

# The Colstrip Power Heist

*The Biggest Energy Backroom Deal in Modern Montana History*

By Lisa Bennett

## A Transfer That Changed Everything—Quietly

In late 2025, NorthWestern Energy executed a transaction that carries sweeping implications for Montana's energy future. The company arranged for Puget Sound Energy's 370-megawatt share of Colstrip Units 3 and 4 to be transferred not into the regulated utility that serves Montana families, but into a newly created, unregulated affiliate: Colstrip 370Pu LLC.

In a November 7 letter to the Montana Public Service Commission, NorthWestern acknowledged that assigning the acquisition contract to the unregulated subsidiary "ensures local operational control... while shielding customers from costs." But the documents show something far more consequential: Montana ratepayers were cut out of access to 370 megawatts of power that NorthWestern acquired for free — and the company positioned that energy for sale to a single large customer, likely a data center.

## The Only Two Commissioners Who Fought Back

PSC Commissioners Brad Molnar and Randy Pinocci were the only members of the five-person Commission who intervened at FERC to challenge the transaction.

In their February 24 filing, they warned that NorthWestern's response to FERC's deficiency letter "did not respond to the questions raised" and failed to justify the claim that the Colstrip asset had zero market value. They also highlighted the central danger:

"If these rate-based electrons are contracted to a large use customer they will not be available to help Montana's families, farmers, or small business."

Molnar and Pinocci were the first to publicly connect the dots: NorthWestern was attempting to move a valuable, rate-based resource into an unregulated shell company so it could be sold to a single large customer instead of serving Montana households.

## The PSC Majority Steps Aside

While Molnar and Pinocci fought to keep the 370 MW under Montana regulation, the PSC majority—President Jeff Welborn, Vice President Jennifer Fielder, and Commissioner Annie Bukacek—took a different path.

They withdrew the PSC's protest at FERC, claiming the filing contained "errors," but they refused to identify what those errors were. Molnar and Pinocci repeatedly asked for clarification. None was provided.

The withdrawal left Montana ratepayers without institutional representation in the federal proceeding—at the exact moment NorthWestern was finalizing a 21-month contract to sell all 370 MW to Mercuria Energy, locking the power into wholesale markets instead of Montana homes.

## A Convenient Alignment With the Governor's Priorities

For years, Governor Greg Gianforte has made it a priority to recruit large-scale data centers to Montana, promoting the state as a destination for high-energy-use technology companies. That economic strategy is well known. But the timing of NorthWestern Energy's Colstrip maneuver—and the regulatory decisions surrounding it—raise questions that many Montanans are now asking.

NorthWestern acquired the 370-megawatt Puget share for free, then moved it into an unregulated affiliate where the power could be sold on the open market. The 21-month Mercuria contract aligns neatly with the timeline of anticipated data-center development in the state. And the PSC majority—three commissioners widely viewed as politically aligned with the Governor—voted to withdraw the Commission's protest, clearing the path for the unregulated sale of that power.

There is no evidence of coordination between



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the Governor's office and NorthWestern Energy. But the outcome is undeniably convenient: a block of nearly free Montana power, removed from ratepayer control, positioned perfectly for a large new industrial customer.

Molnar and Pinocci, who have often disagreed with attorney Monica Tranel on other issues, independently reached the same conclusion she did: the structure of the transaction overwhelmingly benefits a future data center, not Montana families. Their filings show that they recognized the pattern early and attempted to stop it, only to be overruled by the PSC majority.

The coincidence is striking. The beneficiaries are clear. And the people left paying the bill are Montana's everyday ratepayers.

## A Pattern That Hurts the Republican Brand

This episode also highlights a deeper political tension inside the Republican Party — one that many conservatives across the country have been talking about for years.

When maneuvers like this occur, it is often the Republican Party as a whole that takes the blame. To many voters, it looks like the GOP is siding with large corporations over working families. But what is frequently overlooked is that these decisions are not being driven by grassroots conservatives. They are being driven by the establishment wing — the faction sometimes jokingly referred to by activists as "RPG Republicans: Republicans for Personal Gain."

### In this case, the divide is unmistakable:

- Grassroots conservatives — Molnar and Pinocci — fought to protect ratepayers.
- The establishment-aligned majority — Welborn, Fielder, and Bukacek — cleared the path for a corporate-friendly outcome.

Molnar and Pinocci's actions show that not all Republicans operate the same way. Their filings, their persistence, and their willingness to challenge their own Commission demonstrate that true conservative principles — transparency, accountability, and protecting working families — still exist inside the party.

But episodes like this are exactly what damage the GOP's reputation. They reinforce the perception that the party is controlled by insiders who prioritize corporate interests over the people they were elected to serve.

## Tranel's Filing: The Missing Piece of the Puzzle

Attorney Monica Tranel filed an emergency motion in the PSC's merger docket that expanded and reinforced the concerns Molnar and Pinocci had already raised.

Her filing states: "**NorthWestern's proposal... is a shell game designed to serve AI data centers over everyday Montanans.**"

Tranel documented that NorthWestern acquired the 370-megawatt Puget share for free, then chose not to place that power into regulated rate base where it could lower bills for existing customers. Instead, the company moved the asset into an unregulated affiliate, beyond the direct reach of the PSC.

Tranel shows the process is being slanted heavily in favor of NorthWestern Energy and Black Hills without an evidentiary base. It puts the 370 megawatts asset in the hands of NorthWestern Energy and the sale of that 370 megawatts becomes an asset of Black Hills when the merger of Black Hills and NorthWestern Energy goes through. Because Black Hills covers other regions, the power over the 370 Megawatts will be taken out of the

Montana PSC hands once the merger happens because it will no longer be just a Montana asset. The unfettered merger of Black Hills and NorthWestern Energy is because the coming together of them will allow them to control energy in favor of more profitable data center contracts. Montana PSC Commissioner Molnar is concerned that "The entire merger is based on the desire to serve data centers at a higher rate of return than the general public, Montana residential ratepayer. If NorthWestern gets away with this they will have the most profitable contract for energy for data centers."

She further noted that the 21-month Mercuria contract aligns with anticipated large-load development, including data centers. Internal planning materials, she explained, show that the recent Colstrip acquisitions were executed specifically to support large-load customers, even if those customers are described only in confidential terms. In that context, the PSC majority's withdrawal did not simply tidy up a docket—it left the public unprotected.

Tranel also underscored the imbalance facing Montana ratepayers. On one hand, they are being asked to shoulder roughly \$256 million in remaining costs for NorthWestern's regulated 222-megawatt Avista share of Colstrip. On the other, an unregulated affiliate has acquired 370 megawatts for free and is free to market that power. The result, she argues, is that Montana customers are being positioned to subsidize corporate expansion and data-center development while losing access to some of the cheapest power available in the state.

Her analysis complemented and strengthened the warnings already raised by Molnar and Pinocci. These three working independently, are the only ones working to protect Montana ratepayers.

## Why It Matters

If the 370 megawatts are treated as a regulated, rate based resource, Montana families stand to benefit from some of the lowest cost electricity in the country. Schools and public buildings could see significant savings, reliability during extreme cold snaps would improve, and the state would gain a meaningful competitive edge in attracting and retaining employers.

If, instead, the 370 megawatts remain a market based asset in an unregulated affiliate, Montana households receive no direct benefit. A single large customer—most likely a data center—gets access to cheap Montana power, while existing ratepayers are left to finance new generation to meet their own needs. In that scenario, the unregulated arm of NorthWestern profits from wholesale sales, even as the regulated utility seeks higher rates from captive customers.

As Molnar and Pinocci warned in their FERC filing, "Selling everything to one large load customer would accomplish neither" affordability nor reliability.

## The Bottom Line

Taken together, the documents outline a clear pattern:

- NorthWestern engineered a regulatory bypass.
- The PSC majority—Welborn, Fielder, and Bukacek—stepped aside at the critical moment.
- Molnar and Pinocci identified the danger early and documented it in detail.
- Tranel expanded the record, exposed the merger implications, and confirmed the data center connection.
- All three — Molnar, Pinocci, and Tranel — worked, independently but aligned, to defend Montana ratepayers.

This is not a partisan fight.

It is a question of governance, transparency, and whether Montana's energy system will primarily serve its people—or be quietly redirected to serve a single corporate customer.

Molnar, Pinocci, and Tranel have all raised the alarm.

The unresolved question is whether Montana's institutions—and its voters—will act before the consequences become locked in and irreversible. 🚨