

For Immediate Release
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Partial Award Announced for the Cost of Kerr Project

(Polson, Mont.) — After several days of intense arbitration hearings, now the Confederated Salish and Kootenai Tribes have some answers on the cost of purchasing the Kerr Hydroelectric Project from the current owner, PPL Montana, when the Tribes get the chance to sign on the dotted line in September 2015.

During extensive hearings, held in Newport, Calif, the Tribes and PPL Montana got the opportunity to present their cases in front of a three-person American Arbitration Association (AAA) panel.

At the heart of the hearings was the disputed price the Tribes will have to pay for acquiring the Kerr Project, with PPL Montana asserting that the acquisition cost should be \$49.4 million, and the Tribes asserting a much lower price of \$13.5 million.

Now, shortly after wrapping up the last witness testimony, on January 29, the arbitration panel provided both parties with a Partial Award that dictates the cost of some items and amounts in the estimated conveyance price including:

A. Communications Equipment - \$15,250

Both CSKT and PPL Montana agree this item should be included in the conveyance price.

B. Tangible Plant - \$16,562,540

Although, CSKT asserts that the method PPL Montana used to calculate depreciation on the facilities resulted in a higher amount, with a difference between the two at approximately \$1.9 million, the panel agreed with PPL Montana's cost for this item.

C. Flooding Rights - \$0

For this PPL Montana tried to include \$987,300 in the price tag, as part of their legal defense costs in a long-standing lawsuit over flooding rights at Flathead Lake. The panel disagreed with PPL Montana, telling the company that these costs will not be included in the Tribes acquisition price for the Kerr Project.

D. Severance Compensation - \$0

Proposed by PPL Montana at \$102,700 for employee severance costs, the panel determined that this amount should have never been included, and is now rejected.

“We are pleased,” said Brian Lipscomb, CEO of Energy Keepers, Inc. the tribal corporation tasked with the acquisition and management of the Kerr Project. “Through these hearings, we got our day in court, and this partial award reflects some significant wins for the Tribes. We feel optimistic that our position is solid, and that our team did an excellent job in presenting our case before the panel. Now we will wait and anticipate their ruling that we expect to reflect what we agreed to in 1985 for the remainder of items in question.”

Outstanding items in the purchase price include the environmental mitigation costs that PPL Montana contends should be included, at an additional cost of \$31.7 million.

Now that the hearings have concluded each side will focus on this outstanding item, submitting their final briefings and arguments, with a final decision expected by the panel on March 5.

“I was proud to watch our side present their case,” said Carole Lankford, vice chair of the CSKT council. “Our team was well-prepared and had a good strategy for presenting our positions in front of the panel. This issue is so critical for our Tribes, and one that has been a long time coming for our community. It is an honor to sit on the Tribal Council today and watch these events unfold knowing that since the very first rocks were laid to create Kerr Dam, our people have dreamed of taking this important place back. Now we are so close, it really is a significant moment in our history.”

Alongside the management of the arbitration process, EKI faces less than 20 months until the acquisition date for the Kerr Project and continues to prepare for the management and operation of the hydroelectric facility.

For more information about Energy Keepers, Inc., please visit the website at www.EnergyKeepersInc.com For more complete details about the arbitration process, please visit: www.energykeepersinc.com/resources/arbitration/

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