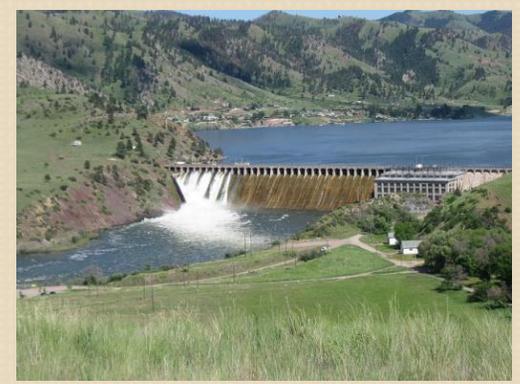




# PSC Update

Presented to Energy & Telecommunications Interim Committee

May 8, 2014



NorthWestern Energy's application for PSC approval to purchase PPLM's hydro facilities

# Recent wind project rulings

## Interpretation of “local owner” provisions in CREP statute

- Crazy Mountain Wind and Greycliff Wind Prime requested PSC declaratory rulings that their ownership structures involving out-of-state investors complied with statutory requirement that local owners must have a controlling interest in a CREP project.
  - Crazy Mountain decision: PSC found that a project does not qualify as a CREP unless local owners have a controlling interest at the time of the project’s interconnection and at any time thereafter.
  - Greycliff Wind Prime decision: PSC found that local owners have a controlling interest in a project only if they own more than half of the equity, income and voting interests in the project.



# Qualified Facilities



- FECR Declaratory Order (To be discussed in more detail.)
- NWE Petition to Set Terms and Conditions of a Contract with Greenfield Wind, LLC. D2014.4.43.
- D2014.1.5 Application for Approval of Avoided Cost Tariff Schedule QF-1.
  - Petition for an Interim Rate or in the alternative a temporary suspension of PURPA obligations

# Telecommunications

- CenturyLink – request for waiver of tariff filing requirement
  - If approved, would end PSC rate regulation of Montana’s major voice service provider
  - PSC would still regulate service quality, wholesale service provisioning, ETC designations
- PSC inquiry into possible telecom reform legislation
  - Issues identified by PSC as subjects of potential legislation included: retail service deregulation, carrier registration, carrier of last resort requirement, state universal service fund, clarify VoIP jurisdiction
  - No consensus among stakeholders who commented
  - PSC staff memo to commissioners: it may be premature to initiate major telecom reform legislation in 2015



# Telecommunications Cont.

## FCC RATE FLOOR

- The FCC announced on March 20, 2014 that their rate floor would be moved to \$20.46, a 46% increase from \$14.00.
- The increase in the rate floor impacted five of Montana's regulated providers.
- The PSC does not regulate the ETCs that are cooperatives but one must assume the increased rate floor impacted the cooperatives as well as the regulated providers.
- The PSC immediately filed comments with the FCC.
- On April 23, 2014 the FCC announced that the implementation date of the rate floor had been extended to January 15, 2015 and the increase would be phased in over multiple years.



QUESTIONS?

