NorthWestern Energy 2025 Rate Case

Public Comment Guide

Tone to Strike

1. Respectful. Acknowledge that having a healthy utility benefits all ratepayers and keeps the lights on.

2. Balanced. Show that you understand the PSC works to strike a balance between reliability, cost, and investment risk.

3. Practical. Focus on day-to-day impacts: cost of living is rising, community dollars of leaving the town, etc.

4. Concise. Aim for two to three minutes. Hit one or two points with a clear ask.

Our asks of the Commission:

- The Yellowstone County Generating Station (the Laurel Methane Plant) should not be folded into the rate base. Doing so would be a bail out for a company that made a bad investment and would force us, the captive customers, to pay for it.

- The PSC needs to set the allowed return on equity at a level that is consistent with credible market benchmarks so that customers' rates come down. Investors will still be rewarded with this change but it would finally give Montana households the fair break that they deserve.

Core Message:

NorthWestern Energy is exploiting its monopoly status by pouring money into risky, expensive, and unreliable projects, attempting to block affordable community solar, and gaming the regulatory process with last-minute filings and political lobbying. Ratepayers shoulder the risk while the utility locks in unnecessarily high guaranteed profits. The PSC can restore balance - hold NorthWestern to good-faith standards and put Montana customers first.

Supporting Message:

Return on equity should match real-world market expectations, not consultant wish-lists. A fair ROE keeps investors satisfied and shields households from unneeded hikes.

Structure for Your Remarks

1. Introduce yourself. “My name is… I live in… I pay a NorthWestern bill every month.”
2. State shared goals. “I want reliable service and a financially sound utility.”
3. Make one data point real. Example: “Every quarter-point drop in ROE saves my family about 80 cents a month - almost $100 a year for many Billings homes.”
4. Connect to fairness. “A monopoly with lower risk shouldn’t earn nearly double the market’s expectation for returns.”
5. Ask for action. **“Please remove the Laurel Methane Plant from the rate base as NorthWestern didn’t prove it was in our interest and begin moving NorthWestern’s approved ROE back into line with market expectations.”**
6. Thank the commission. End on a courteous note.

Quick Reminders re: Return on Equity

- Cite sources sparingly - NYU Stern’s 6.28% utility benchmark, BlackRock’s 5.69% equity midpoint.
- Skip technical jargon; plain language lands better.
- Personal stories stick. Pair one lived example with one clear number.
- Stress that every 0.25% ROE reduction saves customers ~$0.78/month; aligning with 6.28% ROE could save Billings households ~$100/year.
- Stay on message: right-sized ROE, lower bills, no threat to reliability.
- Note the cumulative economic loss to communities (e.g., ~$8M/year in Billings alone for the 62,000 residential meters, ~$88M/year across Montana’s 590,000 meters served by NWE).
- Cite NorthWestern’s admission that lower ROE doesn’t hinder capital access, removing a key counterargument.

Quick reminders re: Laurel Methane Plant

- PSC staff found that NorthWestern did not evaluate fully evaluate other cost-effective options
- The PSC staff found that lower cost options might have been available
- NorthWestern bears the burden of proving that the Laurel Methane Plane and the recovery of its costs in customer rates is in the public interest. Your staff wrote that NorthWestern did not satisfy this burden.
- Ratepayers should not be stuck with any costs that NorthWestern can’t prove were in our interest