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NorthWestern and BPA agree to discuss ways to collaborate on MSTI project

Portland, Ore. - NorthWestern Energy and the Bonneville Power Administration have agreed to explore collaboration on the Mountain States Transmission Intertie project. The line would allow the transfer of renewable and other energy sources from Montana, Idaho and other regional markets, and could allow BPA to serve customers in Idaho, western Wyoming and Montana and provide other operational benefits.

"We look forward to working with BPA on the MSTI project to determine how it might be of benefit to BPA in serving its customers in Idaho, Wyoming and Montana," said NorthWestern Energy Vice President of Transmission Mike Cashell.

BPA has current and future requirements to serve customers in Idaho, western Wyoming, and southern Montana. BPA currently serves these customers through agreements with PacifiCorp using the South Idaho Exchange Agreement and PacifiCorp General Transfer Agreement. Because the South Idaho Exchange Agreement will terminate in 2016, BPA is evaluating various alternatives to serve its customers affected by the termination.

"This is a great example of regional transmission planning and coordination," said Brian Silverstein, senior vice president, BPA Transmission Services. "Participation in the MSTI project could help us with our requirement to serve our customers in and around southeastern Idaho and provide other benefits. We are eager to see what BPA might gain from being part of this project."

This week, NorthWestern and BPA signed a Memorandum of Understanding agreeing to explore the potential of a MSTI Project that would accommodate both parties' needs. The MOU stipulates that by July 31, 2012, the parties seek to complete economic and engineering viability studies and a capacity and cost allocation methodology that considers other partners in the line and treatment for unsubscribed capacity and cost. The outcome of these studies will provide information necessary for BPA to determine whether or not to consider future agreements for participation in the MSTI project.

NorthWestern started environmental review of the 500-kilovolt project in summer 2008. The proposed line would extend from a new proposed substation five miles south of Townsend, Mont., to Idaho Power Company's existing Midpoint Substation near Jerome, Idaho. NorthWestern Energy anticipates the draft Environmental Impact Statement will be issued in mid-2012. NorthWestern also is planning to conduct an Open Season that will provide utilities, independent power producers and other interested parties an opportunity to subscribe capacity on the MSTI line. Northwestern anticipates energizing the line in 2016. Additional information about the MSTI project is available at http://www.msti500kv.com

BPA is a non profit federal agency that markets renewable hydropower from federal Columbia River dams, operates three-quarters of high-voltage transmission lines in the Northwest and funds one of the largest wildlife protection and restoration programs in the world. BPA and its partners have also saved enough electricity through energy efficiency projects to power four large American cities. For more information, contact us at 503-230-5131 or visit our website at www.bpa.gov.

NorthWestern Energy provides electricity and natural gas in the Upper Midwest and Northwest, serving approximately 665,000 customers in Montana, South Dakota and Nebraska. More information on NorthWestern Energy is available on the Company's website at www.northwesternenergy.com.

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