WALL STREET MEETS BIG ENERGY

The Looming Corporate Power Grab Threatening Montana's Grid

By Lisa Bennett

Across the Western United States, a massive consolidated monopoly is taking shape behind closed doors—and Montana ratepayers are positioned to bear the burden.

The proposed merger between NorthWestern Energy and Black Hills Corporation aims to forge a regional energy giant serving 2.2 million customers across eight contiguous states. Corporate executives pitch the deal under glowing promises of "enhanced scale" and multi-billion-dollar infrastructure investments. Yet, a closer look at institutional stock holdings, past rate-payer history, and the state's regulatory climate reveals a stark reality: Montana faces an unprecedented concentration of power that threatens local economic sovereignty and utility affordability.

Who Owns Black Hills? Wall Street's Heavyweights

While utility companies market themselves as local community servants, their underlying ownership paints a distinctly financialized picture. Institutional mega-investors dominate the capital structure of Black Hills Corporation.

Leading the pack of institutional owners are institutional investment titans:

- **BlackRock Institutional Trust Company, N.A.** holds approximately 13.97% to 14.6% of Black Hills stock.
- **Vanguard Portfolio Management, LLC** and **Vanguard Capital Management, LLC** collectively hold over 11% of total shares.
- **State Street Investment Management** controls nearly 5%.

Together, Wall Street asset management firms and hedge funds control over 80% of Black Hills Corporation. When decisions are made at the executive level, the primary imperative is driving quarterly shareholder earnings and target returns for multinational financial institutions—not lowering monthly electric bills for working families in Billings or Great Falls.

The Acquisition Track Record: Rate Increases and Infrastructure Debt

History offers a clear guide to what happens when Black Hills expands its footprint. Across previous acquisitions and regional utility operations in Wyoming, Colorado, and South Dakota, the company has repeatedly filed for rate adjustments to recover infrastructure costs and capital expenditures.

© Elantsev | Dreamstime.com

In Colorado and Wyoming, base electric rate reviews and rider adjustments have consistently pushed residential electric costs higher. Ratepayers in acquired territories have seen regular hikes driven by capital recovery mechanisms, demand charges, and transmission line rebuilds. When private entities absorb local systems, guaranteed returns on capital investments ensure that corporate expansion is subsidized directly by residential and small commercial customers.

Public Accountability Dodged: CEO Refuses to Testify

In proceedings before the Montana Public Service Commission (PSC), critical questions regarding corporate accountability have been met with silence from top executives.

Public Service Commissioner Brad Molnar, who was recently striped of his duties by a vote from three of his fellow commissioners on the MT PSC (Jennifer Fielder, Jeff Wellborn and Annie Buchacek, highlighted this glaring lack of transparency during recent evidentiary hearings. While NorthWestern Energy CEO Brian Bird and CFO Dale Lail appeared to offer testimony, the Chief Executive Officer of Black Hills Corporation, the very entity slated to hold majority control, refused to show up and testify under oath.

"Where is the CEO of Black Hills? He's going to be the majority holder. Where's his CFO?" **Commissioner Brad Molnar noted.** *"The people they sent up were people that would be on the board if a new entity emerged... They will fabricate a story. Why would the PSC go through with the merger?"*

Molnar criticized the regulatory environment, pointing out that top leadership dodged entering formal testimony into the official record to avoid direct cross-examination regarding executive compensation packages, corporate debt transfers, and actual operational strategies.

© Ralwel | Dreamstime.com

Grid Interconnects, Data Centers, and the Risk of Western Oligopoly

The true strategic value of the merger lies in controlling critical regional transmission interconnects. By merging NorthWestern and Black Hills, the combined entity—proposed under the banner of Bright Horizon Energy Corporation—would control a massive transmission web spanning from the Pacific Northwest down through the Rocky Mountain region.

This consolidated control creates a virtual regional oligopoly over high-voltage power routing. At the center of this power push is the massive demand from commercial data centers.

Key dangers facing Montana ratepayers include:

- **Shifting Data Center Costs onto Residents:** While industrial data centers receive preferential tax treatment—such as reduced property tax rates—the heavy grid backup commitments required to serve them (often requiring double the megawatt capacity for redundancy) threaten to strain grid capacity.
- **Billion-Dollar Transmission Liabilities:** Despite initial claims that no major buildouts would be needed, regulatory disclosures reveal potential billion-dollar transmission expansions. If commercial tech tenants abandon facilities, local ratepayers remain on the hook for stranding transmission line costs.
- **Erosion of Local Ratepayer Representation: By spanning eight state jurisdictions, no single state commission will oversee more than 33% of the company's combined business. This diluted oversight makes it far easier for corporate executives to bypass local public utility commissions and push through systemic rate hikes.**

If left unchecked by regulatory interveners and public oversight, Montana risks surrendering its energy grid to out-of-state monopolies, where decisions serving Wall Street index funds will dictate the cost of heating local homes and the MT PSC will have little say in the power that powers Montana or the rates charged.