



Energy and Telecommunications Interim Committee

65th Montana Legislature

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DRAFT

September 15, 2017

TO: Energy and Telecommunications Interim Committee Members
FR: Trevor Graff

House Joint Resolution No. 28, passed and approved by the 2017 Legislature, proposes the study of natural gas consumer choice in eastern Montana. NorthWestern Energy customers in western Montana are currently able to choose their natural gas provider. The same choice is not available to MDU customers in the east.

As an initial step in the ETIC's study process, members may amend and submit the following questions for review by MDU. Staff Would request response by Nov. 1 and review the responses in cooperation with the Public Service Commission in advance of the January ETIC meeting.

1. Detail the potential costs incurred by integrating customer choice with MDU's natural gas infrastructure. What are the contributing factors to the projected costs?
2. What are the projected additional costs to consumers if natural gas consumer choice is integrated in MDU's natural gas system?
3. Detail 2016 natural gas transmission and maintenance costs.
4. What is required of MDU to service a customer who buys gas from an independent supplier if the law changes?
5. What steps would MDU take to update current infrastructure in order to allow independent suppliers to deliver gas over the transmission system?
6. What technology is available to provide for that transition?
7. Describe MDU's natural gas procurement infrastructure. How do MDU procurement volumes compare to those of other Montana utilities and independent suppliers?
8. What are MDU's current rate structures and how might those rate structures change after integrating consumer choice?
9. How do MDU's natural gas rates compare to other utilities and suppliers in the state?
10. Describe the possible billing processes for customers who might elect to buy gas from an independent supplier. At the customer level, how would billing be completed?
11. What, if any, additional programming or staffing would MDU expect to administer a

consumer choice program?

12. Are there structural differences between NorthWestern Energy and MDU that complicate consumer choice on the MDU system?
13. How do other states serviced by MDU's natural gas infrastructure approach consumer choice policies?

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