

## SENATE BILL NO. 67

INTRODUCED BY E. STONINGTON

BY REQUEST OF THE TRANSITION ADVISORY COMMITTEE ON ELECTRIC UTILITY INDUSTRY  
RESTRUCTURING

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE STRUCTURE AND FUNCTION OF THE  
TRANSITION ADVISORY COMMITTEE ON ELECTRIC UTILITY INDUSTRY RESTRUCTURING; REVISING  
THE COMPOSITION OF THE TRANSITION ADVISORY COMMITTEE AND THE METHOD OF APPOINTMENT;  
PROVIDING FOR THE COMPENSATION OF NONLEGISLATIVE MEMBERS; ASSIGNING ADMINISTRATIVE  
RULE REVIEW AND MONITORING AND REVIEW OF THE DEPARTMENT OF PUBLIC SERVICE  
REGULATION TO THE TRANSITION ADVISORY COMMITTEE; TREATING THE TRANSITION ADVISORY  
COMMITTEE AS AN INTERIM LEGISLATIVE COMMITTEE FOR CERTAIN PURPOSES; AMENDING  
SECTIONS 5-5-202, 5-5-223, AND 69-8-501, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**Section 1.** Section 5-5-202, MCA, is amended to read:

**"5-5-202. Interim committees.** (1) During an interim when the legislature is not in session, the  
committees listed in subsection (2) are the interim committees of the legislature. They are empowered to sit as  
committees and may act in their respective areas of responsibility. The functions of the legislative council,  
legislative audit committee, legislative finance committee, environmental quality council, ~~and~~ state-tribal relations  
committee, and transition advisory committee on electric utility industry restructuring are provided for in the  
statutes governing those committees.

(2) The following are the interim committees of the legislature:

- (a) economic affairs committee;
- (b) education and local government committee;
- (c) children, families, health, and human services committee;
- (d) law and justice committee;
- (e) revenue and transportation committee; and
- (f) state administration and veterans' affairs committee.

(3) An interim committee or the environmental quality council may refer an issue to another committee that the referring committee determines to be more appropriate for the consideration of the issue. Upon the acceptance of the referred issue, the accepting committee shall consider the issue as if the issue were originally within its jurisdiction. If the committee that is referred an issue declines to accept the issue, the original committee retains jurisdiction.

(4) If there is a dispute between committees as to which committee has proper jurisdiction over a subject, the legislative council shall determine the most appropriate committee and assign the subject to that committee."

**Section 2.** Section 5-5-223, MCA, is amended to read:

**"5-5-223. Economic affairs interim committee.** The economic affairs interim committee has administrative rule review, draft legislation review, program evaluation, and monitoring functions for the following executive branch agencies and the entities attached to agencies for administrative purposes:

(1) department of agriculture;

(2) department of commerce;

(3) department of labor and industry;

(4) department of livestock;

~~(5) department of public service regulation;~~

~~(6)~~(5) office of the state auditor and insurance commissioner; and

~~(7)~~(6) office of economic development."

**Section 3.** Section 69-8-501, MCA, is amended to read:

**"69-8-501. Transition advisory committee -- duties.** (1) A transition advisory committee on electric utility industry restructuring is created. The committee is treated as an interim committee for the purposes of 5-5-212, 5-5-214, and 5-5-215.

(2) The transition advisory committee is composed of twelve ~~voting~~ members who are appointed as follows:

(a) The speaker of the house shall appoint ~~six~~ four members from the house of representatives, not more than ~~three~~ two of whom may be from one political party.

(b) The ~~president of the senate~~ committee on committees shall appoint ~~six~~ four members from the

senate, not more than ~~three~~ two of whom may be from one political party.

(c) The speaker of the house shall appoint one member of the general public.

(d) The house minority leader shall appoint one member of the general public.

(e) The president of the senate shall appoint one member of the general public.

(f) The senate minority leader shall appoint one member of the general public.

(3) In selecting members under subsections (2)(c) through (2)(f), consideration must be given to the prospective member's knowledge and understanding of:

(a) electric utility industry restructuring and its implications for energy suppliers and the various classes of electricity customers; and

(b) renewable energy, energy conservation, and environmental issues.

~~(2) The following entities shall appoint nonvoting advisory representatives to the transition advisory committee:~~

~~—— (a) The director of the department of environmental quality shall appoint one department representative.~~

~~—— (b) The legislative consumer committee shall appoint one representative.~~

~~—— (c) One representative of the cooperative utility industry is appointed as designated by the Montana electrical cooperative association.~~

~~—— (d) The public utilities in the state of Montana shall appoint one member.~~

~~—— (e) The commission shall appoint one member.~~

~~—— (f) The governor shall appoint the following nonvoting committee members:~~

~~—— (i) one representative from the industrial community with an interest in the restructuring of the electric utility industry;~~

~~—— (ii) one representative from the nonindustrial retail electric consumer sector;~~

~~—— (iii) one representative from organized labor;~~

~~—— (iv) one representative from the community comprising environmental and conservation interests;~~

~~—— (v) one representative from a low-income program provider;~~

~~—— (vi) one representative of Montana's Indian tribes; and~~

~~—— (vii) one representative of the electric power market industry.~~

~~(3) In case of a vacancy, a replacement must be selected in the manner of the original appointment.~~

(4) Legislative members are entitled to salary and expenses as provided in 5-2-302. Nonlegislative members are entitled to salary and expenses as provided in 5-5-211(7).

1 (5) The public service commission, ~~legislative services division~~, and appropriate state agencies shall  
2 provide ~~staff~~ assistance as requested by the committee.

3 (6) Transition advisory committee members must be appointed to terms for up to 2 years, expiring on  
4 January 1 of odd-numbered years.

5 ~~(7) The voting members shall select a transition advisory committee presiding officer.~~

6 (7) The committee shall elect one of its members as presiding officer and shall elect other officers as  
7 it considers appropriate.

8 (8) The transition advisory committee on electric utility industry restructuring must dissolve on December  
9 31, 2007.

10 (9) The transition advisory committee shall provide an annual report on the status of electric utility  
11 restructuring on or before November 1 to the governor, the speaker of the house, the president of the senate,  
12 and the commission.

13 (10) The transition advisory committee shall meet at least quarterly or as often as is necessary to  
14 conduct its business.

15 (11) The transition advisory committee shall analyze and report on the transition to effective competition  
16 in the competitive electricity supply market.

17 (12) The criteria that the transition advisory committee must use to evaluate effective competition in the  
18 electricity supply market include but are not limited to the following:

19 (a) the level of demand for power supply choice and the availability of market prices for smaller  
20 customers;

21 (b) the existence of sufficient markets and bargaining power to the benefit of smaller customers and  
22 the best means to encourage and support the development of sufficient markets;

23 (c) the level of interest among electricity suppliers and the opportunity for electricity suppliers to serve  
24 smaller customers; and

25 (d) the existence of the requisite technical and administrative support that enables smaller customers  
26 to have choice of electricity supply.

27 (13) The transition advisory committee shall recommend legislation if necessary to promote electric utility  
28 restructuring and retail choice of electricity suppliers.

29 ~~(14) The transition advisory committee shall monitor and evaluate the universal system benefits~~  
30 ~~programs and comparable levels of funding for the region and make recommendations to the 58th legislature~~

1 ~~to adjust the funding level provided for in 69-8-402 to coincide with the related activities of the region at that time.~~

2 ~~——— (15) On or before July 1, 2002, the transition advisory committee, in coordination with the commission,~~  
3 ~~shall conduct a reevaluation of the ongoing need for universal system benefits programs and annual funding~~  
4 ~~requirements and shall make recommendations to the 58th legislature regarding the future need for those~~  
5 ~~programs. The determination must focus specifically on the existence of markets to provide for any or all of the~~  
6 ~~universal system benefits programs or whether other means for funding those programs have developed. These~~  
7 ~~recommendations may also address how future reevaluations will be provided for, if necessary.~~

8 (14) The transition advisory committee has administrative rule review, draft legislation review, program  
9 evaluation, and monitoring functions for the department of public service regulation and the entities attached to  
10 the department for administrative purposes.

11 ~~(16)(15)~~ On or before November 1 of each odd-numbered year, the transition advisory committee shall  
12 collect information to determine whether Montana utilities or their affiliates have an opportunity to sell electricity  
13 to customers outside of the state of Montana comparable to the opportunity provided pursuant to this chapter  
14 to utilities or their affiliates located outside the state of Montana. That information must be included in a report  
15 to each legislature."

16  
17 NEW SECTION. Section 4. Effective date. [This act] is effective on passage and approval.

18 - END -