

RESOLUTION NO. 2024-1

**A RESOLUTION TO TERMINATE THE NETWORK INTEGRATION TRANSMISSION SERVICE AGREEMENT WITH NORTHWESTERN ENERGY**

**WHEREAS**, the Town of Philipsburg (“Philipsburg”) owns two hydro-electric generators;

**WHEREAS**, in the past, Philipsburg has used the power generated by the projects to supply electricity to itself and to the Philipsburg School District #1 (“School District”);

**WHEREAS**, Philipsburg and the School District have signed multiple “End-User Electricity Purchase Agreements,” where Philipsburg agrees to supply/sell all electricity needed to the School District and the School District agrees to purchase all electricity from Philipsburg at the price that it costs Philipsburg to supply the electricity;

**WHEREAS**, to transport the electricity from the generators to itself and the School District in usable form, the Town has entered into a Network Integration Transmission Service Agreement (“NITSA”) with NorthWestern Energy (“NorthWestern”), in order to use NorthWestern’s transmission and distribution systems;

**WHEREAS**, the generators are currently offline (non-functioning) and have not supplied electricity to Philipsburg or the School District since 2020;

**WHEREAS**, since the generators are not generating (i.e. not supplying energy), NorthWestern Energy has been charging Philipsburg for ancillary services pursuant to the NITSA and its applicable Open Access Transmission Tariff resulting in NorthWestern charging Philipsburg the cost of buying energy to make up for the resulting energy imbalance on NorthWestern’s system; and

**WHEREAS**, these costs have been significant, and it has been increasingly burdensome for Philipsburg to continue to pay the costs.

**NOW, THEREFORE, BE IT RESOLVED** by the Town Council of Philipsburg that Philipsburg wishes to terminate the NITSA with NorthWestern Energy at the earliest time possible in order to stop paying the energy imbalance charges that accumulate every month;

**BE IT FURTHER RESOLVED** that Philipsburg wishes to become a default customer (or similar) of NorthWestern Energy and take retail electric service for its electricity supply needs;

**BE IT FURTHER RESOLVED** that Philipsburg wishes to terminate the End-User Electricity Purchase Agreement with the School District at the earliest opportunity.

ADOPTED AND PASSED by the Town Council of Philipsburg this 16<sup>th</sup> day of January, 2024.

*Daniel Reddish*

By: Daniel Reddish

Mayor of Town of Philipsburg

ATTEST: *Rachel Parat*

By: [name of clerk]

Clerk of Town of Philipsburg

