



For Immediate Release

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Montanans at Risk with Potential Sale of Colstrip and Corette

HELENA – Today, the Montana Environmental Information Center and Sierra Club petitioned the Montana Public Service Commission (PSC) to hold a public hearing on the potential sale of PPL Montana’s electricity generation assets to determine how the PSC could best protect Montanans if a sale occurs. Recent reports have indicated PPL Montana is attempting to sell its Montana electricity generating assets. As the electricity deregulation debacle in Montana has shown, a sale of electricity generation assets could significantly impact Montana utility customers. If NorthWestern Energy is considering a purchase of PPL Montana’s generation resources, customers could be especially vulnerable to higher energy bills.

PPL Montana owns 11 hydroelectric dams as well as the aging Colstrip and Corette coal-fired power plants. Last year, PPL Montana announced its intention to mothball the 1968 vintage Billings’ Corette coal plant because of strong competition from other energy sources, including natural gas and wind, and due to the expense of modernizing its air pollution control equipment. MEIC and Sierra Club are concerned that a purchase by NorthWestern Energy of Corette and the liability-laden Colstrip plant could saddle NorthWestern Energy’s customers with unnecessarily higher energy bills.

“Montana’s wind power is far cleaner and cheaper than coal. Investing further in old coal plants like Corette and Colstrip would be like flushing good money down the drain,” said Bruce Nilles, national Senior Campaign Director with the Sierra Club. “The Colstrip plant is already contaminating water, emitting enormous amounts of air pollution, and is one of the nation’s largest sources of greenhouse gas pollution. The PSC should not even consider including a larger share of Colstrip into customers’ power bills without extensive public input and strong protections for consumers.”

PPL, the parent company of PPL Montana, has interests in Kentucky, Pennsylvania and the United Kingdom, in addition to Montana. Comments by PPL CEO William Spence, as well as its filings with the Securities and Exchange Commission, confirm that its generating assets in regulated markets are profitable but its activities in unregulated markets like Montana are not.

“Colstrip and Corette are facing major potential financial liabilities and the PSC should be proactive in protecting Montanans. Montanans deserve a hearing and opportunity to comment on what this potential sale could mean for our power bills,” said Anne Hedges, Program Director for MEIC. “If PPL Montana isn’t turning a sufficient profit, why would we think it would be different for NorthWestern Energy?” NorthWestern Energy currently owns 30% of Colstrip Unit 4, which recently went out of service and is unable to provide power for up to or more than six months due to a major mechanical failure. The PSC’s analysis has shown that in recent years Colstrip has consistently been NorthWestern’s most expensive resource.

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