



AN ACT PROVIDING A REFUND TO CERTAIN CUSTOMERS WHO PAY FOR THE EXTENSION OF A UTILITY LINE TO A RESIDENTIAL STRUCTURE IF ADDITIONAL CUSTOMERS CONNECT TO THE EXTENSION; REQUIRING EACH ADDITIONAL CUSTOMER TO ADVANCE TO THE ELECTRIC UTILITY AN EQUAL PROPORTIONATE SHARE OF THE TOTAL AMOUNT PAID FOR THE EXTENSION; REQUIRING A REFUND OF THE ADVANCE ON A PRO RATA BASIS; PROHIBITING A SMALL CUSTOMER FROM RECEIVING A REFUND GREATER THAN THE CUSTOMER'S PROPORTIONATE SHARE OF THE COSTS; LIMITING THE REFUND TO A CERTAIN PERIOD OF TIME; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE.

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

Section 1. Definitions. As used in [section 2] and this section, the following definitions apply:

- (1) "Electric utility" means a public utility regulated by the public service commission pursuant to Title 69, chapter 3, that provides electrical service for heat, light, or power to a small customer.
- (2) "Extension" means any works or improvements necessary to connect a residential structure of a small customer to an electric utility's distribution or transmission system.
- (3) "Residential structure" means a single-family house, trailer, manufactured home, or mobile home, excluding any outbuildings, improvements, irrigation pumps, facilities, or other structures located on the property.
- (4) "Small customer" has the meaning provided in 69-3-2003.

Section 2. Residential utility line extension -- refund. (1) A small customer of an electric utility who pays for a portion of the construction of an extension to a residential structure or who advances money to the electric utility for a subsequent connection to that extension must receive a refund as provided in subsection (2) if an additional customer connects to the extension.

(2) Each additional customer, prior to the initiation of electric service, shall advance to the electric utility an equal proportionate share of the total amount paid for the extension. The electric utility shall refund the

advance on a pro rata basis to the small customer who paid for the initial extension or to the small customer who paid for a subsequent connection to that extension. A refund may not be issued after 10 years from the date the initial extension is established.

(3) A small customer who expends funds for an extension may not receive a refund that is greater than the amount necessary to return the small customer to the small customer's proportionate share of the cost of the original extension.

(4) A small customer may receive a refund pursuant to this section only if:

(a) the small customer paid for the initial extension or subsequent connection to the extension pursuant to subsection (1); and

(b) at the time the refund is issued, the small customer owns the residential structure to which the extension or subsequent connection to the extension was made.

Section 3. Codification instruction. [Sections 1 and 2] are intended to be codified as an integral part of Title 69, chapter 5, and the provisions of Title 69, chapter 5, apply to [sections 1 and 2].

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

Section 5. Applicability. [This act] applies to extensions occurring on or after [the effective date of this act].

- END -

I hereby certify that the within bill,
HB 0291, originated in the House.

Chief Clerk of the House

Speaker of the House

Signed this _____ day
of _____, 2011.

President of the Senate

Signed this _____ day
of _____, 2011.

HOUSE BILL NO. 291

INTRODUCED BY SESSO, WILMER, NOONAN, HINER, DRISCOLL, MALEK, F. SMITH, FUREY, YATES,
SWANSON, HANDS, PEASE-LOPEZ, BELCOURT, SANDS, MENAHAN, MCCHESENEY, REINHART,
KEANE, MCCLAFFERTY

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