

Montana Public Power still wants NorthWestern deal

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NEW YORK, Dec 20 (Reuters) - A consortium of Montana cities that has tried for months to acquire NorthWestern Corp. (NWECC.O: Quote, Profile, Research) on Tuesday said it still wanted to buy the utility operator and insisted any sale process would not be fair unless it was included.

In a letter to NorthWestern's board, Montana Public Power Inc. said that to smooth negotiations, it would be willing to enter into confidentiality and standstill agreements, areas that have been a sticking point in a rival bid from Black Hills Corp. (BKH.N: Quote, Profile, Research)

MPP is offering \$32.50 per share in cash to acquire NorthWestern, an offer the company has rejected repeatedly as both inadequate and too difficult to consummate.

Black Hills is offering \$33 to \$35 per share in stock, and while NorthWestern says it is open to negotiations with that company, the two sides have sparred over the terms and conditions of how they would negotiate in the first place.

NorthWestern's largest shareholder has advocated taking the Black Hills bid, having at one point urged the company to more seriously consider the MPP offer. NorthWestern and its advisors are reviewing potential options for the company.

"You have said that you are evaluating all strategic alternatives and we expect to be part of your process," MPP said in the letter.

"We believe that holding a full and fair auction of the Company with all interested parties having the same opportunity to evaluate the Company allows the Board to fulfill its fiduciary responsibility and provides the best and most transparent means of maximizing value for all shareholders."

NorthWestern shares were down 4 cents at \$31.26 in afternoon Nasdaq trade.

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