

2005 Montana Legislature

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SENATE BILL NO. 321

INTRODUCED BY K. TOOLE

A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING THE AUTHORITY OF THE PUBLIC SERVICE COMMISSION, UNDER SPECIFIC CIRCUMSTANCES, TO PERIODICALLY REQUIRE PUBLIC UTILITIES TO FILE GENERAL RATE CASES; MAKING EXPLICIT THAT FOLLOWING THE FILINGS, PUBLIC UTILITIES HAVE THE BURDEN OF PERSUASION; DEFINING "GENERAL RATE CASE"; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE."

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

**NEW SECTION. Section 1. General rate cases.** (1) If a period of 5 years has elapsed since the commission issued an order approving the rates and schedules of a public utility following a general rate case, the commission may require the public utility to file an application for a general rate case or some part of a general rate case. The commission may require that any application made pursuant to this section conform to its rules on practice, procedure, and minimum filing requirements. A public utility filing an application pursuant to this section has the burden of persuading the commission that the rates, schedules, and service proposals contained in the application of the public utility are reasonable and just.

(2) (a) For purposes of this section, "general rate case" means a contested case review of all necessary components of the revenue requirement, allocated cost of service, and rate design of a public utility, followed by a commission order establishing rates and schedules.

(b) For purposes of this section, general rate case does not mean:

(i) a commission proceeding on an application from a public utility to reflect in its rates changes in the commodity cost of natural gas or electricity;

(ii) a proceeding on an application from a public utility for an automatic rate adjustment pursuant to 69-3-308; or

(iii) any other proceeding allowed by the commission on an application from a public utility to change rates and schedules based on a review of a single or a limited number of public utility cost components.

**NEW SECTION. Section 2. Rural telephone company exemption.** The provisions of [this Act] do not apply to rural telephone companies as defined in 69-3-803.

**NEW SECTION. Section 3. Codification instruction.** [Section 1] is intended to be codified as an integral part of Title 69, chapter 3, part 3, and the provisions of Title 69, chapter 3, part 3, apply to [section 1].

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

**NEW SECTION. Section 5. Retroactive applicability.** [This act] applies retroactively, within the meaning of 1-2-109, to general rates established on or after January 1, 1985.

- END -

SB321. Toole. Periodic Rate Review

Amendment

1. Page 1.

Following: line 30

Insert: "NEW SECTION. **Section 2. Rural telephone company exemption.** The provisions of [this Act] do not apply to rural telephone companies as defined in 69-3-803."

Renumber: subsequent sections