

SENATE BILL NO. 374

INTRODUCED BY D. ANKNEY

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4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING ELECTRIC UTILITY LINE EXTENSION
5 REQUIREMENTS; ALLOWING CERTAIN CUSTOMERS TO SEEK AN ALTERNATIVE COST ESTIMATE AND
6 HAVE A CONTRACTOR CONSTRUCT AN EXTENSION WHEN APPROPRIATE; REQUIRING THAT A FEE
7 BE PAID TO THE PUBLIC SERVICE COMMISSION BY CERTAIN CUSTOMERS; REQUIRING AN ELECTRIC
8 UTILITY TO INSPECT THE CONSTRUCTION AND BE ONSITE FOR CONSTRUCTION; REQUIRING A SMALL
9 CUSTOMER TO COVER EXTENSION COSTS IF AN ALTERNATIVE CONTRACTOR IS SELECTED; LIMITING
10 THE REFUND OF CERTAIN EXTENSION COSTS; REQUIRING THE PAYMENT OF THE STANDARD
11 PREVAILING WAGE; ~~ESTABLISHING LINE OWNERSHIP;~~ REQUIRING A JOURNEYMAN LINEMAN OR
12 PROFESSIONAL ENGINEER TO BE PART OF A PROJECT; REVISING DEFINITIONS; AMENDING SECTIONS
13 69-5-121 AND 69-5-122, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY
14 DATE."

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

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18 NEW SECTION. **Section 1. Review and selection of contractor.** (1) (a) After an electric utility
19 provides a cost estimate to a small customer for an extension on the small customer's property to a residential,
20 commercial, or added structure, the small customer may request a contractor to provide an alternative cost
21 estimate.

22 (b) If the small customer requesting an alternative cost estimate is served by a public utility as defined
23 in 69-5-121(4)(a), the small customer shall pay a \$25 fee to the public service commission and file a copy of the
24 cost estimate and alternative cost estimate with the commission.

25 (2) (a) Subject to subsection (2)(b), after receiving an alternative cost estimate, the small customer may
26 hire the contractor to complete the extension on the small customer's property to the residential, commercial, or
27 added structure.

28 (b) At least 20 days prior to the contractor beginning work on the extension, the small customer shall
29 notify the electric utility that will be providing service to the small customer. The notification must be in writing.

30 (3) (a) Subject to ~~subsection~~ SUBSECTIONS (3)(b) THROUGH (3)(D), if a contractor is selected, the extension

1 must be built on the small customer's property to meet the same standards proposed by the electric utility that
2 will be providing service to the small customer.

3 (b) Throughout construction and as the electric utility considers appropriate, the electric utility shall
4 inspect the extension and be onsite. The contractor shall notify the electric utility of construction progress as
5 needed for inspection.

6 (C) IF A CONTRACTOR IS SELECTED, THE CONTRACT FOR AN EXTENSION MUST REQUIRE THE PAYMENT OF THE
7 STANDARD PREVAILING WAGE RATE IN EFFECT AND APPLICABLE TO THE WORK BEING PERFORMED.

8 (D) EITHER THE CONTRACTOR SELECTED IN ACCORDANCE WITH SUBSECTION (3)(A) OR THE PERSON SELECTED
9 BY THE ELECTRIC UTILITY COMPLETING INSPECTIONS ONSITE IN ACCORDANCE WITH SUBSECTION (3)(B) MUST BE A
10 JOURNEYMAN LINEMAN OR PROFESSIONAL ENGINEER.

11 (4) (a) When the extension is completed by the contractor, the electric utility that will be providing service
12 to the small customer shall complete a final inspection. After the final inspection and following the correction of
13 deficiencies, if any, the electric utility shall provide the small customer a written statement that construction is
14 complete.

15 (b) After the written statement is issued in accordance with subsection (4)(a), the electric utility shall
16 connect the extension to the electric utility's system.

17 (5) Construction and completion of an extension by a contractor does not:

18 (a) affect the location of a vector, a capacity decision, or any other agreement made in accordance with
19 69-5-101 through 69-5-114;

20 (b) allow the contractor to connect an extension to an electric utility without the electric utility's written
21 statement and final inspection in accordance with subsection (4); or

22 (c) affect the rights and duties of a rural electric cooperative organized in accordance with Title 35,
23 chapter 18, to adopt policies or to implement the provisions of this section.

24 (6) (a) If a contractor is hired in accordance with this section, the cost of engineering, construction, and
25 other services must be paid by the small customer who sought the alternative cost estimate and hired the
26 contractor.

27 (b) The small customer is also responsible for costs incurred by an electric utility while onsite during
28 construction and inspections in accordance with subsections (3) and (4).

29 (7) IF A CONTRACTOR IS HIRED IN ACCORDANCE WITH THIS SECTION, WHEN CONSTRUCTION IS COMPLETE THE
30 CUSTOMER MAY:

1 ~~(A) RETAINS OWNERSHIP OF THE EXTENSION; AND~~
 2 ~~(B) IS RESPONSIBLE FOR MAINTAINING THE EXTENSION;~~
 3 ~~(A) RETAIN OWNERSHIP OF THE EXTENSION AND RESPONSIBILITY FOR ITS MAINTENANCE; OR~~
 4 ~~(B) TRANSFER OWNERSHIP AND MAINTENANCE RESPONSIBILITIES TO THE CONNECTING UTILITY ALONG WITH~~
 5 ~~ASSURED ACCESS. AND THE ELECTRIC UTILITY MAY NEGOTIATE OWNERSHIP AND MAINTENANCE OF THE EXTENSION.~~

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 7 **Section 2.** Section 69-5-121, MCA, is amended to read:

8 **"69-5-121. Definitions.** As used in 69-5-122, [section 1], and this section, the following definitions apply:

9 (1) "Added structure" means any outbuildings, improvements, irrigation pumps, facilities, or other
 10 structures located on a small customer's property.

11 (2) "Commercial structure" means a building used for commercial purposes.

12 (3) "Contractor" means a person who submits a proposal to construct or enters into a contract to
 13 construct an extension and who is licensed, insured, and A MEMBER OF THE NATIONAL ELECTRICAL CONTRACTORS
 14 ASSOCIATION, AND experienced in comparable construction.

15 ~~(4)~~(4) "Electric utility" means:

16 (a) a public utility regulated by the public service commission pursuant to Title 69, chapter 3, that
 17 provides electrical service for heat, light, or power to a small customer; or

18 (b) a utility qualifying as a rural electric cooperative pursuant to Title 35, chapter 18, that provides
 19 electrical service for heat, light, or power to a small customer.

20 ~~(2)~~(5) "Extension" means any works or improvements necessary to connect a residential, commercial,
 21 or added structure of a small customer to an electric utility's distribution or transmission system.

22 ~~(3)~~(6) "Residential structure" means a single-family house, trailer, manufactured home, or mobile home,
 23 excluding any outbuildings, improvements, irrigation pumps, facilities, or other structures located on the property.

24 ~~(4)~~(7) "Small customer" has the meaning provided in 69-3-2003."
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26 **Section 3.** Section 69-5-122, MCA, is amended to read:

27 **"69-5-122. Residential utility line extension -- refund.** (1) A small customer of an electric utility as
 28 defined in 69-5-121(4)(a) who pays for a portion of the construction of an extension to a residential structure or
 29 who advances money to ~~the~~ an electric utility as defined in 69-5-121(4)(a) for a subsequent connection to that
 30 extension must receive a refund as provided in subsection (2) if an additional customer connects to the extension.

