

SENATE BILL NO. 199

INTRODUCED BY T. RICHMOND

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A BILL FOR AN ACT ENTITLED: "AN ACT PROHIBITING THE PUBLIC SERVICE COMMISSION FROM SPECIFYING CONTRACT LENGTHS OR ECONOMIC LIVES FOR CERTAIN ELECTRICITY SUPPLY RESOURCES; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

NEW SECTION. Section 1. Electricity supply resources -- prohibiting specification of contract length or economic life for ratemaking. (1) When establishing rates or approving an application by a utility to acquire an electricity supply resource in accordance with Title 69, chapter 3 or chapter 8, the commission may not specify a contract length different from a length agreed to by the parties to the contract and may not establish for owned assets an economic life for ratemaking purposes different from the asset life used for depreciation purposes.

(2) (a) For the purposes of this section, "electricity supply resource" includes but is not limited to:

- (i) multiyear leases for electric generating resources;
- (ii) an ownership interest in a new or existing plant or equipment used to generate electricity; and
- (iii) a contract to purchase power.

(b) The term does not include an agreement or contract with a qualifying small power production facility as defined in 69-3-601.

NEW SECTION. Section 2. Codification instruction. [Section 1] is intended to be codified as an integral part of Title 69, chapter 3, and the provisions of Title 69, chapter 3, apply to [section 1].

NEW SECTION. Section 3. Effective date. [This act] is effective on passage and approval.

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