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DEPARTMENT OF PUBLIC SERVICE REGULATION  
BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MONTANA

In Re NorthWestern Energy’s Large  
New Load Tariff Rule

Docket No. 2026.04.023

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**INTERVENORS’ MOTION TO CLARIFY THE SCOPE AND BRIEF IN  
SUPPORT**

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**MOTION**

Pursuant to Mont. Admin. R. 38.2.1501, Big Sky 55+, Butte Watchdogs for Social and Environmental Justice, Climate Smart Missoula, Helena Interfaith Climate Advocates, Honor the Earth, Montana Environmental Information Center, Montana Public Interest Research Group, and NW Energy Coalition (collectively “Ratepayer Advocates”) move the Commission to clarify and, if necessary, expand

the scope of Docket No. 2026.04.023 (“Tariff Docket”) to include issues related to ratepayer protective tariff terms, the creation of a new customer class, and proper cost allocation to ensure that large load data centers do not adversely affect NorthWestern Corporation’s d/b/a NorthWestern Energy (“NorthWestern”) other customers over the long term in accordance with Montana law.<sup>1</sup> Ratepayer Advocates also respectfully request a pre-hearing conference to define “the issues in the proceeding.” *See* Mont. Admin. R. 38.2.2701(1).

Counsel for Ratepayer Advocates conferred with all parties in the Docket. The Montana Department of Environmental Quality, Missoula County, Large Customer Group, and Northwest & Intermountain Power Producers Coalition do not have a position on the motion at the time of filing. NorthWestern opposes the motion. The City of Missoula does not oppose the motion.

### **BRIEF IN SUPPORT**

NorthWestern has announced plans to more than double its current average daily load in just a few years to serve large load data centers in Montana. *See* Dkt. No. 2025.11.084, Index #1, Compl. ¶¶ 1, 55–61 (Nov. 17, 2025) [hereinafter Compl.]. On March 31, 2026, NorthWestern filed its application for the Commission’s approval of the Large New Load Service Tariff Rule, Rule No. 24 (“LNL Rule”). Dkt.

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<sup>1</sup> In the alternative, Ratepayer Advocates have filed a motion to consolidate Docket No. 2025.11.084 and the Tariff Docket, which remains pending before the Commission. *See* Dkt. No. 2025.11.084, Index #68, Mot. to Consolidate Dkts. & Br. in Support (May 13, 2026). The Commission could resolve Ratepayer Advocates’ requested relief in this motion by either consolidating the Complaint Docket and the Tariff Docket, or clarifying and, if necessary, expanding the scope of the Tariff Docket.

No. 2026.04.023, Index #1, Appl. (Mar. 31, 2026) [hereinafter LNL Appl.]. The proposed LNL Rule defines the terms of service for data centers—large load electricity customers with an anticipated average load of at least five megawatts. *Id.* at 3–4.

State law prohibits NorthWestern from providing electricity supply service to retail customers with an average monthly demand load of equal to or greater than five megawatts until the Commission first determines that the provision of such service “will not adversely impact the public utility’s other customers over the long term.” Mont. Code Ann. § 69-8-201(1)(b). The requirements for public utilities and retail customers under Mont. Code Ann. § 69-8-201(1) is an issue of first impression.

A tariff alone—in the absence of a separate customer class for large load data centers and investigations into proper cost allocation—is insufficient to protect residential customers and small businesses from shouldering the costs associated with large load data centers. Additional regulatory mechanisms are necessary to prevent large load data centers from “adversely impact[ing]” NorthWestern’s other customers over the long term. *See id.*; Compl. ¶¶ 62–85, 142. These issues require comprehensive consideration by the Commission and meaningful opportunities for public participation. Thus, there is good cause and it is in the public interest for the Commission to clarify and, if necessary, expand the scope of the Tariff Docket to include additional mechanisms to protect NorthWestern’s existing ratepayers, including the creation of a separate customer class, proper cost allocation, and ratepayer protective tariff terms.

## LEGAL BACKGROUND

The Legislature has vested the Commission with broad, statutorily guaranteed regulatory authority over public utilities. *See* Mont. Code Ann. § 69-3-102 (granting the Commission “full power of supervision, regulation, and control of . . . public utilities”). These powers include the authority to define the scope of a docket. *See id.* § 69-3-103(2)(c) (granting the Commission power to “regulate the mode and manner of all investigations and hearings of public utilities”). The Commission’s rules favor “just and speedy determination of the issues” before it. Mont. Admin. R. 38.2.306. The Commission has previously relied on these broad authorities to expand the scope of dockets. *See, e.g.*, Dkt. No. D2005.12.177, Index #12, Not. of Comm’n Action (Mar. 13, 2006).

## ARGUMENT

There is good cause and it is in the public interest to clarify and, if necessary, expand the scope of the Tariff Docket to include issues related to: (1) the creation of a separate customer class for large load data centers; (2) proper cost allocation to ensure that costs related to the service of data centers are not shifted to residential customers and small businesses; and (3) the adoption of ratepayer protective tariff terms. First, the Tariff Docket presents an issue of first impression for the Commission with respect to Mont. Code Ann. § 69-8-201(1) and the Commission should consider all available regulatory mechanisms to prevent new large load customers from adversely impacting NorthWestern’s other customers over the long term. Second, expert testimony and discovery requests related to these issues would not “unduly broaden” the scope of the Docket. Finally, given the scale and speed of

data center interconnection requests in Montana, a holistic review of regulatory mechanisms to protect other ratepayers from adverse impacts is in the public interest.

**I. STATE LAW REQUIRES THE COMMISSION TO PREVENT NEW LARGE LOAD CUSTOMERS FROM ADVERSELY IMPACTING NORTHWESTERN'S OTHER CUSTOMERS.**

The Commission should expand the scope of the Tariff Docket to consider all regulatory mechanisms available to make a reasoned determination that NorthWestern's provision of electricity service to large load data centers will not adversely impact NorthWestern's other customers. State law prohibits a public utility from providing electricity supply service to a retail customer with an average monthly load of greater than or equal to five megawatts until the Commission first determines that the provision of such service "will not adversely impact the public utility's other customers over the long term." Mont. Code Ann. § 69-8-201(1). The Commission has interpreted this statute as prohibiting large load data centers from purchasing electricity service from NorthWestern "unless: (1) they request service from the utility, and (2) they demonstrate that the provision of that service will not adversely impact other customers over the long term, as determined by the Commission." Dkt. No. 2022.09.087, Index #28, Letter from Mont. Pub. Serv. Comm'n to Charles Lane, Dir. of Reg. Affs., NorthWestern Energy 2 (Sep. 3, 2025).

NorthWestern's interpretation of Mont. Code Ann. § 69-8-201(1) would prevent the Commission and the public from having a meaningful opportunity to consider the cumulative effects of large load data centers. NorthWestern has informed the Commission that it will only comply with Mont. Code Ann. § 69-8-

201(1) by “fil[ing] a large load tariff and submit customer contracts for Commission review,” and that filing “likely mitigates [NorthWestern and the Commission’s] difference of interpretation” of state law. Dkt. No. 2022.09.087, Index #29, Letter from Charles Lane, Dir. of Reg. Affs., NorthWestern Energy to Mont. Pub. Serv. Comm’n 3 (Sep. 17, 2025). Now, in its application, NorthWestern asserts that the proposed LNL Rule “addresses concerns over serving large loads, and the requirement that the commission determine new large load customers ‘will not adversely impact other customers over the long term.’” LNL Appl. at 4 (quoting Mont. Code Ann. § 69-8-201(1)).

The proposed LNL Rule, however, only allows for Commission review of certain large load customers: those with an average load of fifty megawatts or more. LNL Appl. at 7. Under NorthWestern’s proposal, data centers with an average load of five to forty-nine megawatts would evade opportunities for public scrutiny and the Commission’s review for adverse impacts, despite the Commission’s clear statutory obligations to the contrary. *Id.* at 8.

NorthWestern indicated that the utility would “file an application for a new customer class” for data centers. Ellis Juhlin, *Data Center Power Needs Could Mean Higher Costs for NorthWestern Customers*, Mont. Pub. Radio (Nov. 18, 2025), <https://www.mtpr.org/montana-news/2025-11-18/data-center-power-needs-could-mean-higher-costs-for-northwestern-customers> (quoting NorthWestern’s spokesperson Jo Dee Black) (submitted as Ex. 1). Its application for the LNL Rule, however, does not include any such provision.

In contrast, Ratepayer Advocates have asserted that a tariff alone is insufficient to prevent large load data centers from adversely impacting NorthWestern's other customers over the long term. Additional regulatory mechanisms are required to prevent cost-shifting. *See, e.g.*, Compl. ¶ 103; Dkt. No. 2025.11.084, Index #68, Complainants' Mot. to Consolidate Dkts. & Br. in Support 9–10 (May 13, 2026). Data centers are distinct from other large load customers, and distinct risks exist for NorthWestern's other customers if the utility makes investments to provide electricity service to data centers. Compl. ¶¶ 62–79. Ratepayer Advocates have urged this Commission to create a separate customer class for data centers, investigate appropriate cost allocation, and adopt tariff terms to support low-income ratepayers and provide incentives for data centers to procure clean energy generation to support grid reliability. *See id.* ¶¶ 134–46.

The Tariff Docket presents the Commission with an issue of first impression with respect to the requirements for public utilities and retail customers under Mont. Code Ann. § 69-8-201(1)(b). The Commission has extensive authority to create a new, distinct customer class for large load data centers, evaluate cost allocation between customer classes, and impose ratepayer protective tariff terms. *See* Compl. ¶¶ 134–37, 141, 143–45. Expanding the scope of the Tariff Docket would allow the Commission to better consider all regulatory mechanisms at its disposal to prevent large load data centers from adversely impacting NorthWestern's other customers. Expert testimony and discovery on a separate customer class for data centers, proper cost allocation, and ratepayer protective tariff terms would help

guide the Commission’s decision-making at this critical juncture for the stability of the State’s electric grid.

## **II. CUSTOMER CLASS AND COST ALLOCATION ISSUES WOULD NOT “UNDULY BROADEN” THE SCOPE OF THE DOCKET.**

The Commission’s rules only prevent Intervenor Ratepayer Advocates from “unduly broaden[ing] the issues in the proceeding.” Mont. Admin. R. 38.2.2407(7). The inclusion of the modifier “unduly” establishes that Intervenors may broaden the issues in the proceeding to reasonably ensure that the Commission considers issues relevant to exercising its regulatory obligations. *See id.*

The Commission’s intent to allow for the reasonable expansion of issues in a proceeding is clear from the plain language of the rules. *Cf. State v. Running Wolf*, 2020 MT 24, ¶ 15, 398 Mont. 403, 457 P.3d 218; *State v. Schultz*, 2025 MT 142, ¶ 9, 422 Mont. 504, 571 P.3d 685. “Unduly” means “excessively” or “more than is reasonable or necessary.” Unduly, *Merriam-Webster*, <https://www.merriam-webster.com/dictionary/unduly>; Undue, *Merriam-Webster*, <https://www.merriam-webster.com/dictionary/undue>. Here, broadening the scope the Tariff Docket to include other regulatory mechanisms to help the Commission make a no adverse impact determination under Mont. Code Ann. § 69-8-201(1) would not be “excessive” or “more than is reasonable or necessary” to comply with Montana law.

In fact, NorthWestern has repeatedly informed the Commission and the public that the place for this debate is in the Tariff Docket. For example, in its LNL Rule application, NorthWestern noted its “intention is to address the concerns raised about data centers and utility service.” LNL Appl. at 8. The utility previously

noted that the Tariff Docket would be a place “where Complainants can air their concerns before the Commission.” Dkt. No. 2025.11.084, Index #60, Resp’t NorthWestern’s Mot. to Dismiss 8 (Feb. 24, 2026). And NorthWestern encouraged the public to raise concerns about data center deals in the Tariff Docket. *See, e.g.,* Jason Merkel, *Straight Answers on Data Centers and Montana’s Energy Future*, Bozeman Daily Chronicle (Feb. 3, 2026), [https://www.bozemandailychronicle.com/news/jason-merkel-straight-answers-on-data-centers-and-montana-s-energy-future/article\\_77041ff5-4476-4c3b-95fc-03f9170726e3.html](https://www.bozemandailychronicle.com/news/jason-merkel-straight-answers-on-data-centers-and-montana-s-energy-future/article_77041ff5-4476-4c3b-95fc-03f9170726e3.html) (submitted as Ex. 2). Given NorthWestern’s public support for the Commission’s consideration of all issues raised by Ratepayer Advocates within the Tariff Docket, expansion of the docket to include issues related to a separate customer class, cost allocation, and ratepayer protective tariff terms would not be “more than is reasonable.”

### **III. CLARIFYING THE SCOPE OF THE DOCKET IS IN THE PUBLIC INTEREST AND GOOD CAUSE EXISTS TO GRANT THIS REQUEST.**

There is good cause to expand the scope of the Tariff Docket. First, expanding the scope of the Docket will conserve the Commission’s resources and increase efficiency. Second, expanding the scope of the Docket would support a holistic review of the impacts of new large load data centers on the grid. Third, clarifying the scope of the Docket is in the public interest because it will ensure adequate notice and meaningful opportunities for public participation.

Expanding the scope of the Tariff Docket to include issues related to the creation of a separate customer class for large load data centers, proper cost

allocation, and ratepayer protective tariff terms would allow the Commission to address issues currently pending in multiple dockets based on a single, comprehensive factual record, rather than risk review based on overlapping, but potentially disparate evidentiary records.

Further, a piecemeal approach to regulating large load data centers is contrary to the public interest. Under NorthWestern's proposal, the utility would only bring signed electric service agreements to the Commission for data centers with an average load of fifty megawatts or more. *See* LNL Appl. at 7. The Commission and the public would lack meaningful opportunities to review NorthWestern's agreements with data centers with an average load of five to forty-nine megawatts and miss the necessary opportunity for a comprehensive and holistic review necessary of multiple large load customers connecting to the grid.

The Commission cannot make an informed determination that a large load customer will not adversely impact NorthWestern's residential and small business customers over the long term without adequately considering the cumulative impacts of multiple large load data centers connecting to the grid in the next few years. NorthWestern has indicated its intent to at least double (and by some reports increase by tenfold) the utility's average daily load in the next few years. *See* Compl. ¶¶ 1, 55–61; Press Release, *Quantica Files Interconnection Applications to Expand Power Generation for its Big Sky Digital Infrastructure Campus*, <https://quanticainfra.com/2026/05/20/quantica-files-interconnection-applications-to-expand-power-generation-for-its-big-sky-digital-infrastructure-campus/> (May 20,

2026) (submitted as Ex. 3) (noting that Quantica’s interconnection application—previously disclosed as 1,100 MW—now “cover[s] a mix of 7,235 MW” of generation capacity from NorthWestern Energy). It would serve neither administrative efficiency nor informed decision-making for the Commission to take a piecemeal approach in its consideration of issues that are extraordinarily important to the future electricity rates of Montana customers.

Finally, given the tremendous public interest in these issues spanning across at least seven dockets before the Commission, it is in the public interest for the Commission to clarify the scope of the Tariff Docket to ensure adequate notice and meaningful opportunities for public participation. *See* Dkt. No. 2022.09.087, Commission Investigation of Montana Resource Adequacy and Risk Profile; Dkt. No. 2025.10.078, Joint Application for Merger Approval; Dkt. No. 2025.11.084, Complaint re: NorthWestern Energy’s Supply to Data Centers; Dkt. No. 2025.12.089, PSC Investigation into NWE’s Colstrip Generating Capacity; Dkt. No. 2025.05.038, NorthWestern Energy’s 2026 Integrated Resources Plan; Dkt. No. 2026.04.023, Application for Large New Load Tariff Rule; and Dkt. No. 2026.04.026, NorthWestern Energy’s 2026 Integrated Resources Plan.

Further clarity on the scope of the Tariff Docket would help ensure that Ratepayer Advocates and other parties are not deprived of their constitutional Right to Know and Right to Participate by (1) supporting the disclosure of information that the Commission will consider in its determination that large load data centers will not adversely impact NorthWestern’s other customers, Mont.

Const. art. II, § 9; and (2) providing the public with reasonable opportunities to participate in the Commission's comprehensive review of these issues, *id.* art. II, § 8.

## CONCLUSION

In sum, there is good cause and it is in the public interest for the Commission to expand or clarify the scope of the Tariff Docket to include issues related to a separate customer class, proper cost allocation, and ratepayer protective tariff terms. Through this motion, Ratepayer Advocates request that the Commission schedule a pre-hearing conference to confirm, and issue public notice that the scope of the Tariff Docket shall include:

1. The Commission's consideration of whether the creation of a customer class for new large load customers is necessary to protect NorthWestern's other customers from adverse impacts as required by Mont. Code Ann. § 69-8-201(1)(b);
2. The Commission's consideration of whether additional tariff terms, other than those proposed by NorthWestern in the Tariff Docket, are necessary to protect ratepayers; and,
3. The Commission's investigation into cost allocation to protect NorthWestern's existing customers from subsidizing the costs associated with NorthWestern's provision of electricity supply service to new large load customers.

Respectfully submitted on this 9th day of July, 2026.

/s/ Maxine C. Sugarman

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## CERTIFICATE OF SERVICE

I certify that on July 9, 2026, I caused a true and accurate copy of the foregoing document to be e-filed with the Montana Public Service Commission in Docket No. 2026.04.023 and served by email to the following:

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