

Background Information on SB 364
Submitted by Patrick Judge, MEIC
February 15, 2005

Current Law

69-8-102 Legislative findings and policy.

(5) The public interest requires the continued protection of consumers through:
... (b) provision of information to consumers regarding electricity supply service.

69-8-203 Public utility -- customer choice -- education of customers. During the transition period, public utilities shall educate their customers about customer choice options so that customers may make an informed choice from among the options, including pilot programs, electricity supplier service options, and other electricity supply options available under default supply service.

69-8-210 (4) ... a default supplier shall offer its customers the option of purchasing a product composed of or supporting power from certified environmentally preferred resources that include but are not limited to wind, solar, geothermal, and biomass, subject to review and approval by the commission. The commission shall ensure that these resources have been certified as meeting industry-accepted standards.

Current Rule

38.5.8204 OBJECTIVES (1) In order to satisfy its default supply responsibilities, a DSU should pursue the following objectives in assembling and managing an electricity supply portfolio. **The DSU should:**

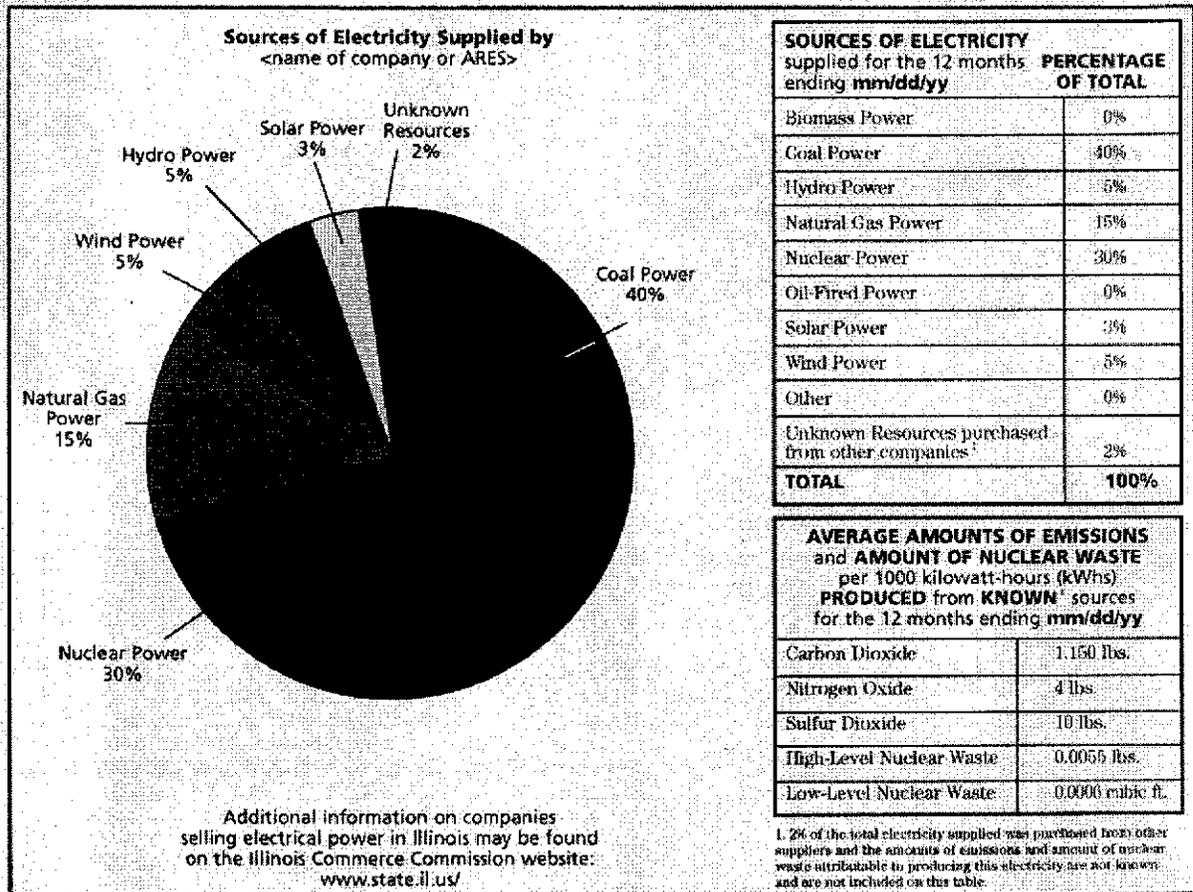
(a) provide default supply customers adequate and reliable default supply services, stably and reasonably priced, at the lowest long-term total cost;

(b) design rates for default supply service that are equitable and promote rational, economically efficient consumption and customer choice decisions;

(c) assemble and maintain a balanced, environmentally responsible portfolio of power supply and demand-side management resources coordinated with economically efficient cost allocation and rate design that most efficiently supplies firm, full electricity supply service to default supply customers over the planning horizon;

(d) maintain an optimal mix of demand-side management and power supply sources with respect to underlying fuels, generation technologies and associated environmental impacts, and a diverse mix of long, medium and short duration power supply contracts with staggered start and expiration dates; and

(e) maximize the dissemination of information to default customers regarding the mix of resources and the corresponding level of emissions and other environmental impacts associated with default supply service through itemized labeling and reporting of the default supply portfolio's energy products.



 For more information about environmental disclosure contact the Environmental Law & Policy Center, 312-759-3400.

Maintaining Natural Gas Lines

We annually notify gas customers of their responsibility to inspect and repair customer-owned pipelines that are "downstream" of our gas meters at the request of the U.S. Office of Pipeline Safety, a part of the Department of Transportation. A "downstream" pipe is a natural gas line that leads from your meter to various locations or appliances on your property.

The gas line going into your meter from the street is called an "upstream" line. NorthWestern Energy operates and maintains all "upstream" gas lines in accordance with Federal Gas Pipeline Safety Regulations.

Inspections Require Access

Each spring NorthWestern Energy and contractor service technicians routinely inspect electric and natural gas meters and pipelines to ensure safe and reliable service. NorthWestern workers may be seen entering backyards or walking in your neighborhood. In rural areas they may be seen driving four-wheelers or other vehicles. NorthWestern appreciates clear access to your yard and meter.

"Downstream" piping is subject to the same maintenance requirements. That means you are responsible for monitoring for corrosion, leakage and unsafe conditions on any pipelines that may lead from your meter to an outside light, a hot tub, pool, barbecue or another building. Pipelines may be either above or below ground.

Inspecting and repairing any gas line takes specialized knowledge. Some plumbing and heating contractors, as well as NorthWestern, will perform the necessary maintenance for a small fee. If you are unsure about whether you own any part of an underground gas pipeline, please give us a call.

New Green Product Offering

Many Montanans are interested in renewable energy resources – or "Green Power" – to meet their energy needs. In fact, more than 150 of our customers recently have installed small photovoltaic or wind generation systems at their homes, schools, or businesses.

Now, a new option is available to electric customers interested in promoting Green Power in Montana. By signing up for NorthWestern Energy's Green Power Product, you may choose to pay as little as \$2 a month extra on your electric bill to support development of new renewable energy resources.

Each \$2 extra that you select to pay brings a block of 100 kWh of environmental benefits on to our

electric system from renewable projects that generate power in the Pacific Northwest and Wyoming. You may choose to buy as many blocks as you like.

To find out more about our new Green Power Product and NorthWestern Energy's partners in this project, complete the coupon below and send it in with your next payment. Or visit: www.northwesternenergy.com.

I'm a NorthWestern Energy electric customer. Please send me information about the new E+ Green Product Offering.

Name _____

Address _____

City _____ State _____ Zip _____

Electric Acct. # _____

Route to: Deb Young, Regulatory Support, 2nd Floor, 60

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Energy Efficient Landscaping

Play It Safe Around Electricity!

Make the Smart Call

As the weather warms, you may be planning spring planting, landscaping or home improvement projects.

NorthWestern Energy encourages you to make the smart call – call before you dig.

Hitting underground water, gas, telephone, cable or electric lines is not only dangerous – it also can be expensive.

Always call the state's free underground line locating service at least two working days before you dig.

Montana

1-800-424-5555

Flathead County

755-8344

About Energy Connections:

Energy Connections is published monthly to communicate important information to you, NorthWestern Energy customers. Your questions and comments are invited.

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CONNECTIONS

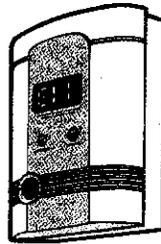
Vol. 3, No. 12 - MT

December 2004

Be Alert to CO Dangers

Carbon monoxide (CO) is a colorless, odorless gas that results from the incomplete combustion of fuels. Here are some important reminders about this deadly poison.

- Know the initial symptoms of CO poisoning: headache, fatigue, shortness of breath, nausea, and dizziness. If you have these symptoms, get fresh air immediately. Leave the building if you're able, or go to an open window.
- Get prompt medical attention. Use a cell phone or go to a neighbor's home to call an emergency medical service to report your symptoms. Tell them you suspect CO poisoning. Also call us — if



we are your natural gas provider — for further information about how to address the problem.

- Never ignore the sound of a CO alarm. Immediately move to fresh air outdoors or by an open window. If your alarm has a digital readout, provide that information when calling for assistance.

- Have a qualified serviceperson check fuel-burning appliances for malfunction before reusing them.

A CO alarm can provide additional protection. Purchase one that meets Underwriters Laboratory (UL) standards, and make sure the sensor life is current.

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- Look for the ENERGY STAR®
- Happy Holiday Greetings
- ServicesOne™ Award
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Happy Holiday Greetings

The holidays are joyous times that provide an opportunity for appreciation and reflection. As we celebrate this season and prepare to usher in a new year, we at NorthWestern Energy send our heartfelt wishes to you and thank you for being our customer. It is a privilege to serve you, and we value your business.

It is in this holiday spirit that we thank you and extend our warmest wishes to you and your family for a blessed and happy holiday season.

Best wishes,

Elizabeth Wing Spooner

Elizabeth Wing Spooner
Editor

Unique Green Power Gift

Here's a unique holiday present: purchase blocks of "Green Power" for your home or business. For as little as \$2 extra per month, interested electric customers can support the development of new renewable energy resources.



Each \$2 that you choose to pay brings a block of 100 kWh of environmental benefits to our electric system from renewable projects that generate power in the Pacific Northwest and Wyoming. You may choose to buy as many blocks as you like.

To find out more about our Green Power Program, visit our Web site.

Look for the ENERGY STAR® this Holiday Season

Give the gift of energy savings this holiday season. When buying major appliances, doors, windows, lighting products, or home electronics, look for the ENERGY STAR® label, the federal government's energy-efficiency seal of approval.

Six out of the top seven electronics products on the wish lists of Americans were available in ENERGY STAR qualified models in 2002.

Thirteen percent of all holiday shoppers were likely to give home electronics to their

loved ones last year. Choose ENERGY STAR and give the gift everyone will love — a cleaner environment for future generations.

In 2002, Americans spent \$13.1 billion on electronics during the holiday season alone. Think of the potential energy and money savings if all of those products had been ENERGY STAR.



Looking for the ENERGY STAR label will help simplify your shopping decisions.

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