

DPSR (PSC) Updates to ETIC

12 November 2025

Overview:

- 10 minutes - Introduction of President Jeffrey Welborn (new PSC President) and David Smith (new legal staff)
- 5 minutes - Litigation Update by David Smith
- 5 minutes - Regulatory/Docket Update by Will Rosquist
- 10 minutes - Questions/Discussion

MONTANA PUBLIC SERVICE COMMISSION UPDATE TO
THE ENERGY & TELECOMMUNICATIONS INTERIM COMMITTEE
STATUS OF LITIGATION

November 12, 2025

1. *Noland v. State of Montana, et al.*, Cause No. DA 24-0369
(Montana Supreme Court)

- This case concerns the constitutionality of the statutory system of motor carrier regulation as it applies to garbage haulers. Plaintiff alleges that the statute and Commission precedent governing the issuance of certificates of public convenience and necessity unconstitutionally interferes with the plaintiff's ability to start a garbage hauling business.
- The Montana Department of Justice is representing the State, including the Commission, in this case, which was filed on November 15, 2022.
- On February 8, 2024, the District Court granted summary judgment to the State.
- On June 12, 2024, Noland filed a Notice of Appeal. Briefing ended on February 3, 2025.
- The case was originally classified for a decision from a panel of five justices but was subsequently reclassified July 30, 2025, for a decision from the Court sitting En Banc. A decision is expected in the coming weeks.

2. *Held v. State of Montana*, Cause No. DA 23-0575 (Montana Supreme Court)

- The Montana Department of Justice is representing the State, including the Commission, in this case, which was filed on March 13, 2020.
- This case concerns the constitutionality of the state energy policy at Mont. Code Ann. § 90-4-1001 (now repealed) and the Montana Environmental Policy Act ("MEPA") at Mont. Code Ann. § 75-1-201, however, the Commission is not involved in the implementation of Mont. Code Ann. § 75-1-201.
- After the 2023 Montana Legislature repealed Mont. Code Ann. § 90-4-1001 (effective March 16, 2023), the Court granted the State's motion to dismiss claims based on that statute.
- No witnesses from the Commission or Department of Public Service Regulation were called during the trial in June 2023. The District Court decided the case in favor of the Plaintiffs on the remaining MEPA claim but recognized that the Commission is exempt from MEPA.
- The Montana Supreme Court issued its opinion on December 18, 2024, which affirmed the District Court's decision.

- The case was remanded to the District Court, where the State disputed the Plaintiffs' motion for attorney fees.
- On September 16, 2024, the District Court ordered attorney's fee and costs to the Plaintiffs in the amounts of \$2,857,193 and \$98,667.73, respectively.

3. *Allied Waste Services of N.A. v. Mont. Pub. Serv. Comm'n, Cause No. DV-25-2025-0000076-JR (Montana 1st Judicial District Court)*

- On February 5, 2025, Allied Waste Services (d/b/a Republic Services of Montana) filed a petition for judicial review of the Commission's decision to grant a Class D Certificate of Public Convenience and Necessity to MT Roll Offs, LLC.
- MT Roll Offs, LLC was granted intervention on February 14, 2025.
- The parties have fully briefed the issues before the District Court.
- On October 30, 2025, Allied Waste Services requested that the District Court hold a scheduling conference to set a time for oral argument.

4. *Brad Molnar v. Greg Gianforte, in his official capacity as Governor, and Jennifer Fielder, in her official capacity as a Public Service Commissioner, Cause No. ADV-2025-535 (Montana 1st Judicial District Court)*

- On August 20, 2025, Commission Vice President Jennifer Fielder filed a complaint letter with the Governor, on behalf of the Commission's ad hoc response team that investigates internal Code of Conduct Policy violations. The letter requested that the Governor temporarily suspend Commissioner Molnar, pursuant to Mont. Code Ann. § 69-1-11, until the agency concludes its internal process for resolving complaints regarding Commissioner Molnar's workplace conduct. The complaint letter alleged, among other things, that Commissioner Molnar was prolonging and complicating the complaint administration process and intimidating and defaming department personnel.
- On September 4, 2025, Commissioner Molnar (Plaintiff) filed a Complaint and Motion for Temporary Restraining Order and Order to Show Cause Regarding Preliminary Injunction. Later the same day, the Court issued an Order Granting Plaintiff's Motion for Temporary Restraining Order, preventing the Governor from acting on the complaint letter.
- On September 16, 2025, the District Court held a preliminary injunction hearing. Then, the parties submitted full briefing on the issues. The Governor took no position on the Motion, and Commissioner Fielder opposed the Motion.
- On October 10, 2025, the District Court issued an Order denying Plaintiff's Motion for Preliminary Injunction.

5. *FERC Litigation*

North Dakota Public Service Commission,	)	
Montana Public Service Commission,	)	
Arkansas Public Service Commission,	)	
Mississippi Public Service Commission,	)	
Louisiana Public Service Commission,	)	
	Complainants,	) Docket No. EL25-109-000
	v	)
Midcontinent Independent System Operator,	)	
Inc.	)	
	Respondent	)

- Midcontinent Independent System Operator, Inc’s (“MISO”) Board of Directors, unanimous approval of Tranche 2.1 is the precipitating event for this complaint.
- Tranche 2.1 is a portfolio of 488 projects spanning more than 5,000 miles across 15 States with projected expenditure of \$22.1 billion to expand and enhance the reliability of the electrical transmission grid.
- The Montana Public Service Commission along with PSCs from North Dakota, Arkansas, Mississippi, and Louisiana filed a complaint with the Federal Energy Regulatory Commission (“FERC”) alleging MISO violated their “Open Access Transmission, Energy and Operating Reserve Market Tariff” when they approved a Tranche 2.1 because the Mult-Value Projects (“MVP”) fail to yield a “benefit to cost ratio” of “equal to or greater than 1”, a Tariff requirement.
- Independent Market Monitors (“IMM”) and stakeholders identified this and other deficiencies to MISO, but MISO, rather than address those concerns, challenged the IMM and stakeholder’s authority before the FERC and lost.
- MISO is a public utility under the Federal Power Act, subject to FERC’s exclusive oversight and regulation. No State PSC has jurisdiction over MISO. Although FERC has jurisdiction over rates, terms, and conditions of service that MISO may file, it is not routinely involved in monitoring or oversight. Absent a FERC referral or complaint, MISO has carte blanche to interpret its Tariff and operate as it wishes.
- The Commissions’ Complaint request FERC:
 1. Find MISO and its Board violated the Tariff,
 2. Direct the Board to declassify Tranche 2.1 projects as MVPs, and
 3. Order MISO to revise its Tariff to require a business case supporting future Long Range Transmission MVPs to be reviewed and approved by the FERC.

MONTANA PUBLIC SERVICE COMMISSION UPDATE TO
THE ENERGY & TECHNOLOGY INTERIM COMMITTEE
STATUS OF DOCKETS

November 12, 2025

1. NorthWestern Energy

NorthWestern – Black Hills Energy Merger – Docket 2025.10.078

- On October 20, 2025, NorthWestern Energy Group and Black Hills Corporation (“Merger Parties”) together with NorthWestern Corporation d/b/a NorthWestern Energy (“NorthWestern”) filed a joint application for approval of merger (“Application”).
- According to the Application, through the merger NorthWestern Group will become a direct subsidiary of Black Hills and NorthWestern will remain a direct subsidiary of NorthWestern Group such that the existing holding company structure for NorthWestern will not change.
- The Application states that the merger is a stock-for-stock transaction that does not require refinancing of existing indebtedness or an increase in debt for either company.
- The applicants state that the merger will strengthen the companies’ ability to modernize, maintain critical infrastructure, and weather financial and geopolitical risks while reducing expenses by creating a single leadership team and providing greater access to cost-effective capital to support future investments.
- The Commission provided public notice of the application on November 3, 2025.
- The deadline for parties to request intervention is November 17, 2025.

2025 Wildfire Mitigation Plan – Docket 2025.08.059

- On August 11, 2025, NorthWestern filed its 2025 Wildfire Mitigation Plan pursuant to HB 490 (2025).
- HB 490 requires the Commission to review the plan, provide an opportunity for public comment, hold a public meeting, and either approve the plan or identify deficiencies in the plan within 60 days after the end of the public comment period.
- The Commission must render a decision on NorthWestern’s plan by November 24, 2025.
- The Commission issued a Notice of Public Hearing and Opportunity to Comment on August 20, 2025, setting a public comment deadline of September 25, 2025.
- Commission staff requested clarification and additional information on August 29, 2025.
- On September 2, 2025, the Commission held an information session for NorthWestern to present its Wildfire Mitigation Plan.

- On September 23, 2025, the Commission held a public hearing for the purpose of receiving public comment.
- The Commission received 18 public comments.
- On October 15, 2025, the Commission issued a solicitation for consulting services to assist the Commission by providing an independent evaluation of NorthWestern’s plan.
- On October 28, 2025, the Commission contracted with Bureau Veritas North America. Bureau Veritas submitted its evaluation on November 10.
- The Commission plans to discuss and act on NorthWestern’s plan at its business meeting on November 18, 2025.

Electric and Natural Gas Rate Case – Docket 2024.05.053

- In July 2024 NorthWestern filed a combined electric and natural gas rate case based on a 2023 test year.
- NorthWestern proposed to increase rates for electric service by \$69.4 million, comprised of an increase in base revenue requirements of \$156.5 million, a decrease in flow-through supply revenue of \$94.5 million, and an increase in property taxes of \$7.4 million. NorthWestern’s proposed revenue adjustments include a request to recover its investment in the Yellowstone County Generating Station (“YCGS”).
- NorthWestern estimated the total impact of its electric revenue request would be an increase of \$9.11, or 8.28%, in the monthly bill for a residential customer using 750 kilowatt-hours per month.
- NorthWestern requested an interim electric rate increase effective October 1, 2024. The interim request would increase the monthly bill for a residential customer using 750 kilowatt-hours per month by \$2.09, or 1.9%.
- NorthWestern proposed to increase rates for natural gas service by \$28.9 million, comprised of an increase in base revenue requirements of \$28.63 million and an increase in property taxes of \$0.24 million.
- NorthWestern estimated the total impact of its natural gas revenue request would be an increase of \$8.84, or 16.98%, in the bill for a residential customer using 65 therms per month.
- NorthWestern requested an interim natural gas rate increase effective October 1, 2024. The interim request would increase the monthly bill for a residential customer using 65 therms per month by \$4.81, or 9.28%.
- NorthWestern stated that by the end of 2024, investments in electric and natural gas facilities placed into service since its last rate case would exceed \$1 billion.
- The Commission publicly noticed NorthWestern’s application in July 2024 and set an initial intervention deadline of August 14, 2024.
- NorthWestern’s application is subject to the Commission’s minimum filing standards in Mont. Admin. Rs. 38.5.101–.195.

- On August 6, 2024, the Commission notified NorthWestern of multiple instances where the Application fell short of full compliance with the minimum filing standards.
- On August 9, 2024, NorthWestern filed supplemental written testimony, exhibits, workpapers, and updated statements required by the Commission's rules.
- On August 21, 2024, the Commission notified NorthWestern that the Application, as supplemented on August 9, 2024, still fell short of full compliance with one of the Commission's minimum filing standards pertaining to the results of its cost of service studies.
- On August 23, 2024, NorthWestern filed its second supplement to its Application.
- On September 3, 2024, the Commission issued a notice finding that NorthWestern's Application, as amended, satisfied the Commission's minimum filing standards. The Commission also extended the deadline to request intervention in the proceeding to September 6, 2024.
- Montana Consumer Counsel, Montana Large Customer Group, Walmart, Federal Executive Agencies, Natural Resources Defense Council/Northwest Energy Coalition/District XI Human Resource Council (jointly), Montana Environmental Information Center ("MEIC"), Northern Cheyenne Tribe, Renewable Northwest, and University of Montana intervened.
- MEIC filed an objection to NorthWestern's request for interim rates. On September 5, 2024, the Commission issued a notice establishing a September 13, 2024, deadline for other parties to respond to NorthWestern's request for interim rates and a deadline of September 20, 2024, for NorthWestern to submit its reply.
- On November 26, 2024, the Commission issued Interim Order 7968e, which granted, in part, NorthWestern's requested interim rates.
- In January 2025, intervening parties filed written testimony and NorthWestern filed additional issues testimony addressing natural gas hedging. The intervenors contested various aspects of NorthWestern's Application, including, but not limited to: several proposed balancing accounts for business technology costs, regulatory compliance costs for the Colstrip plant, and wildfire mitigation costs; the prudence of investments in the Yellowstone County Generating Station; the calculation of base PCCAM costs; a proposed standby service tariff; the proposed return on equity; depreciation rates; the proper allocation of costs among customer classes; and the reasonableness of the rate design.
- In March 2025, NorthWestern filed rebuttal testimony and intervenors filed cross-answering testimony.
- On March 24, 2025, NorthWestern and several intervening parties filed settlements regarding revenue requirements and allocated costs of service for NorthWestern's natural gas utility, an electric standby service tariff, and engagement and planning with

the Northern Cheyenne Tribe regarding operations at Colstrip. NorthWestern also filed a motion for revised natural gas interim rates.

- On April 14, 2025, NorthWestern and several intervening parties filed a partial settlement regarding revenue requirements and allocated costs of service for NorthWestern's electric utility, excluding Yellowstone County Generating Station. NorthWestern also filed a motion for revised electric interim rates.
- On April 16, 2025, the Commission issued an amended procedural order to provide for an opportunity to conduct discovery on the electric settlement, which was filed after the deadline the Commission had established in a prior order.
- On May 1, 2025, NorthWestern filed tariffs to self-implement the rates requested in its original Application effective May 23, 2025, pursuant to Mont. Code Ann. § 69-3-302.
- On May 19, 2025, NorthWestern withdrew its motion for revised electric and natural gas interim rates.
- On May 23, 2025, NorthWestern self-implemented the electric service rates it had requested in its original Application pursuant to authority granted in Mont. Code Ann. § 69-3-302. Those self-implemented rates resulted in an increase in the monthly bill of a residential customer using 750 kWh of \$8.13, or 7.4%, compared to rates in July 2024.
- The Commission held a public hearing from June 9 – 18, 2025.
- On June 20, 2025, NorthWestern filed revised, self-implemented electric service rates to reflect the electric settlement. NorthWestern cited prior Commission precedent authorizing a utility to self-implement settlement rates. The settlement rates result in an increase in the monthly bill of a residential customer using 750 kWh of \$4.62, or 4.2%, compared to rates in July 2024.
- On July 2, 2025, the Commission processed NorthWestern's revised electric service rates.
- Post-hearing briefing was completed on August 26, 2025.
- Commission staff will present recommendations to the Commission at its business meeting on November 18, 2025.

[Petition for Alternative Method for FERC 302 Filings – Docket 2024.07.071](#)

- Regulations of the Federal Energy Regulatory Commission ("FERC") implementing the Public Utility Regulatory Policies Act ("PURPA") require NorthWestern to file with the Commission every two years data from which NorthWestern's avoided costs can be calculated. See 18 C.F.R. § 292.302.
- The regulations require avoided energy cost data for blocks of purchases no larger than 100 MW during daily and seasonal peak and off-peak periods for the filing year and each of the next five years. Avoided capacity cost data must reflect NorthWestern's plan for capacity additions and retirements and for purchases of firm energy and capacity for the

next 10 years and must include estimated capacity and energy costs for each unit of planned capacity additions and firm purchases.

- The regulations allow the Commission to substitute alternative data for the data specified in the regulations if the Commission determines that avoided costs can be derived from such data.
- On July 1, 2024, NorthWestern filed a petition requesting that the Commission substitute an alternative methodology for deriving avoided cost data.
- NorthWestern states that FERC amended its PURPA regulations in December 2020 to allow state regulatory authorities to require avoided cost of energy rates in long term contracts with qualifying facilities (“QF”) to vary based on when the QF delivers energy. See FERC Order 872.
- The Commission subsequently amended its rules in September 2022 to require contract rates based on the avoided cost of energy at the time delivery of QF energy.
- NorthWestern requested that the Commission substitute energy price data from the Western Energy Imbalance Market (“WEIM”) for the avoided energy cost data required in FERC’s regulations.
- For avoided capacity cost data NorthWestern requested that the Commission substitute data based on the results of the Peaker Method for the data required in FERC’s regulations. Under the Peaker Method, avoided capacity cost data is based on the least cost capacity resource identified in NorthWestern’s most recent integrated resource plan.
- NorthWestern also proposed to provide data on the estimated capacity contribution for various types of QF resources based on the capacity accreditation methodology used by the Western Resource Adequacy Program.
- On July 26, 2024, the Commission publicly noticed NorthWestern’s petition and provided an intervention deadline of August 12, 2024.
- The Consumer Counsel and Hydrodynamics intervened.
- On August 26, 2024, the Commission issued a procedural order setting dates for discovery and a deadline of October 15, 2024, for parties to submit testimony and/or request additional process.
- Neither the Consumer Counsel nor Hydrodynamics prefiled testimony regarding NorthWestern’s petition.
- In October 2024 Hydrodynamics filed motions to dismiss and stay the proceedings. Hydrodynamics argued that this case should not be processed as a contested case but rather as a rulemaking proceeding.
- In November 2024 the Commission denied the motion to dismiss and determined that the motion to stay was moot.
- The Commission held a hearing in May 2025. Briefing was completed in July 2025.
- No change in status since the September 2025 ETIC meeting.

Update of Standard PURPA Rates – Docket 2023.08.076

- In August 2023 NorthWestern filed an application to update its QF-1 tariff schedule, which provides standard rates for purchases by NorthWestern of energy and capacity from QFs under PURPA.
- FERC's regulations require utilities to offer standard rates for QFs 100 kilowatts (kW) or smaller but provide state regulatory commissions the discretion to require standard rates for larger facilities.
- The Commission's rules require utilities to offer standard rates for QFs as large as 3 megawatts (MW).
- In its application, NorthWestern proposed to offer standard rates for contract lengths up to 20 years. It proposed energy rates based on market prices in the Western Energy Imbalance Market at the time a QF delivers energy. It proposed capacity rates that are fixed for the duration of the contract and based on the estimated costs of constructing a new natural gas peaking plant. It also proposed implementing a standard, off-the-shelf contract to streamline the PPA negotiation process.
- Hydrodynamics and Greenfields Irrigation District (jointly) and the Consumer Counsel intervened.
- Proceedings were delayed due to the resignation of a NorthWestern witness, which resulted in NorthWestern refiling its prefiled testimony.
- In July 2024 Hydrodynamics and Greenfields Irrigation District filed intervenor testimony opposing several aspects of NorthWestern's application, including the proposal to set avoided energy rates based on Western Energy Imbalance Market prices at the time of the QF's energy deliveries, the method used to calculate avoided capacity costs, the capacity accreditation calculations, interconnection requirements, and multiple contract provisions.
- The Commission held a public hearing in October 2024.
- The Commission issued its final order in May 2025 granting in part and denying in part NorthWestern's application. The Commission set avoided energy rates using the Western Energy Imbalance market prices, modified NorthWestern's calculation of avoided capacity costs, modified the capacity accreditations, and generally approved NorthWestern's proposed contract terms.
- In June 2025, NorthWestern and the QF intervenors filed motions for reconsideration of the Commission's final order. The Commission is currently evaluating those motions.
- No change in status since the September 2025 ETIC meeting.

Application for Waiver of CREP Requirements, on Remand - Dockets 2016.04.033 & 2017.08.065

- Prior to 2021, Montana law imposed a renewable energy standard that required electric utilities to supply a percentage of their retail load with energy from renewable resources and to contract for specific amounts of renewable generation capacity with Community Renewable Energy Projects (“CREP”).
- The law allowed utilities to apply to the Commission for a short-term waiver from compliance with the renewable energy standard. To grant a waiver, the Commission was required to find that a utility had taken all reasonable steps to comply but was unable to comply due to factors outside the utility’s control. Additionally, utilities were not required to comply with the standard if the cost of compliance exceeded statutorily defined cost caps.
- In September 2018 the Commission issued an order in these consolidated dockets granting a request by NorthWestern for a short-term waiver of the requirement to purchase energy and associated renewable energy credits from CREPs for the years 2015 and 2016, pursuant to Mont. Code Ann. § 69-3-2004 (2018, now repealed).
- One of the parties in the proceeding, the Montana Environmental Information Center (“MEIC”), appealed the decision arguing that the Commission should not have approved the requested waivers because NorthWestern had not shown that it had taken all reasonable steps to comply.
- The Court issued a decision in March 2024, remanding the case to the Commission with instructions to conduct further proceedings and determine the administrative penalty NorthWestern must pay for failure to comply with the CREP requirements for the 2015 compliance year. The penalty is not recoverable from customers and must be deposited in the universal system benefits low-income energy assistance fund.
- For the 2016 compliance year, the Court directed the Commission to determine whether the method NorthWestern used to calculate the cost cap, which relied on avoided cost modeling, reasonably approximates the statutory cost cap, which was based on competitive bids for the equivalent quantity of energy for the equivalent contract term from other electricity suppliers.
- In October 2024, NorthWestern and MEIC filed a joint motion for declaratory ruling asking the Commission to rule on two threshold legal issues before proceeding with an evidentiary hearing to resolve the issues remanded to the Commission.
- The threshold legal issues are whether the now-repealed penalty provision controls the Commission’s assessment of a penalty in this case and whether the Commission can consider information after the compliance year to calculate any appropriate penalty.
- On May 22, 2025, the Commission issued a declaratory ruling concluding that the now-repealed penalty provision controls the Commission’s decision in this case and that only

information from before March 31 of the year following the compliance year can be used to calculate the appropriate penalty.

- No change in status since the September 2025 ETIC meeting.

2. Montana-Dakota Utilities

Electric Rate Case – Docket 2025.09.072

- On September 30, 2025, MDU filed an application to increase rates for electric services.
- MDU requested a total increase of 14.1 million in base rate revenue.
- MDU's application affects approximately 25,000 electric customers in Montana.
- Under MDU's proposal, a typical residential customer would see an increase to their monthly electric bill of about \$19, or 21.5%.
- MDU also asked the Commission to authorize an interim rate increase that would increase the monthly bill of a typical electric customer by about \$14 per month.
- According to MDU's application, the primary causes of its need to raise rates are capital investments in its system, the associated increase in depreciation expenses, and increased operating and maintenance costs.
- The Commission provided public notice of MDU's application on November 4, 2025.
- The deadline for parties to request intervention is November 18, 2025.

Natural Gas Rate Case – Docket 2024.05.061

- In July 2024 MDU filed an application to increase rates for natural gas services.
- MDU proposed a total increase of \$9.4 million, which would affect approximately 88,900 natural gas customers in Montana.
- The proposed rates would have increased the average monthly bill for residential customers using 65 therms per month by \$8.68 per month, or 16.4%.
- MDU requested an interim rate increase of \$8.0 million effective October 1, 2024, which would result in a bill increase of \$5.17 per month, or 10.58%, for a residential customer using 65 therms per month.
- The Commission publicly noticed the application on August 5, 2024, and set an intervention deadline of August 21, 2024.
- The Consumer Counsel intervened and advocated for a smaller revenue increase of \$5.4 million.
- In January 2025, the Commission issued an interim order authorizing MDU to temporarily increase rates by \$7.7 million.
- On April 3, 2025, MDU and the Consumer Counsel filed a stipulation and settlement agreement that resolved all contested issues and involved an overall increase of \$7.3 million. A residential customer using 6.5 dekatherms would see their monthly natural gas bill increase by \$5.29, or 9.99%.

- On April 24, 2025, the Commission vacated the hearing that had been scheduled for May 19, 2025. In lieu of the public hearing, the Commission conducted a listening session to provide an opportunity for the public to comment on MDU's Application and the settlement agreement.
- On October 9, 2025, the Commission issued a final order approving the stipulation and settlement agreement.

Integrated Resource Plan – Docket 2024.09.099

- In September 2024 MDU filed an Integrated Resource Plan ("IRP").
- The 2024 IRP projected that MDU will experience a capacity shortfall in 2027.
- The projected shortfall is based on how the Midcontinent Independent System Operator ("MISO") accredits the capacity provided by MDU's resources.
- MISO's capacity accreditation method, known as the Direct Loss of Load ("DLOL") method, was approved by FERC in October 2024.
- In January 2025 the Commission publicly noticed the 2024 IRP and provided an opportunity to comment through March 24, 2025.
- In February 2025 the Commission publicly noticed two listening sessions to be held March 5, 2025, in Miles City and Glendive.
- In March 2025 the Commission received written comments from three members of the public and the Montana Department of Environmental Quality.
- At the end of March 2025, MDU filed an Addendum to the 2024 IRP. The Addendum reported that MDU had entered into a 20-year Power Purchase Agreement for 150 MW of output from a 250 MW wind project, with an option to purchase 49% of the project ("Badger Wind PPA"). The Addendum also supplemented the IRP analyses based on the Badger Wind PPA. After accounting for the Badger Wind PPA, the IRP concludes that the date that MDU will need to add capacity changes from 2027 to 2033.
- The Commission is currently reviewing the 2024 IRP and the Addendum.

Authority to Offer Incentives for Conversion – Docket 2021.09.116

- In September 2022 MDU filed an application for authority to offer incentives for approximately 38 customers in the Saco/Bowdoin area to convert from MDU's natural gas service to an alternative fuel source.
- MDU stated that it does not expect to be able to reliably continue to deliver natural gas service to the customers because service is provided through a natural gas gathering system connected to wells in the Bowdoin area that MDU sold in 2015. Due to third party ownership of the gathering system and upstream gas production, MDU no longer has control over when the wells may be shut in and, hence, its ability to purchase the gas supplies needed to serve customers. MDU further stated declining pressures in the

wells and gathering system create reliability risks for customers due to increased water in the gas that can freeze during severe weather.

- MDU proposed to offer customers \$10,000 to defray the cost of switching to bulk propane service or another alternative. Customers would have through the end of October 2025 to accept the offer.
- The Consumer Counsel intervened in the proceeding.
- The Commission issued a procedural order in August 2023.
- The Consumer Counsel filed testimony in December 2023 arguing that service quality has not materially declined for customers in the Saco/Bowdoin area and that the costs of alternative services, such as propane, electricity, or fuel oil, are much higher on an equivalent BTU basis compared to the cost of MDU's natural gas service. The Consumer Counsel recommended rejecting MDU's proposed October 2025 deadline to accept a fuel switching incentive and requiring MDU to submit regular reports of the gas field pressures feeding the Saco/Bowdoin distribution system.
- In May 2024 the Commission received a settlement agreement between MDU and the Consumer Counsel purporting to resolve all disputed issues in the proceeding. Under the terms of the agreement, customers would be eligible for up to \$10,000 to defray the cost of switching to alternative fuels and would have until September 2027 to accept MDU's offer. Thereafter, the cost of conversion would be a customer's sole responsibility.
- On June 3, 2024, the Commission issued a Notice of Commission Action vacating the hearing that had been scheduled for June 11, 2024.
- On October 8, 2024, the Commission held a status conference to discuss questions regarding the scope of the terms of the parties' settlement agreement. At that time, the parties were considering whether to revise the settlement agreement or request a hearing.
- On October 7, 2025, MDU withdrew its application.

3. PURPA Implementation

Yellowstone Energy Limited Partnership (YELP) Petition – Docket No. 2024.04.047

- In April 2024 Yellowstone Energy Limited Partnership petitioned the Commission to establish terms and conditions for the sale and purchase of electricity from YELP's electric generating facility to NorthWestern Energy.
- YELP is an existing QF located in Lockwood, Montana. The facility has a nameplate capacity of 65 MW and produces energy using petroleum coke. YELP's current contract with NorthWestern was executed in 1991 and expires at the end of 2028.

- YELP stated in its petition that it has been unable to agree with NorthWestern on certain contract terms and avoided cost rates, including the appropriate proxy resource to be used to determine the rate for capacity and the capacity accreditation method used to be used to determine NorthWestern's capacity need.
- NorthWestern Energy and the Consumer Counsel intervened in the proceeding.
- On June 4, 2024, the Commission issued a procedural order.
- In July 2024 NorthWestern filed intervenor testimony. NorthWestern agreed with YELP's proposal for setting avoided energy rates, but opposed YELP's calculation of the avoided cost of capacity and its proposal for measuring delivered capacity.
- The Commission held a public hearing in September 2024.
- The Commission issued its final order in March 2025.
- In April 2025 NorthWestern and YELP each filed motions for reconsideration.
- The Commission is currently evaluating the motions.
- No change in status since the September 2025 ETIC meeting.

4. Telecommunications Regulation

Investigation into Telephone Number Conservation – Docket 2025.08.062

- On August 26, 2025, the Commission initiated an investigation into the feasibility, benefits, and costs of telephone number conservation through rate center consolidation.
- The investigation is the latest step in an ongoing effort by the Commission to preserve Montana's single 406 area code.
- Increased telecommunications competition and demand for numbering resources along with the method used to assign telephone numbers to service providers is putting pressure on available telephone numbers using the 406 area code.
- Currently, the 406 area code is projected to become exhausted in 2033.
- Rate center consolidation has been used with some success in other states.
- The Commission has requested comments by October 3, 2025, on whether it could be implemented cost-effectively in Montana.
- The Commission received comments from CenturyLink, the Alliance for Telecommunications Industry Solutions, and CTIA (representing the wireless communications industry).
- The Commission is evaluating the comments to determine next steps.

Investigation into the Adequacy of Infrastructure of CenturyLink – Docket 2021.12.136

- In December 2021, the Commission initiated an investigation into the adequacy of legacy infrastructure operated by Qwest Corporation d/b/a CenturyLink QC.
- The investigation is based on formal and informal consumer complaints alleging that the infrastructure serving rural areas of CenturyLink’s service territory is inadequate, resulting in long service outages, inability to access 911 services, and falsely initiated calls to 911 services.
- The Commission consolidated Docket 2021.12.136 with Docket 2021.10.137, involving a request by CenturyLink for temporary waiver of performance requirements for addressing service outages.
- The Consumer Counsel intervened in the consolidated docket in February 2022.
- The Commission issued a Notice of Investigative Procedures that established a discovery period and a deadline for comments and requests for further process.
- On May 27, 2022, the Consumer Counsel issued discovery to CenturyLink.
- On June 3, 2022, the Commission issued a procedural order modifying previous deadlines in the case and establishing a deadline of July 29, 2022, for written comments and requests for additional process.
- On July 8, 2022, CenturyLink filed a motion requesting a 30-day continuance, in part to allow it to pursue settlement options with the Consumer Counsel.
- In August 2022 the Consumer Counsel requested a further extension because it had not yet received and reviewed certain confidential material requested in discovery.
- The Consumer Counsel submitted its comments in September 2022.
- CenturyLink responded to the Consumer Counsel’s comments in October 2022.
- On November 2, 2022, the Commission directed CenturyLink to submit a proposal for resolving the service quality issues in the proceeding because CenturyLink had indicated it would consider subsidizing subscriptions to third-party provided service for rural customers that do not currently receive reasonable and adequate service from CenturyLink.
- CenturyLink submitted its proposal in December 2022.
- In February 2023, the Commission issued discovery to CenturyLink regarding several aspects of the proposal.
- The Commission held a public hearing on CenturyLink’s proposal in September 2023.
- In post-hearing briefing, CenturyLink argues that the investigation has not revealed service quality issues, the service restoration requirements are no longer appropriate, and CenturyLink’s proposal satisfied the Commission’s request.
- On March 13, 2024, the Commission issued its final order. The Commission was not persuaded that its service restoration rules are obsolete and, in any case, modifying or

repealing the rule would require a rulemaking process so findings regarding the rule in these consolidated dockets would be inappropriate.

- The Commission further found that CenturyLink does not comply with the service restoration rules and the costs required to upgrade facilities and provide sufficient staffing do not appear financially feasible. Consequently, the Commission determined CenturyLink's service is not reasonably adequate.
- Regarding CenturyLink's proposal to subsidize third-party provided service for rural customers, the Commission found the record lacked sufficient evidence that such third-party service would yield reasonably adequate services at just and reasonable rates.
- As an alternative to CenturyLink's proposal, the Consumer Counsel recommended requiring CenturyLink to apply for funding through the Broadband Equity Access and Deployment (BEAD) Program, which is designed to upgrade the most rural areas of the country to broadband services.
- Regarding the Consumer Counsel's recommendation, the Commission noted that BEAD funding cannot be assured and absent a waiver of the program requirement for CenturyLink to provide 25% of the cost of upgrading the network, BEAD funding may be insufficient to make the investments economical. While it declined to order CenturyLink to apply for BEAD funding, the Commission stated that such an application may be in CenturyLink's best interest.
- CenturyLink filed a motion for reconsideration of the Commission's final order on March 22, 2024. CenturyLink asked the Commission to reconsider its decision not to accept CenturyLink's proposal and to direct Commission staff to engage in discussions with the parties with the aim of developing a mutually acceptable resolution of the matter.
- On May 29, 2024, the Commission issued a Notice of Commission Action appointing certain Commission staff to engage in negotiations with CenturyLink. The Commission directed that negotiation be completed by July 31, 2024, and that any agreement reached would be subject to review and approval by the Commission.
- Commission staff subsequently informed the Commission that negotiations could not be completed by the July 31 deadline.
- On July 30, 2024, the Commission issued a Notice of Commission Action extending the deadline to August 30, 2024. On September 2, 2024, the Commission further extended the deadline to September 30.
- On November 1, 2024, the Commission's Executive Director and CenturyLink agreed on a draft Joint Stipulation and Settlement Agreement ("Agreement").
- On November 13, 2024, the Commission issued a Notice and Opportunity to Comment, requesting public comment on the draft Agreement by December 2.
- On January 6, 2025, the Commission issued Order 7825I approving and executing the Agreement.

- CenturyLink has begun making compliance filings with the Commission pursuant to the Agreement. The Commission is reviewing the filings to ensure CenturyLink's compliance.
- No change in status since September 2025 ETIC meeting.

5. Other dockets and non-dockets

Rulemaking on Utility Least-Cost Planning and Competitive Solicitations – Docket 2025.08.058

- The 2025 Montana Legislature enacted House Bill 55 ("HB 55"), which implemented changes to the utility long-term planning process and added requirements for an independent evaluator to oversee competitive solicitations for electric resources.
- HB 55 requires the Commission to adopt rules by July 1, 2026.
- On August 13, 2025, the Commission issued a Notice of Contemplated Rulemaking and Opportunity to Comment.
- The Notice requests public comments regarding changes that should be made to the Commission's resource planning and procurement rules in Montana Administrative Rules, Title 38, Chapter 5, Subchapter 20 to implement HB 55.
- The Notice provides preliminary language to facilitate consideration and comment by interested persons.
- The deadline for public comment was October 7, 2025. The Commission received a total of 14 comments from organizations and members of the public.
- The Commission is reviewing the comments.

North Star Application for Water Rate Increase – Docket 2025.10.073

- On September 30, 2025, North Star Development, LLC filed an application to increase rates for water and sewer services.
- North Star's application was filed under the Commission's rules for simplified regulatory treatment for privately-owned water utilities. The rules establish a utility's authorized revenue for purpose of setting rates based on an operating ratio method.
- North Star proposed to increase its fixed monthly water charge from \$55.93 to \$65.00 per month.
- North Star also proposed to increase its volumetric rate from \$2.00 per 1,000 gallons to \$8.00 per 1,000 gallons and reduce the volume of water included with the fixed monthly charge from 10,000 gallons to 7,000 gallons.
- On October 10, 2025, North Star amended its application to include ancillary fees for violations of the Company's lawn sprinkling policies.
- The Commission is reviewing the filing for compliance with its rules and has not yet publicly noticed the filing.

Investigation into the Adequacy of Service of North Star – Docket 2020.09.094

- North Star Development, LLC is a Commission jurisdictional public utility that provides water and sewer services in the North Star subdivision near Helena.
- The Commission initiated this investigation in September 2020 to evaluate complaints from customers about inadequate water supply and/or disruptions in water supply.
- In the years since the Commission initiated the investigation, North Star has experienced intermittent episodes of inadequate water supply resulting in reduced water pressures, occasional outages, and frequent summer season watering restrictions.
- The Commission imposed monthly reporting requirements on North Star to gather information and monitor the state of the system.
- The Commission's investigation identified issues related to incomplete metering of customers, inventory of critical equipment, communications with customers, and tariffs.
- In December 2024, the Commission issued an order determining that North Star had failed to show cause why the Commission should not pursue penalties prescribed in Mont. Code Ann. § 69-3-206 for North Star's failure to cooperate with the Commission and its failure to provide reasonably adequate service.
- On August 15, 2025, the Commission issued Order 7744g establishing preliminary penalties totaling \$86,700. The Commission permitted North Star to request to engage in settlement discussions with Commission staff for the purpose of negotiating stipulated penalties and/or other non-monetary means of resolving North Star's failures.
- North Star requested to enter into settlement discussion. The Commission issued a notice of settlement discussions on August 22, 2025. Settlement discussions will occur for a period not to exceed 60 days from August 25, 2025.
- On October 28, 2025, Commission staff provided the Commission a status report regarding the negotiations and requested that the Commission extend the negotiation period by an additional 30 days, which the Commission approved.

Investigation into Resource Adequacy and Risk Profiles in the Montana and Regional Electricity Supply – Docket 2022.09.087

- On August 30, 2022, the Commission voted to initiate an investigative docket on resource adequacy and risks to the electrical supply of the State of Montana.
- On September 20, 2022, the Commission issued a Notice of Investigative Docket and Opportunity to Comment.
- In the Notice, the Commission described that the purpose of the investigation is to determine the size and scope of resource adequacy issues facing Montana and the Western Region. The Commission intends to use the docket as a catalyst and a forum for ongoing discussions about resource adequacy issues.

- In October 2022, the Commission received written comments from NorthWestern Energy, Friends of 2 Rivers, Department of Environmental Quality, Colstrip Energy Limited Partnership, and the Northwest Independent Power Producers Coalition. In November 2022, the Commission received supplemental comments from Northwest Energy Coalition.
- In December 2022, the Commission hosted a two-day conference with regional regulators and other interested stakeholders focused on resource adequacy issues.
- The Commission and its staff continue to research and participate in regional planning for resource adequacy.
- In mid-January 2024 Montana and the broader Pacific Northwest experienced an extreme cold weather event that lasted for several days. NorthWestern's system set a new system peak demand record and recorded its highest sustained peak load. Market prices for wholesale electricity approached the \$1,000 per MWh cap set by the Western Electricity Coordinating Council. Just ahead of the most severe weather, a portion of the Colstrip generating plant was off-line for maintenance.
- The Commission determined that this event provided an opportunity to further examine resource adequacy and associated risks for Montana customers.
- On January 30, 2024, the Commission sent a letter to NorthWestern requesting that the Company provide a range of information regarding the operation of its system for the period January 8 – 18, 2024.
- NorthWestern provided the information on February 20, 2024, and the Commission held an informational meeting with NorthWestern on March 6, 2024.
- In December 2024, NorthWestern publicly announced plans to supply electricity to two data center customers with combined loads that could reach up to 400 MW within five years.
- Because those new large data center loads would significantly increase NorthWestern's total retail load and resource needs and affect the allocation of costs among NorthWestern's existing customers, the Commission requested that NorthWestern provide additional detail regarding the data center loads as well as its interpretation of Mont. Code Ann. § 69-8-201, which addresses service to new large loads for utilities that had previously restructured during the deregulation era.
- NorthWestern provided its response in March 2025. Other stakeholders offered comments regarding NorthWestern's response in May 2025.
- At its business meeting on September 2, 2025, the Commission approved sending a reply to NorthWestern's March 2025 letter. In its reply, the Commission disagreed with NorthWestern's interpretation of Mont. Code Ann. § 69-8-201 and outlined its expectation that NorthWestern inform prospective data center customers that they are not required to purchase supply from NorthWestern. The Commission requested that NorthWestern provide further information of how NorthWestern and data center

customers will adhere to the statutory requirements governing service to large load customers.

- On September 17, 2025, NorthWestern submitted its response to the Commission's March 2025 letter. NorthWestern requested a protective order for the letters of intent with data centers. NorthWestern stated that it disagreed with the Commission's interpretation of Mont. Code Ann. § 69-8-201, but indicated that it intended to file an application with the Commission to establish tariff terms and conditions for service to data center customers.
- In October 2025 the Commission received joint comments from Montana Environmental Information Center, Honor the Earth, and Northwest Energy Coalition objecting to NorthWestern's request for a protective order. The Commission also received comments from Sabey Data Center Properties supporting NorthWestern's request.

PURPA Section 111(d) – Docket 2022.09.084

- The Infrastructure Investment and Jobs Act of 2021 ("IIJA") amended Section 111(d) of the Public Utility Regulatory Policies Act ("PURPA") to require that states consider measures to promote greater electrification of the transportation sector, including the establishment of utility rates that:
 - Promote affordable and equitable electric vehicle charging options for residential, commercial, and public electric vehicle charging infrastructure;
 - Improve the customer experience associated with electric vehicle charging, including by reducing charging times;
 - Accelerate third-party investment in electric vehicle charging; and
 - Appropriately recover the marginal costs of delivering electricity to electric vehicles and electric vehicle charging infrastructure.
- Pursuant to Section 112 of PURPA, state regulatory authorities, such as the Commission, must commence consideration of these potential measures by November 2022.
- The IIJA contains similar provisions for demand response resources/programs.
- On August 23, 2022, the Commission voted to initiate a proceeding to investigate these provisions of the IIJA. Through the proceeding the Commission will obtain information and opinions from regulated utilities and the public relevant to the Commission's consideration of utility rates that meet IIJA criteria.
- A Notice of Opportunity to Comment was issued on September 2, 2022.
- The Commission received comments from BroadbandMT in October 2022. No other comments were received.
- No further action has been taken in the docket to date.

Request for Information on ETAC Process – Not Docketed

- During the Commission’s business meeting on July 23, 2024, the Montana Environmental Information Center (“MEIC”) provided public comments asserting that NorthWestern Energy’s Electric Technical Advisory Committee (“ETAC”) does not comply with Mont. Code Ann. § 69-3-1208 because it is not broad-based, as required by the statute.
- MEIC also expressed concerns that NorthWestern is not complying with Commission rules that require ETAC meeting to be open to the public whenever possible.
- Subsequently, the Commission also received written public comments from Renewable Northwest and Montana Renewable Energy Association (“MREA”) expressing similar concerns.
- As a result of those public comments, the Commission sent a letter to NorthWestern on July 30, 2024, requesting a written response to the public comments. The Commission specifically requested that NorthWestern explain how its ETAC membership complies with Mont. Code Ann. § 69-3-1208.
- Regarding compliance with Commission rules, the Commission requested that NorthWestern “document when [it] initiated the process of developing its next integrated resource plan, how many meetings with the ETAC have occurred in that process, how many ETAC meetings have been open or closed, in whole or in part, to the public, and the process NorthWestern used to decide whether to ETAC meetings would be open or close to the public, including how NorthWestern engaged its ETAC in that process.”
- On August 9, 2024, NorthWestern provided its written response. NorthWestern stated that it established a broad-based ETAC that complies with Mont. Code. Ann. § 69-3-1208. NorthWestern maintained that the ETAC reflects a balance of interests and expertise from consumer advocacy groups, government agencies, business concerns, and academia in areas such as residential affordability, economic development, environmental quality, regional power and transmission markets, consumer interests, and regulatory oversight.
- NorthWestern also stated that it is in the beginning stages of assembling and organizing the ETAC and a workplan for the next integrated resource plan, including meetings with stakeholders and the public.
- NorthWestern stated that the Commission’s rules allow ETAC meetings to be closed when necessary for a complete review, evaluation, or recommendation. NorthWestern explained that it initiated a new three-year ETAC meeting process in December 2023 via a Zoom call during which it engaged the ETAC about closing the upcoming March and June meetings. NorthWestern stated that the benefits of closing those meetings included ensuring that ETAC could formalize and develop a stakeholder and public

engagement timeline, and ensure their recommendations are effective and well-considered before stakeholder and public engagements.

- Following receipt of NorthWestern's response, the Commission received joint written public comments from MEIC, Renewable Northwest, and MREA expressing skepticism regarding NorthWestern's stated justification for closing recent ETAC meetings and questioned the size and makeup of the ETAC. They requested that NorthWestern maintain a webpage that provides information regarding scheduled ETAC meetings, whether they are open to the public, meeting agendas, and non-proprietary materials provided to and discussed with the ETAC.
- In September 2024 the Commission voted to initiate an investigation into the ETAC process.
- No change in status from September 2025 ETIC meeting.

Petition for Rulemaking regarding Consideration of Climate Impacts – Docket 2024.03.028

- On February 28, 2024, the PSC received a petition requesting the PSC to initiate rulemaking pertaining to the PSC's consideration of adverse climate impacts from greenhouse gas emissions.
- The petition argues that Montanans have a fundamental constitutional right to a clean and healthful environment, which includes climate as part of the environmental life-support system, that greenhouse gas emissions from burning fossil fuels causes climate impacts in the state of Montana, and that the PSC makes consequential decisions that affect utility investments in fossil fuel-burning power plants.
- The petitioners ask the PSC to adopt proposed rules that make explicit the need for the PSC to consider and act on the climate consequences of its decisions.
- The petitioners also seek declarations from the PSC that: (1) the Montana Constitution imposes an affirmative obligation on the PSC to consider the harmful climate consequences of its decisions to prevent constitutional harm and protect Montanans' fundamental right to a clean and healthful environment; and (2) the statutory and regulatory framework governing the PSC's regulation of public utilities instructs it to make decisions in the public interest that ensure just and reasonable utility rates; these standards require the PSC to consider climate change and its harmful effects in Montana in the context of its regulatory duties.
- The petitioners comprise a group of 42 Montana organizations, businesses, and individuals.
- Pursuant to Mont. Code Ann. § 2-4-315 and Mont. Admin. R. 1.3.308, the PSC has 60 days to either deny the petition in writing or initiate rulemaking proceedings.

- On March 19, 2024, the Commission provided public notice of the petition and scheduled a public hearing to gather additional viewpoints and advice of interested persons pursuant to Mont. Code Ann. § 2-4-304.
- On April 8, 2024, the Commission held a public hearing to accept oral comments. The Commission established a written comment deadline of April 12, 2024. The Commission received over 800 written and oral comments regarding the petition.
- Based on the Petition, the Petitioners' presentation at the public hearing, and public comments, the Commission was left with several unanswered questions.
- On April 30, 2024, the Commission issued a Notice of Extended Opportunity to Comment, which invites the Petitioners and any other interested parties to provide further written comment on the proposed rule, including but not limited to responses to specific questions regarding the effect and implications of the proposed rule stated in the Notice. The extended deadline for comment is July 1, 2024.
- On June 11, 2024, the Petitioners filed for a Writ of Mandate in the Fourth Judicial District Court, which the Court denied.
- No change in status since September ETIC meeting.