. That’s the PSC doing its job. We require the utilities to prove their case, and in this instance, NorthWestern did not.”

PSC Vice Chairman Travis Kavulla, R-Great Falls, said “This litigation represented a utility company’s attempt to socialize all of its risk to a captive set of consumers, even while continuing to reap a large profit. No business in a free market would have the ability to do that, and utilities should not either.”

The Commission’s order resulted in approximately \$4.2 Million being credited to all of Northwestern Energy’s electric customers across the state.

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