

For Immediate Release

February 16, 2017

PSC Clarifies Information Released by NorthWestern Energy

HELENA- The Montana Public Service Commission today released the following statement:

“In a Feb. 14 news release, NorthWestern Energy released a statement responding to an online petition and other consumer complaints, which raise the issue of high utility bills. In that release, NorthWestern stated: ‘As a regulated utility, our rates are thoroughly reviewed and approved by the Montana Public Service Commission with involvement from independent third parties.’ This statement was reported widely in the Montana news media.

“Contrary to NorthWestern’s claim, the Commission did not approve the latest substantial rate increase that consumers of NorthWestern are experiencing. State law allows the utility to automatically increase its rates to flow through to consumers the increase in property taxes levied by the Montana Department of Revenue. This is just what NorthWestern did. These rate increases went into effect on January 1 without PSC approval. The PSC had a number of questions concerning whether NorthWestern was properly allocating those increases to its retail customers. NorthWestern declined to answer those questions, instead automatically implementing the rate increase.

“As the elected officials responsible for guaranteeing that rates are just and reasonable, the Commission is extremely frustrated by existing state law. The law as it exists today fails to give customers the protections traditionally provided to those who do not have a choice in the provider of a service they receive from a monopoly. This law, codified at Montana Code Annotated 69-3-308, is being reconsidered in the state legislature.

“House Bill 189, carried by Rep. Daniel Zolnikov (R., Billings), would repeal this automatic rate adjustment provision. However, the bill is being held up in the House Energy and Technology Committee following vigorous lobbying by NorthWestern. Effectively, NorthWestern is telling consumers in a news release that the PSC approves its rates, even while insisting that legislators resist a bill that would give the PSC powers to do just that in this situation. The Commission urges members of the public to contact their legislators on this matter, and for the House Energy committee to consider and pass HB189.

“The PSC is also supporting legislation to eliminate a special carve-out in state law that benefits only NorthWestern. HB 193, carried by Rep. Tom Woods (D., Bozeman), would allow the PSC to establish incentives for NorthWestern to control its purchased power costs. The bill has passed the House and is scheduled for a hearing before the Senate Energy and Telecommunications Committee on Thursday, March 16 at 3 p.m.”

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The above statement may be attributed to PSC communications director Chris Puyear.

Contact: Chris Puyear
christopher.puyear@mt.gov
(C): 406-431-2499

Contact information for the House Energy and Technology Committee, where HB 189 is pending a vote: <http://bit.ly/2kWuzbE>

Contact information for the Senate Energy and Technology Committee, where HB 193 will be heard on March 16: <http://bit.ly/2lbseId>

The Feb. 14 news release from NorthWestern Energy, to which the first paragraph of this statement refers, is available here: <http://bit.ly/2lWMU61>

The online petition, to which the first paragraph of this statement refers, is available here: <http://bit.ly/2lnWKRh>