

THE BUCK STOPS HERE

TIME TO PROTECT MONTANA'S ENERGY CUSTOMERS

NorthWestern Energy wants “pre-approval” to buy a larger share of an aging power plant while passing all the risks and costs onto Montanans for years to come.

On February 6th, 2020 NorthWestern Energy filed to receive “pre-approval” from the Montana Public Service Commission (PSC). NorthWestern wanted to acquire an additional 25% ownership share of Colstrip Unit 4 from Puget Sound Energy for \$1.

Then, in April of 2020, NorthWestern announced that it will amend its proposal to acquire only an additional 12.5% ownership stake for 50¢. This amended proposal allows Talen Energy to purchase the remaining 12.5%.

Everyone knows that power plants don't cost 50¢. Colstrip Unit 4 is already past its life expectancy and needs millions in repairs. Montana energy customers deserve to know what this will really cost, but pre-approval will keep us from finding out until it's too late.



What is “pre-approval?”

In the 1990s Montana experimented with utility deregulation. That experiment ended with the bankruptcy of Montana Power Company and a broad political consensus to source energy from a company that owned its own power generation facilities. That's when South Dakota-based NorthWestern Energy entered the Montana electricity scene.

“Pre-approval” is a process that allows the power company to approach the PSC with a power generation asset it either wants to build or buy. The PSC is asked to “pre-approve” (or deny) whether the power company will be allowed to charge its customers for whatever it costs to build, buy, operate, and maintain that energy generation asset. **In essence, granting pre-approval would amount to the Montana PSC handing NorthWestern Energy a blank check that we -- their customers -- have to pay.**

50¢ today, millions tomorrow...

Power plants don't cost 50¢. The cost of the coal needed to power Colstrip Unit 4 is a major price factor. Then there are the enormous costs associated with operating and maintaining an aging coal-fired plant. **We know from publicly disclosed records that Colstrip Unit 4 is in need of repairs estimated at \$20 million.**

While this proposed purchase is supposedly valued at 50¢ today, we can be sure that it will cost energy customers millions down the road. How many millions? We don't know, because NorthWestern Energy has asked the PSC to keep those costs secret from the public through “protective orders.” **Unfortunately, the PSC has granted NorthWestern its requested secrecy and voted to keep the public in the dark about many of these costs.**

Customers deserve a fair and transparent process. Pre-approval is neither.



The role of the Montana Public Service Commission



NorthWestern Energy's application for pre-approval is what's known as a "docket" before the PSC. This docket is much like a court case, where the intervening parties are represented by counsel, make their case, and are privy to relevant information.

It is the job of the Montana PSC to act as the judges in this docket, hearing all sides of the argument and making their decision. It's the job of the PSC to balance the interests of customers who are concerned about their bills going up, and ensuring Montana's monopoly power company stays financially sound and is capable of providing good service.

So far in this case, the PSC has put the interests of one monopoly power company -- NorthWestern Energy -- over the interests of customers. The PSC granted NorthWestern Energy's requests to keep secret from the public the costs of coal needed to run the power plant and the costs of operating and maintaining the power plant. Customers can't determine if we're getting a fair deal when we can't look under the hood.

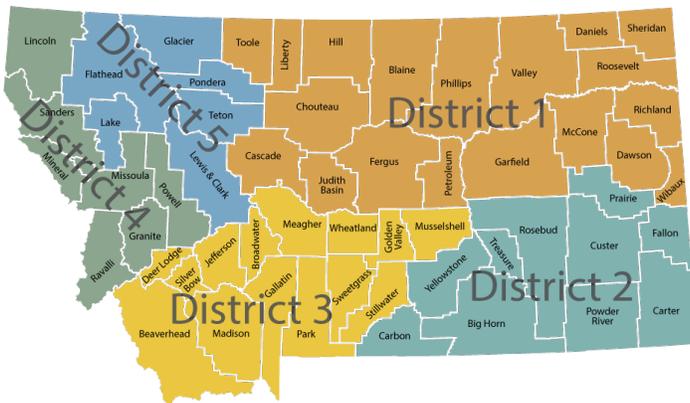
In a rare moment of fulfilling its mission to balance the public interest, the PSC voted in March that NorthWestern Energy's application for pre-approval lacked vital information needed to make an informed decision. They asked that NorthWestern supply that information. However, when NorthWestern objected to this public transparency, the PSC reversed their previous vote and agreed to keep the information hidden from the public.

Montanans need a commission with principles. We need the PSC to do their job to consider the public's interests and NOT just do the bidding of the power company. **We need a Public Service Commission that stands up for fairness and transparency.**

What YOU can do

We need the Montana PSC to deny pre-approval. Your elected Commissioner needs to hear from you.

- **CALL OR EMAIL YOUR COMMISSIONER** - Tell your commissioner NOT to shift all the risk and costs associated with NorthWestern Energy's potential purchase of an increased share of Colstrip Unit 4 onto customers.
- **WRITE A LETTER TO THE EDITOR** - Letters to the editor are a great way to keep this issue on the minds of all Montanans and to ensure that our commissioners know the public is paying attention.



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To learn more, visit: www.NorthernPlains.org/PassTheBuck