

MONTANA CURRENTS



Winter 2008

PPL Montana plans expansion of Rainbow hydro plant near Great Falls

Project would increase output of clean, renewable energy and improve fisheries on Missouri River

PPL Montana plans to nearly double the amount of clean, renewable electricity produced at its Rainbow hydroelectric plant on the Missouri River near Great Falls by constructing a new powerhouse with a 60-megawatt turbine that has an improved, fish-friendly design.

“The redevelopment of our Rainbow hydroelectric plant will add renewable energy in an environmentally friendly way and help meet the region’s need for new sources of clean, reliable electricity generation,” said Brad Spencer, PPL Montana’s vice president and chief operating officer. “It’s part of our ongoing commitment to make sound financial investments, while operating our generating plants safely and in an environmentally sensitive way.”

Subject to approvals, PPL Montana will begin construction in spring 2009 of a new powerhouse. All eight of the smaller existing units at Rainbow Dam, which have a combined capacity of 35 megawatts, will be eventually replaced with a single 60 megawatt unit — big enough to power approximately 45,000 homes. The facility is targeted to be in service by spring of 2011.

The new larger turbine offers a significantly more fish-friendly design than the current small turbine configuration, including wider flow passages, fewer rotating surfaces and improvements to the turbine intake screens.

As part of the project, a new powerhouse will be built on the hillside about 200 feet downstream of the existing powerhouse, which will be shut down upon completion of the project.

Rainbow Dam, located between PPL Montana’s Black Eagle and Cochrane dams, began operation in 1910. PPL Montana operates eight hydroelectric plants and one reservoir along the Missouri and Madison rivers under the Project 2188 federal operating license. Through this license, PPL Montana works with state and federal agencies and the public to implement a diverse array of resource and recreational stewardship

projects along the banks of the Missouri and Madison rivers.

PPL Montana also operates the Black Eagle, Cochrane, Ryan and Morony dams on the Missouri River near Great Falls.



PPL Montana’s Rainbow Dam sits on top of Rainbow Falls, just up river from Crooked Falls. It was the second dam to be built on the Missouri River at Great Falls.

Get to know the PPL Montana Community Fund Advisory Board members

Montana Currents is introducing members of the PPL Montana Community Fund Advisory Board, a group dedicated to making a difference in the lives of Montana families and communities.

PPL Montana is committed to working with Montana communities and this board to improve the quality of life for today and tomorrow.

Meet Vicki Coffman

Vicki Coffman: Professor emeritus of communication and theatre, Montana State University-Billings. A long-time Montanan, she joined the PPL Montana Community Fund Advisory Board last year.

How do you see the role of the advisory board?

It has been an honor to be invited to serve on the PPL Montana Advisory Board. Our role is to carefully scrutinize the many requests we receive for financial assistance from the community fund. As advisory members it's very important that

we know our own communities and recognize the needs of the many organizations in our area. It's also critical that we listen carefully to the project needs from around the state, especially those from small isolated communities. I feel a sense of pride to be a Montanan when I read the great things that are happening throughout our state. For us, the responsibility for granting money is both rigorous and a privilege.

What do you hope to accomplish during your term on the advisory board?

I've been thrilled to be exposed to people on our board from such diverse backgrounds. During this time of national discussion concerning our energy, I am excited to learn more about the great dams and power plants in our state. I want to be able to be more knowledgeable about energy needs and what all of us can do to make our state prosper. The greatest accomplishment as a board member is to know that I am able to make a difference by providing



assistance to projects which might never be fulfilled had it not been for our funds.

What are your other interests when you're not working with community fund grants?

I have a fabulous husband, three children and five grandchildren. After 40 years of being a professor at Montana State University-Billings it is wonderful to finally have time to savor each and every one of them. I also love foreign films, cooking, opera, the Puget Sound and Pinot Noir.

Planting seeds for economic development

Economic development is one of PPL Montana's guiding principles, and the company's relationship with the Montana Economic Developers Association (MEDA) is planting seeds for new jobs and opportunities.

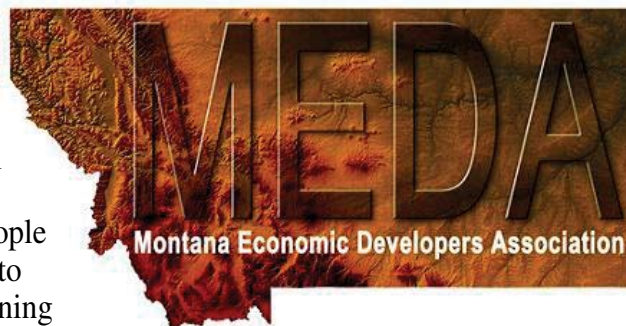
As part of its outreach to build economic development partnerships, PPL Montana sponsored a training program in 2007 that included consultation with national experts in economic development. This course was the first in a series of six, after which participants can test for their International Economic Development Council certification. Currently there are fewer than 10 IEDC certified people in the state. PPL has committed to MEDA to sponsor two more training

programs in 2008.

"We welcomed PPL Montana's involvement because they share our passion about the economic health of Montana and the importance of creating jobs and healthy communities across the state," said Gloria O'Rourke, MEDA's coordinator.

"The company's sponsorship brought high level economic development training to Montana that helped our members look for ways to create and sustain jobs and learn about entrepreneurial opportunities and small business development," she said.

PPL Montana helped provide training for 60 people, many



PPL Montana's Mystic Lake Dam earns renewed operating license

Plant is first hydroelectric facility to renew its license under new federal process

Among the PPL Montana family of hydroelectric plants, Mystic Dam isn't exactly the largest sibling in the brood.

But this 12-megawatt dam in the Beartooth Mountains recently received a huge boost in

stature. It achieved national attention by becoming the first hydroelectric facility in the United States to receive a 40-year license under a new, accelerated federal process that promotes public participation.

"Because Mystic is one of our most remote hydroelectric facilities, we had to be creative and timely in how we communicated our progress under FERC's new integrated licensing process," said Jon Jourdonnais, PPL Montana's director of Hydro Licensing and Compliance.

Relicensing is part of the life of every hydroelectric plant. Every 30 to 50 years, power companies that use dams to produce energy must seek renewal of their licenses from the U.S. Federal Energy Regulatory Commission.

PPL Montana's strategy was to build trust and collaborate in good faith with key stakeholders who have an interest in the Mystic project, Jourdonnais said. It included meeting with more than two dozen state and federal wildlife agencies, recreation groups and conservation organizations over three years prior to filing the license application.

"PPL Montana's collaborative efforts in the Mystic Lake proceeding helped pave the way to a successful integrated licensing process," said



Members of the "Beartooth Paddlers Society" take the whitewater challenge on West Rosebud Creek. The club, representing canoeists, kayakers and rafters, was one of about two dozen groups that worked with PPL Montana on the relicensing of Mystic Dam.

FERC spokeswoman Celeste Miller.

For example, kayakers come to Mystic in late summer to take advantage of the dam's flows into West Rosebud Creek. As part of the license agreement, PPL Montana will build improved public recreation access facilities.

Other projects resulting from the new license include monitoring of fisheries, wildlife and water quality; water flow management to protect fish during times of low water; trail upgrades; and development of a carry-in boat launch facility and handicapped accessible fishing opportunities at West Rosebud Lake.

As a result of all the pre-application work, Mystic Dam received its new federal license just one year after the application was filed. Prior to the new process, it generally took several years to receive a license from the date an application was filed with the commission.

Mystic Dam continues to play an important role in helping PPL meet the need for sources of clean, reliable electricity generation.

"It's also a symbol of our commitment to being responsible stewards of Montana's treasured natural resources," Jourdonnais said.

Corette power plant earns federal re-certification for safety excellence

Employees of PPL Montana's Corette power plant in Billings have achieved their "Star" re-certification in the U.S. Occupational Safety and Health Administration's Voluntary Protection Program.

Corette, along with PPL Montana's Colstrip power plant and Kerr Dam, are part of a select group of about 1,900 worksites nationwide that have earned VPP status. VPP recognizes the outstanding efforts of employers and employees who have achieved exemplary occupational safety and health.

The Corette power plant received its VPP Star in 2005, becoming the first industrial site in Montana to earn the distinction.

"The site had an impressive safety and health management system three years ago, and that program has evolved even further in the intervening years," said Brad Baptiste, VPP manager in OSHA Region VIII in Denver. "Everyone at the site can be proud of their hard work and diligence."



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Planting seeds (continued from page 2)

of whom are MEDA members. These included representatives from state agencies, private businesses, economic development organizations, tourism and commerce and small business development groups.

A MEDA member since 2001, PPL Montana is serving as a sponsor to once again bring high level training to those working in the field of economic and community development. O'Rourke said the training is important for all members, particularly those who work with small staffs.

"With this training, PPL Montana is equipping our members with creative solutions to balance so many competing interests and still stay focused on creating jobs and improving the economy," O'Rourke said.

"Thanks to PPL Montana working with MEDA, together we're building a higher level of expertise in the economic and community development profession across the state," she added. "These highly skilled professionals will in turn share their expertise with community leaders and businesses on a daily basis, making a difference in Montana."

Correction: The Montana History Foundation applied for a grant and raised \$100,000 for a Montana history textbook project for seventh-grade students. An article in the fall 2007 edition of Montana Currents misidentified the organization.

Montana Currents is your source of information about PPL Montana's commitment to the environment and our communities. It's just one more way we're putting our energy into Montana communities.

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