

# Montana Consumer Counsel

## 8/27/18 STATUS OF CASES

*NWE v. PSC* – Cause No. DV 16-1236 – **Complaint**, filed 9/14/16 in 13<sup>th</sup> Judicial District Court, Yellowstone County.

- Complains that Order 7283h, disallowing Colstrip 4 replacement power and modeling costs is arbitrary and capricious, clearly erroneous, based on an error of law and result of unlawful procedure. [Order 7283h: NWE failed to demonstrate that it acted prudently in managing, operating and monitoring the plant; NWE failed to adequately mitigate risks; inclusion of replacement power costs would not result in just and reasonable rates; although risk of interlaminar insulation damage during rotor reinsertion is low, consequences are high and relatively simple El Cid test was available to help detect the problem; failure to mitigate risks by investigating outage insurance was imprudent; NWE failed to present witness testimony regarding operation and maintenance of CU4, and failed to meet its burden of proof; NWE did not investigate alternative options for cost recovery; NWE must refund \$8,243,000, plus interest at 10.25%];
- MCC Motion to Intervene and Answer filed 11/14/16.
- Oral argument held 6/1/17.
- Order and Memorandum issued 7/29/18: rejects NWE’s posited “reasonable utility” standard and finds commission has wide latitude to evaluate prudence; utility has burden of proof to establish prudence; imprudence of a third party vendor may be imputed to the utility; substantial evidence supports finding of imprudence; NWE was imprudent for evaluating insurance only after the fact; NWE was imprudent in not considering litigation against 3<sup>rd</sup> parties; Commission decision to disallow replacement power costs is affirmed.

*NWE* – [D2014.7.58](#) – **Electric Supply Cost Tracker**, filed 5/29/15. This proceeding considered a true-up of electricity supply costs for tracker year ending 6/30/15, with projected loads and costs for year ending 6/30/16. Net unreflected balance of \$5,781,794. Combined with forecasted supply, net result is a typical res. decrease of 3.4% (supply-related costs). \$3.06/mo. Includes projected lost revenues of \$16,385,311.

- Notice of Application and Intervention Deadline issued 6/2/15.
- MCC intervened 6/9/15.
- Interim Order No. 7418 issued 6/24, approving rates on interim basis.
- Procedural Order No. 7418a issued 7/31/15. Hearing set 12/8/15.
- [MCC Testimony](#) of Dr. John Wilson filed 10/7/15: lost revenue claimed has grown substantially and is \$12.8M for 2014/15, and \$16.3M for 2015/2016; this is due to estimates of new lost revenues and the carry forward in each subsequent year; only 11% of 2015/16 estimate relates to DSM in that year; \$8M of claim for past two years relates to CU4 [Colstrip 4] even

though all power was sold and revenue exceeded last authorized amount; PSC should conclude that lost revenues are not supply costs and exclude lost revenues from calculation of rates; In 2012-14 NWE received \$650K of PTCs [production tax credits] related to Spion Kop that it did not flow through but should; counterparties in NWE's hedging transactions are financially sophisticated firms that try to realize gains; PSC has previously recognized this concern; for period 7/11-6/15 NWE has lost \$78.4M on hedging transactions, and is estimating an additional \$17.6M loss in upcoming period; only 3% of on-system requirement will be met with purchased supplies at index prices, so there should be little price volatility; NWE should be ordered not to engage in new hedges; hedges entered into after Hydros purchase should be deemed imprudent.

- [MCC/NWE Stipulation](#) filed 11/17/15: NWE will make compliance filing removing lost revenues as required by LRAM order; \$650,430 reduction to reflect actual Spion Kop PTCs received by NWE in 2012-2014; no new purchases of fixed price firm power for hedging purposes without PSC approval.
- Hearing held 12/8/16.
- Notice of Commission Action issued 2/24/16, reopening proceeding to evaluate certain administrative expenses, including planning, modeling and administrative costs associated with utility-owned assets and the 2014 RFP for CREPs. Approved the Stipulation "with the exception of approving administrative costs on a final basis."
- Procedural Order on Rehearing issued 3/8/16. Hearing set 5/4/16.
- NWE Motion for Reconsideration, filed 3/18/16, declining to address additional issues.
- NWE Petition for Writ of Mandate filed 2/23/16.
- Alternative Writ of Mandate issued, requiring commission to immediately issue final written decision based on record at close of proceeding or appear 6/8 to show cause why Writ should not issue.
- Order on Reconsideration issued 4/13/16, granting NWE's Motion for Reconsideration, closing evidentiary record, rescinding Procedural Order on Rehearing, and finding good cause to extend the deadline to issue an order by 30 days to 120 days. Commission found that the case had not been submitted for a final decision on 12/8 at close of hearing, because it had officially reopened the proceeding on 2/24/16.
- Order No. 7418d issued 4/13/16: Commission determined that the public interest required reopening proceeding to examine certain administrative expenses for planning and modeling; costs of owning, operating and maintaining owned generation are not defined as "electricity supply costs" for purposes of supply cost tracker; NWE has not met burden of proof to support including these costs in rates; NWE shall reduce rates \$650K to return PTCs for 2012-14 and flow through PTCs going forward, NWE shall not make any new financial hedges without commission approval; NWE shall remove lost revenues after 12/1/15 and make one time true-up of lost revenues for period 7/1/15 – 11/30/15; remove modeling costs of \$451K.
- NWE Motion for Reconsideration filed 5/6/16.
- Notice of Staff Action issued 5/24/16, stating NWE's Motion deemed denied by operation of law (passage of 10 days).
- Order No. 7418e on Remand, issued 6/4/18: approves inclusion of \$450,988 in modeling costs in a future tracker filing.
- NWE Motion for Reconsideration filed 6/14/18, requesting clarification of how modeling costs are to be recovered.

**NWE – [D2018.2.12](#) – Application to Increase Electric Rates**, filed 2/23/18.

- NWE filed a Motion to Bifurcate, regarding a general electric rate increase application expected to be filed by 9/30/18. NWE requests that revenue requirement issues be considered in a first phase, with customer class cost allocation and other issues following within 2 months after issuance of a revenue requirement determination. Issues in the first phase would include a consolidated revenue requirement for generation, distribution, and transmission. Several of these components are currently treated individually due to preapprovals of generation assets separate from transmission and distribution cost reviews. NWE states that tax reform and tracker mechanism dockets will affect its revenue requirement application and it needs the revenue requirement data to develop an allocated cost/rate design proposal. NWE enumerates other time consuming pending dockets, including FERC matters. NWE also states the allocated cost/rate design portion of the filing will be more complex than usual due to issues such as energy choice, net metering and customer rate options and would like additional time to complete a stakeholder process. NWE finally states bifurcation would make it less burdensome for parties to participate.

- Notice of Opportunity to Comment issued 3/14/18.

- Order No. 7604 issued 6/6/18, granting motion to bifurcate, and finding that NWE had effectively waived the “nine-month statutory time period” and that the revenue requirement order would be interim and subject to adjustment when the second phase ACOS/RD order is issued.

- NWE Motion for Reconsideration filed 6/18/18, asserting that Commission must issue a final decision within nine months of filing, and NWE has not waived that deadline.

- Order No. 7604a On Reconsideration issued 8/9/18: there is no nine-month deadline for final orders, rather utilities may implement rates subject to refund; removes finding that request for bifurcation is a waiver of nine-month time period; continues to authorize bifurcation and commits to issuing final decisions where feasible; notes that, absent bifurcation, magnitude of the filing may in any event require exceeding nine months.

**NWE – [D2017.7.57](#) – Annual Electric Tracker**, filed 5/31/18. This proceeding concerns a true-up of electricity supply cost adjustments for 12 months ended 6/30/18, and for projected costs for 12 months ending 6/30/19. Includes “bridge rates” to allow recovery of Two Dot wind purchase costs. Reflects a net deferred account balance of \$19,634, and projected cost decrease to \$0.066211/kwh.

- Interim Order No. 7606 issued 6/19/18, approving requested rates on interim basis subject to hearing and final order and subject to decision in power cost tracking docket.

- NWE Motion for Reconsideration filed 7/2/18, asserting that recovery of Two Dot fixed costs should not be subject to power cost tracker mechanism docket decision.

- Notice of Staff Action waiving automatic denial issued 7/20/18.

- Order No. 7606a on Reconsideration, issued 8/21/18: Commission approves Two Dot bridge rate on interim basis, but defers final judgment to the final order in this proceeding.

**NWE – [D2016.9.66](#) – Small Generator Interconnection Tariffs**, filed 1/26/18.

- NWE proposes tariffs regarding interconnection requirements for small non-QF generators, and clarifications to net metering rule tariff reflecting statutory provisions.

- Notice of Application and Intervention Deadline issued 2/21/18.

- MCC Petition to Intervene filed 3/8/18.

- Notice of Opportunity to Comment, Respond, and Request Further Process issued 4/6/18.

- Procedural Order No. 7621 issued 8/17/18. Hearing set 12/12/18.

**NWE – [D2018.7.45](#) – August electric tracker**. Filed 7/17/18. Res. Commodity rate increase to \$.066621/kwh (.61%) (\$2.5 M annualized rev. req.)

**NWE – [D2018.7.45](#) – September electric tracker.** Filed 8/16/18. Res. Commodity rate increase to \$.067314/kwh (1.03%) (\$4.2 M annualized rev. req.)

**NWE – [D2018.8.52](#) – Petition of Caithness Beaver Creek, LLC, to Set Terms and Conditions for QF Facility,** filed 8/10/18. Pursuant to MCA, 69-3-603 this proceeding will determine terms and conditions for four separate 80 MW QF wind projects with battery storage: Beaver Creek Wind I – IV, located in Sweetgrass and Stillwater Counties. Petition asserts that Caithness is entitled to a 20 year contract at \$31.33/MWh in heavy load hours and \$29.50/MWh in light load hours for energy, and leveled capacity prices of \$81.45/MWh for heavy load hours during peak months of January, February, July, August and December.

- Notice of Petition and Opportunity to Intervene issued 8/15/18.

**NWE – [D2018.6.35](#) – 2018 Annual QFLT-1 Avoided Cost Compliance,** filed 6/8/18. This proceeding concerns annual updated rates for QF contracts signed prior to 12/10/84 (Tier II QFs). Asserts rates are consistent with prior arbitration panel award.

- Notice of Opportunity to Comment issued 6/11/18.
- Final Order No. 7608 issued 6/26, approving requested rates.

**NWE – [D2017.7.58](#) – Annual Gas Cost Tracker,** filed 5/31/18. This is an annual proceeding to true-up gas commodity costs, reflecting a deferred gas cost balance for the year ending June 30, 2018, and projected costs for year ending 6/30/19. Deferred balance reflects a net over collection of \$756,620. Also requests recovery of Gas Transportation Adjustment Clause of \$840,639. Gas increase from \$2.39 to \$2.44. Res. Rate from \$6.37 to \$6.39.

- Notice of Application and Intervention Deadline issued 6/7/18.
- Interim Order No. 7610 issued 6/26/18, approving requested rates on interim basis.
- MCC Petition to Intervene filed 6/28/18.
- Procedural Order No. 7610a issued 8/17/18.

**NWE – [D2018.7.46](#) – August gas tracker,** filed 7/17/18. Gas decrease from \$2.44 to \$2.44. Res. Rate from \$6.40 to \$6.44.

**NWE – [D2018.7.46](#) – September gas tracker,** filed 8/16/18. Gas decrease from \$2.44 to \$2.35. Res. Rate from \$6.44 to \$6.36.

**NWE – [D2018.3.19](#) – Annual Natural Gas USB Tracker,** filed 3/30/18.

- Requests authority to decrease Universal System Benefits (USB) rate from \$.01493 to \$.014625 to collect \$4,213,284, including current budget of \$3,673,260.
- Notice of Application and Intervention Deadline issued 4/6/18.
- MCC Petition to Intervene filed 4/27/18.
- Interim Order No. 7597 issued 5/1/18, approving requested rate change on interim basis.
- Procedural Order No. 7597a issued 5/16/18.
- Final Order No. 7597b issued 8/2/18, approving requested rates, noting that a thorough program review will be conducted in 2019.

**NWE – [D2017.11.86](#) - Annual Tax Tracker**, filed 12/15/17.

- In this annual property tax expense tracker filing, NWE requests a net increase of \$3,992,040 (.33%) for the electric utility and net decrease of \$2,829,463 (1.98%) for the natural gas utility. Current increase of \$6,524,232 (electric) and \$269,020 (gas).
- Notice of Application and Intervention Deadline issued 12/22/17.
- MCC petition to Intervene filed 12/26/17.
- [MCC Comments](#) filed 1/12/18: A 12-CP allocation method is a direct way to allocate costs between retail and wholesale (FERC) customers, and is preferable to using a percentage split from a FERC determination that is more than 10 years old. NWE has not adequately supported the \$2.885 million difference in tax expense responsibility with respect to retail consumers.
- Hearing held 1/22/18.
- Final Order 7580a issued 1/29/18, approving 12-CP allocation method in this case as a direct allocation preferable to stale split method.
- Compliance rates filed 1/30/18, reducing requested electric delivery revenue by \$3,497,898.
- NWE Motion for Reconsideration filed 2/9/18.
- [MCC Response](#) filed 2/20/18.
- Order No. 7580b on Reconsideration issued 6/18/18: affirms that 12 CP method results in fairer allocation and that Commission has the authority to implement for both 2017 and 2018, but concludes 3-2 that it is “fairer regulatory practice” to make the allocation change on a forward-looking basis starting in 2018.
- Compliance tariffs filed 6/25/18, increasing electric revenues \$1,748,949

**NWE – [D2018.4.24](#) – Investigation of Federal Tax Reform Impacts**, filed 3/30/18. Pursuant to Commission order, this filing proposes a methodology to calculate and share benefits of the 2017 Tax Cuts and Jobs Act (TCJA). Calculates \$3.154 million cash flow reduction for gas utility, proposed to be entirely allocated to customers, and \$10.889 million for electric utility, proposed to be allocated 50% to customers and 50% as an allowable expenditure to remove hazard trees – for total of \$14.043 million. Method required in PSC Notice of Inquiry would alternatively result in \$21.996 million.

- Notice of Application and Intervention Deadline and Initial Discovery Deadline issued 4/20/18.
- MCC Petition to Intervene filed 5/7/18.
- Procedural Order No. 7602 issued 5/30/18. Hearing set 8/30/18.
- [MCC testimony](#) of Ralph C. Smith filed 7/3/18: tax expense reduction related to the 21% tax rate change should be calculated using the “restated historical method” outlined in the Commission’s Notice of Investigation; tax savings should be addressed in the current proceeding to the extent possible; unresolved questions regarding categorization of Excess Accumulated Deferred Income Taxes should be addressed in upcoming rate case; level of unprotected Excess Accumulated Deferred Income Taxes (EADIT) needs to be clearly identified; need for vegetation management plan should be addressed in upcoming rate case; revenue requirement impact of restated historic method is \$21.996 million (\$21.291 for electric and \$.705 for gas).

**NWE – [D2018.4.28](#) – Townsend Propane Supply Annual Tracker**, filed 4/30/18. Requests current cost increase from \$0.698/therm to \$0.910/therm in summer and \$0.0849/therm to \$1.107/therm for winter. Also requests collection of \$29,108 under-collection.

- Notice of Opportunity to Comment and For Further Process issued 5/7/18.
- Interim Order No. 7601 issued 5/29/18, approving requested rates on interim basis.
- Procedural Order No. 7601a issued 6/28/18.

**Havre Pipeline Co. – [D2016.7.58](#) – Annual Rate Adjustment**, filed 7/29/15. Requests rate decrease from \$1.8082/Mcf to \$0.9256/Mcf (48.8%). Gas cost component change from \$1.6173/Mcf to \$0.7347/Mcf.

- MCC Petition to Intervene filed 9/6/16.
- Notice of Commission Action issued 9/27/16, consolidating with D2013.7.56 and D2015.9.70.
- Interim Order No. 7514 issued 9/27/16 approving requested rates on interim basis.
- Procedural Order No. 7514a issued 1/17/17.
- Notice of Staff Action issued 6/6/17, vacating remaining procedural schedule dates.
- Final Order No. 7514b issued 7/19/17, approving requested rates and making interim orders final, and requiring tariff updates to expressly state any limitations or unique aspects of farm tap service.
- Compliance filing submitted 8/18/17, proposing several Special Terms and Conditions.
- Notice of Proposal Intervention Deadline and Initial Procedural Schedule issued 9/1/17.
- MCC Petition to Intervene filed 9/29/17.
- Procedural Order No. 7514c issued 3/7/18. Hearing set 8/29/18.
- HPC testimony filed 4/13/18.
- [MCC testimony](#) of George Donkin filed 6/19/18: reviews prior service complaint dockets and subsequent judicial review; terms and conditions should state that service is provided indefinitely subject to public utility service obligation; provision that service is incident “only” to an easement should be removed and replaced with provision that service may not be abandoned absent commission approval; prior owner’s service call cutoff of 3:30 p.m. should be restored; HPC should provide quarterly reports regarding service interruptions.

**Havre Pipeline Co. – [D2018.7.47](#) – Annual Rate Adjustment**, filed 7/31/18. Requests rate decrease from \$0.9256/Mcf to \$0.8386/Mcf (9.4%). Gas cost component change from \$0.7347/Mcf to \$0.6477/Mcf.

**MDU – [D2018.1.6](#) – Application for Approval of Corporate Reorganization**, filed 1/31/18. MDU Resources proposes to reorganize MDU and Great Plains Natural Gas Co., both currently divisions of MDU Resources, into a wholly-owned subsidiary of a new holding company. Issues will include consumer impacts of a reorganization and appropriate ringfencing protections regarding other corporate entities.

- Notice of Application and Intervention Deadline issued 2/6/18.
- MCC Petition to Intervene filed 2/28/18.
- Procedural Order No. 7592 issued 3/14/18.
- [MCC Testimony](#) of Ralph Smith filed 6/13/18: Provides overview of reorganization plan; recommends that representations made in the application be formalized as commitments for approval; recommends Commission approve the application subject to several conditions including – MDU will bear all reorganization costs; headquarters will remain in Bismarck; no employee changes without demonstrated efficiencies; no reductions in customer services; no change in gas purchasing functions; no change in rates absent commission approval; maintain 45% equity in utility capital structure absent commission approval; no dividend payout if utility is rated below investment grade, separate debt for Montana-Dakota and MDU Energy Capital, LLC, no increase in utility cost of service related to reorganization and no transfer of utility assets to other affiliates.

- [MDU/MCC Stipulation](#) filed 8/21/18: agrees reorganization is consistent with the public interest with following conditions: MDU will not seek to recover reorganization costs through rates; reorganization will be accomplished through specified journal entries and MDU will retain its utility assets; MDU will not pay dividends if its equity ratio falls below 45%, absent commission approval; MDU and MDU Energy Capital will have separate debt agreements and no debt issued by other subsidiaries will be secured by utility assets; MDU will continue to provide utility accounting records as well as information regarding debt issuances by and affiliate transactions with affiliates.

- Hearing held 8/22/18.

**MDU – [D2017.6.55](#) - June Electric Cost Tracker – Rate 58.** Filed 5/17/18. Decrease of .116¢/kwh secondary – total fuel and purchased power in tariff is \$0.02280/kwh.

**MDU – [D2018.6.43](#) - August Electric Cost Tracker – Rate 58.** Filed 7/17/18. Decrease of .066¢/kwh secondary – total fuel and purchased power in tariff is \$0.02219/kwh.

**MDU – [D2018.6.43](#) - September Electric Cost Tracker – Rate 58.** Filed 8/17/18. Increase of .204¢/kwh secondary – total fuel and purchased power in tariff is \$0.02423/kwh.

**MDU – [D2018.6.43](#) – Annual Purchased Power Tracking Adjustment,** filed 6/15/18. In this annual filing, MDU trues-up its tracked electricity supply costs for May 2017 through April 2018 period. The filing claims a \$1,569 over-collection from Primary customers and a \$14,666 under-collection from Secondary. Net effect of tracker would be .03 cent increase to primary and .005 cent decrease to secondary customers. Total fuel and purchased power in tariff is \$0.02280/kwh.

- Notice of Application and Intervention Deadline issued 6/21/18.
- Procedural Order No. 7609a issued 7/19/18.
- MCC Petition to Intervene filed 7/12/18.
- Interim Order No. 7609 issued 6/26/18, approving requested rates and setting any refund carrying charge at 9.25% based on midpoint of range previously found reasonable.

**MDU – [D2018.6.44](#) – Application to Implement Small Generator Facility Interconnection Rules,** filed 6/28/18.

- Seeks to implement small (under 10 MW nameplate) generator facility distribution interconnection rules Rate 96 and corresponding revisions to Net Metering Service Rate 92.
- Notice of Application and Intervention Deadline issued 7/12/18.
- MCC Petition to Intervene filed 7/27/18.
- Procedural Order No. 7620 issued 8/15/18. Hearing set 1/30/19.

**MDU – [D2018.4.21](#) - Annual Conservation Program Tracking Adjustment,** filed 3/30/18. Net balance of \$134,915, which results in CTA of \$.014/dkt, representing no change from current CTA.

- Notice of Application and Intervention Deadline issued 4/10/18.
- MCC Petition to Intervene filed 4/27/18.
- Final Order No. 7599a issued 8/15/18, approving requested rates.

**MDU – [D2017.9.79](#) - General Natural Gas Rate Increase**, filed 9/25/17.

- This Docket determines the rate increase that will be allowed for MDU gas consumers, and how an increase will be allocated to various customer classes.
- Requests \$2,820,168 (4.1%) overall increase, based on 9.9% ROE and 7.47% COC. Residential increase 5.5%. Requests 43% increase in Res. Service charge to \$.33/day. Proposes a System Safety and Integrity Program and surcharge, estimated at \$527,875 in 2018.
- Notice of Application and Intervention Deadline issued 9/28/17.
- MCC Petition to Intervene filed 10/18/17.
- Procedural Order No. 7573 issued 11/14/17.
- [MCC Testimony](#) filed 2/6/18: Hill – recommends 8.75% ROE and MDU proposed capital structure for overall 6.87% ROR; Garrett – proposes depreciation rate adjustments to several distribution and general accounts resulting in company-wide expense reduction of \$3.18 million; Smith - recommends several adjustments to rate base and expenses and discusses and calculates federal tax act adjustments, recommends \$513,000 increase; Donkin – recommends residential increase should mirror system average increase and no increase in \$.23/day service charge. Also recommends no inclusion in rates of potential costs to abandon service to Saco-Bowdoin customers and rejection of System Safety Integrity Program (SSIP) cost tracking mechanism.
- Notice of Commission Action issued 2/6/18, modifying Procedural Order No. 7573 to allow supplemental tax-related testimony.
- MDU Supplemental Testimony filed 2/23/18. Revenue increase request revised to \$1,619,286, a reduction of \$1,199,845 (2.4%).
- [MCC Supplemental Testimony of Ralph Smith](#) filed 3/23/18: generally agrees with MDU’s minor corrections to earlier tax impact calculations, recommends that plant-related excess deferred taxes be segregated into “protected” and “non-protected” categories, with the latter returned over 10 years or less.
- MDU/MCC Stipulation filed 4/24/18: \$975,000 increase based on 9.4% ROE, distribution revenue increase allocated based on equal percentage of total revenues, and a residential service charge of \$.26/day. Depreciation rates as recommended by MCC and MDU withdraws SSIP proposal without prejudice to filing in general rate case.
- Hearing held 4/26/18.
- Final Order No. 7573f issued 6/13/18, approving Stipulation.

**MDU – [D2017.9.70](#) – Annual Gas Cost Tracker**, filed 9/8/17.

- Net decrease of \$.055/dk Residential and increase of \$.114/dk Interruptible. Res. Rate of \$5.19/dk.
- Notice of Commission Action consolidating with D2011.9.77, D2012.9.96, D2013.9.64, D2014.9.79, D2015.9.71, D2016.9.69 issued 7/11/18.
- Procedural Order No. 7618 issued 7/19/18.

**MDU – [D2017.9.70](#) - July Gas Cost Tracker**, filed 6/8/18. Increase of \$.145/Dkt, res. and general service. Res. rate \$4.82/Dk.

**MDU – [D2018.4.22](#) – Impacts of Tax Cuts and Jobs Act of 2017**. Filed 4/2/18. Proposes to address tax impacts as part of electric rate application to be filed 9/30/18. Asserts current revenues are insufficient to earn authorized return notwithstanding tax reduction.

- Notice of Application and Intervention Deadline issued 5/8/18.

- MCC Petition to Intervene filed 6/7/18.
- Procedural Order No. 7622 issued 8/23/18. Hearing set 12/4/18.

**Big Sky Gas – [D2018.5.31](#) – Petition Requesting Waiver of Certain Provisions of Order 7523a**, filed 5/14/18.

- Requests waiver of provisions of Order No. 7523a (issued 8/8/17 in D2016.10.79) that require printed or electronic copies of both the letter of authorization and service contract to be provided one week prior to supplier switch. Asserts one week waiting period is a significant barrier to telephonic switch enrollment, and requests use of alternative third party verification script.
- Notice of Commission Action issued 5/31/18, authorizing a limited extension for Big Sky to file a compliance report pursuant to Order 7523a, and establishing schedule for response to Big Sky's extension request.
- Notice of Commission Action issued 6/26/18, requiring compliance filing by 7/24/18, prior to considering Petition.

**EWM – [D2017.12.89](#) – Reconciliation of West Yellowstone No Interest Loan Program Surcharge**, filed 12/1/17.

- Issues in this docket are how to treat an over-collection of low income consumer support funds and whether to modify ongoing collections and programs.
- Reconciliation of difference between collections and disbursements for No-Interest Loan Program from 1997 to 2017 shows \$112,507 over collection. EWM proposes to convert program to a Universal System Benefit (USB) program to commit 1.12% of gross revenues to Energy Share, making a one-time contribution of half of the surplus and retaining the remainder to supplement current \$.0644/Mcf surcharge for future payments.
- Notice of Application and Intervention Deadline issued 12/6/17.
- MCC Petition to Intervene filed 1/5/18.
- Procedural Order No. 7587 issued 1/24/18.
- [MCC testimony of Paul Schulz](#) filed 3/15/18: collected funds should be spent in West Yellowstone system; rate should be reduced to .42% statutory minimum; excess collections of \$3100 should be refunded over 12 months; \$109,764 remaining should be held in separate interest-bearing account and be used for future bill assistance and weatherization programs; EWMWY should immediately implement a low-income rate discount program modeled on GFG program.
- EWM Rebuttal Testimony filed 4/20/18.
- Notice of Staff Action issued 5/10/18, amending schedule.
- [EWM/MCC Settlement Agreement](#) filed 6/14/18: USB Charge for West Yellowstone should be .42%; NIP over-collected balance is \$109,765; customers should be refunded \$3100 in July 2018 bills, with remainder held in interest bearing account; over collected amounts should be used only for West Yellowstone USB programs; low-income discount program to be implemented immediately with ways to increase participation investigated; EWM will file a USB plan by 10/1/18.
- Final Order No. 7587a issued 7/13/18, approving the Stipulation and requiring EWM to submit a USB program plan by 10/1/18.

**EWM – [D2018.6.37](#) – Annual Gas Cost Tracker**, filed 6/1/18. In this annual filing, EWM seeks to true-up gas costs for the 12 months ending March 31, 2018, and refund a net over-collection of \$757,997. Residential rate decreases to \$3.23/Mcf.

- Notice of Application and Intervention Deadline issued 6/7/18.

- MCC Petition to Intervene filed 6/28/18.

**EWM – [D2018.6.36](#) – Annual USB Tracker**, filed 6/1/18. In this annual filing, EWM seeks to true-up Universal System Benefits (USB) collections and expenditures, and to decrease its USB rate for 12 months from \$.0992/Mcf to \$.0683/Mcf to refund overcollections of \$123,999, after which it would return to \$.0966/Mcf to collect \$423,356/yr.

- Notice of Application and Intervention Deadline issued 6/14/18.

- MCC Petition to Intervene filed 6/28/18.

- Procedural Order No. 7611 issued 7/11/18.

**EWM – [D2018.4.23](#) – June gas tracker** filed 5/30/18. Res. rate increase to \$3.48/Mcf.

**EWM – [D2018.4.23](#) – July gas tracker** filed 6/25/18. Res. rate increase to \$3.91/Mcf.

**EWM – [D2018.4.23](#) – August gas tracker** filed 7/25/18. Res. rate decrease to \$3.77/Mcf.

**Cut Bank Gas – [D2018.3.20](#) – Annual Gas Cost and USB Cost True-up**, filed 3/30/18.

- Requests recovery of \$11,757 gas cost under-collection and \$6,514 USB under-collection.

- Notice of Application and Intervention Deadline issued 4/6/18.

- MCC Petition to Intervene filed 4/27/18.

- Procedural Order No. 7600 issued 5/16/18.

- Final Order No. 7600a issued 7/17/18, approving requested rate changes.

**Miller Oil – [D2017.2.11](#) – Annual Propane Cost Tracking Adjustment**, filed 6/4/18.

- Proposes annual decrease of \$7,278.

**Avista – [D2017.9.71](#) - Application for Approval of Merger**, filed 9/14/17.

- Issues in this docket are whether and under what conditions to approve the merger into a Canadian utility of a Northwest regional utility that owns generation facilities in Montana but has very few end use consumers in the state, and potential impacts on Colstrip closures.

- Requests approval of merger with Hydro One Limited, where Avista will become an indirect subsidiary. Avista has 32 customers in Montana, including 14 owned structures and 9 employees.

- Notice of Application and Intervention Deadline issued 9/27/17.

- MCC Petition to Intervene filed 10/18/17.

- Procedural Order No. 7577 issued 11/27/17.

- Notice of Additional Issues served 2/21/18. Requires Joint Applicant testimony regarding potential regulatory changes, including pending depreciation studies, and impacts on Montana-sited resources.

- Applicant Supplemental Testimony filed 4/18/18, addressing Idaho settlement agreement, depreciation end life of 12/27 and impact on Colstrip 3&4.

- Hearing set 5/17/18.

- Avista Notice of Settlement with City of Colstrip filed 5/16/18, adding \$1.5 M to Community Transition Fund for Colstrip, to be paid by shareholders.

- Final Order No. 7577a issued 7/10/18, approving proposed sale and transfer. Note that accelerated depreciation adopted in other states does not reflect remaining useful life and is

inconsistent with traditional ratemaking principles; also note that applicants have assured that accelerated depreciation will not result in an early or different retirement date; commission reserves right to incorporate any heightened commitments established in other jurisdictions.

**Citizens Telecommunications Company, dba Frontier Communications** – [N2018.3.18](#) – **Advice Letter – Late Payment Charge**, filed 3/1/18. Tariff change seeks to shorten grace period prior to application of late charges.

- Notice of Opportunity to Comment issued 8/6/18.

**Commnet Wireless** – [D2017.6.50](#) - **Petition for Designation as Eligible Telecommunications Provider**, filed 6/6/17.

- Commnet requests designation as ETC to offer Lifeline Service to additional locations within the Northern Cheyenne Reservation. FCC provides funding to ETCs to provide service in rural and high cost areas.

- Notice of Petition and Intervention Deadline issued 6/15/17.

- Procedural Order No. 7566a issued 2/7/18.

- MCC Petition for Late Intervention filed 2/27/18, indicating no opposition to Petition.

- Hearing held 3/5/18.

- Notice of Commission Action issued 3/6/18, directing Commnet to respond to several issues pertaining to cost and revenue data.

- Final Order No. 7566b issued 5/29/18, finding Commnet satisfies the requirements for ETC designation and must provide 75% coverage to the Northern Cheyenne Reservation.

**Aquanet** – [D2018.6.39](#) – **Application for Standard Rate Tariff for Water and Sewer for Regal Community Court**, filed 6/4/18.

- Aquanet does not currently provide service and seeks \$50/mo. for non-metered water and \$30/mo. for sewer service.

- Notice of Application and Intervention Deadline issued 6/21/18.

- MCC Petition to Intervene filed 7/9/18.

**High Quality H2O** – [D2018.3.13](#) – **Application to Implement Standard Rates**, filed 3/1/18

- Increased rate from \$25 to \$30 1/1/18. Requests \$35/mo. 7/1/18, \$40 on 1/1/19, and \$45 on 7/1/19.

- Notice of Application and Intervention Deadline issued 3/14/18.

- MCC Petition to Intervene filed 4/4/18.

- Procedural Order No. 7605 issued 7/3/18.

- [MCC testimony of Paul Schulz](#) filed 8/23/18: High Quality initially raised rates to \$30 without approval and became aware of standard rates after a complaint was lodged; constructed approximate revenue requirement using available information; no original cost information, but using assumed investment and 100% equity capital structure, full standard rate results in return of 147%; generous assumptions result in \$10,230 revenue requirement, versus \$28,768 collections prior to increase to \$30. recommends rate be returned to \$25/mo.

**Holmberg Water** – [D2016.4.35](#) – **Adoption of Standard Rate Tariff**, letter filed 4/21/16.

Request for approval of standard rate tariff following 4/20/16 sale of system; converting to

meters with metered use at \$35/mo. plus \$1.00/1,000 gal. in excess of 10,000 gal., rising to \$40/mo. plus \$2.00/1,000 gal. over 10,000 gal. by 1/1/18.

- [MCC letter to PSC](#) 5/13/16, indicating desire for discovery and intent to participate.
- Notice of Commission Action issued 5/31/16, setting flat interim rates at \$30/mo., and \$20/mo. for condos.
- Procedural Order No. 7509 issued 9/22/16.
- [MCC testimony of Paul Schulz](#) filed 11/17/16: MCC has received over 60 letters from Holmberg consumers; a traditional revenue requirement would allow a comparison to see if standard rates are allowing windfall profits; explains why information provided is insufficient to assess revenue requirement; expenses in 2014 and 2015, prior to unauthorized sale of the utility, were relatively consistent at \$32-34,000; annual revenues at standard rates would be roughly in the range of \$88,934 to \$106,875; recommends current fixed rates remain until meters and associated software are operating, then changing the fixed charge from \$30 to \$25/mo. with a volumetric charge of \$.50/1000 gal over 10,000 gal/mo.
- Holmberg Motion for Issuance of Standard Rate or Opportunity to Submit Testimony filed 11/23/16. Asserts standard rate has already been determined reasonable by rule.
- Notice of Staff Action issued 12/7/16, allowing Holmberg response testimony.
- Holmberg testimony filed 1/13/17, including Motion to Recover Costs, seeking regulatory costs in addition to the standard rate.
- Interim Order No. 7509a issued 4/18/17: requires updated information on meter installation; Holmberg must provide customers one-month billing information before implementing metered rates; authorizes interim rates of \$35 plus \$1.50/1000 gal. over 10,000 gal.; MCC or Holmberg may request further evaluation of interim rates after 12/31/17.
- Holmberg Motion for Reconsideration filed 4/27/17.
- Notice of Commission Action issued 6/20/17, denying Holmberg Motion for Reconsideration.
- Holmberg Request for Further Evaluation of Rates, filed 1/31/18. Requests implementation of standard rates.
- [MCC Request for Further Evaluation of Rates](#) filed 1/31/18, requesting opportunity to conduct discovery and submit comments or testimony.
- Interim Order No. 7509b issued 3/30/18: authorizes standard metered rates of \$40/mo., plus \$2.00/1000 gallons over 10,000 gallons effective 5/1/18, expiring 5/31/19. Holmberg must indicate by 2/28/19 whether it will file request for extension of standard rate, a regular rate application, or application based on operating ratio methodology. Commission finds interim rates will protect customers “if there is an over-collection of revenues,” and that MCC was able to participate and represent interests of customers.
- Holmberg Motion for Reconsideration filed 4/9/18, requesting standard rate for three years from 5/1/18 to 5/1/21, and striking language that standard rate extension would only be considered in limited circumstances.
- Order No. 7509c on Reconsideration issued 5/29/18: Notes that three-year expiration date for standard rates is tied to use of the standard tariff, not particular rates and that at the end of that three-year period the commission should have sufficient information to make a rate determination; Order 7509b is affirmed.

**Big Mountain Water – [D2018.6.40](#) – Application to Increase Water Rates**, filed 7/31/18.

- Big Mountain Motion for Extension of Time to file application to change water rates with a test period ending 9/30/17, filed 6/13/18.

- Notice of Commission Action issued 6/26/18 granting extension to 7/31/18.
- Requests \$11,376 (4.2%) increase.
- Notice of Application and Intervention Deadline issued 8/8/18.

**PSC – [N2018.4.29](#) – Authorized Ancillary Fees for Small Water and Sewer Utilities**, issued 5/17/18. Proposed revisions to standard tariff forms regarding insufficient funds, reconnections, late payment fees, and sprinkling violations.

- Notice of Opportunity to Comment issued 5/17/18.
- [MCC Comments](#) filed 5/30/18: Each of these staff proposed changes benefit small water and sewer companies at consumers' expense, while there has been no explanation why the existing tariff should be changed; Commission should take no action but require companies to propose and support desired changes; rules provide vague standard for disconnections; late payment fee increases are not supported; there should not be a blanket requirement for lawn sprinkling permits; there should not be a single set of fees and penalties applicable to all utilities; Commission should initiate a contested case proceeding prior to changing tariffs.
- Notice of Commission Action issued 8/17/18, approving revisions to the standard rate tariff ancillary charges forms which utilities charging standard rates may adopt.