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Energy and Telecommunications Interim Committee
63rd Montana Legislature

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May 12, 2014

Chairman Bill Gallagher
Montana Public Service Commission
1701 Prospect Avenue
P.O. Box 202601
Helena, MT 59620-2601

Dear Chairman Gallagher,

The Energy and Telecommunications Interim Committee (ETIC) on Friday, May 9 met in Great Falls and unanimously agreed to send the Montana Public Service Commission (PSC) a letter expressing its support for NorthWestern Energy's proposed acquisition of PPL Montana's hydroelectric facilities in the state.

In discussing the reasons for its support, the ETIC found:

- The acquisition will lead to long-term price stability for electricity customers served by NorthWestern Energy. The proposed acquisition meets the spirit and intent of the 2007 Electric Utility Industry Generation Reintegration Act (Chapter 491, Laws of 2007), which requires that a public utility "provide adequate and reliable electricity supply at the lowest long-term total cost."
- Hydroelectricity is a clean, renewable source of generation with no carbon risk.
- The acquisition will place the dams and associated power plants in the hands of a regulated utility with a significant presence in Montana. That action reduces the risk that future power supplies will be based on market forces and creates assurances that the electricity will not be exported out-of-state.

The ETIC recognizes the hydroelectric acquisition is a complicated docket and appreciates the challenge the PSC faces in analyzing this issue. The ETIC wishes to commend the commission for the thoughtful, transparent approach the PSC has taken with the docket to date.

If the ETIC can provide additional information or otherwise assist the PSC in this matter, please contact us.

Senator Cliff Larsen
Chairman

Representative Keith Regier
Vice-Chairman