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The Montana Public Service Commission has concluded the Forum on Electric Restructuring Issues pertaining to the Default Supply Portfolio guidelines. Future meetings will modify customer choice and consumer protection rules for users who elect to purchase their electrical power from a source other than Northwestern Energy.

Northwestern Energy is the default supplier of electricity for customers who have not made another choice for their services. More than 280,000 users are default supply customers. Northwestern must assemble a portfolio of supply contracts to serve those small businesses and residential customers. By law, Northwestern must be able to recover its prudently incurred costs for that service. The guidelines will serve as the basis by which Northwestern Energy will have its portfolio examined to determine whether those costs were prudently incurred. Having that information will assist the utility in its decisions about what contracts it signs.

Earlier this year, the Public Service Commission refused to accept agreements whose selection process was flawed. Adopting the guidelines now should decrease the risk of rejection when new contracts are signed. Special emphasis was directed to making sure that any decisions by Northwestern are made in an open manner that can be readily understood. There are specific rules addressing affiliate suppliers to avoid any possible conflicts of interest.

The series of meetings on the portfolio guidelines included many stakeholders. All the meetings were published, with the press invited, along with members of the Montana Consumer Counsel, PPL Montana, the Montana Environmental Information Center, the Natural Resources Defense Council, Energy West, Commercial Energy, representatives of industrial customers and Northwestern Energy. Prospective developers and members of Montana AARP also attended several meetings.

The Commission is analyzing the detailed comments received during the Forum and will finalize the proposed guidelines in early November. The guidelines will then be published for comment, and the Commission will hold one or more public hearings on them. According to PSC Chairman Gary Feland, "We've put a lot of work into developing guidelines that will protect Montana customers. Now we want to hear from customers directly, with their ideas on what we're doing."

The next Forum on Electrical Restructuring will be November 7th at the Public Service Commission offices in Helena. The meeting is 1:30 p.m. The focus will be on barriers to customer choice and suggested methods to allow customers who want to move to other suppliers to do so.

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