

HOUSE BILL NO. 269

INTRODUCED BY D. ZOLNIKOV

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A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING NATURAL GAS UTILITIES TO PROVIDE CUSTOMERS WITH A CHOICE OF NATURAL GAS SUPPLIERS; AMENDING SECTIONS 69-3-1401, 69-3-1403, 69-3-1404, 69-3-1406, AND 69-3-1414, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

Section 1. Section 69-3-1401, MCA, is amended to read:

"69-3-1401. Short title. This part may be cited as the "Natural Gas Utility Restructuring and Customer Choice Act"."

Section 2. Section 69-3-1403, MCA, is amended to read:

"69-3-1403. Customer choice. (1) ~~A~~ On or before July 1, 2018, a natural gas utility ~~may voluntarily~~ shall offer its customers a choice of natural gas supplier and provide open access to its transmission facilities, storage facilities, or distribution facilities.

(2) If ~~a~~ customer choice ~~offering~~ results in transition costs, the commission may allow those transition costs to be recovered in separate identifiable charges to customers. Upon commission approval, the natural gas utility ~~must have the opportunity but not the obligation to~~ may finance the fixed transition costs and related financing costs using transition cost financing as provided for in ~~69-8-103 and~~ 69-8-503."

Section 3. Section 69-3-1404, MCA, is amended to read:

"69-3-1404. Functional separation -- code of conduct -- emergency services -- customer protection. (1) Except as provided in 69-3-1413 through 69-3-1416, a natural gas utility ~~that provides customer choice and open access on its system~~ shall:

- (a) functionally separate its natural gas production and gathering resources from its natural gas transmission, storage, and distribution services and remove natural gas production and gathering resources from the rate base;
- (b) adopt and comply with commission-approved standards of conduct to be included in a tariff to govern

1 its natural gas transmission, storage, and distribution services; and

2 (c) provide emergency natural gas supply and related services to the extent necessary to maintain the
3 operational integrity of the transmission system as determined by the commission.

4 (2) The commission shall develop standards that protect consumers and natural gas suppliers from
5 anticompetitive and abusive practices.

6 (3) This part does not reduce or otherwise change the authority of the commission to review the
7 prudence of natural gas purchases made by a natural gas utility for its customers ~~that do not have a choice or~~
8 ~~that have not made a choice of natural gas suppliers or have not been assigned a natural gas supplier.~~"

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10 **Section 4.** Section 69-3-1406, MCA, is amended to read:

11 "**69-3-1406. Reciprocity.** ~~(4)~~ All natural gas suppliers are afforded the comparable opportunity to
12 compete.

13 ~~(2) A natural gas distribution services provider or its affiliates may not use another natural gas distribution~~
14 ~~services provider's facilities in the state of Montana to sell natural gas to customers in the state of Montana unless~~
15 ~~the natural gas distribution services provider or its affiliates offer customer choice and open access to their natural~~
16 ~~gas distribution facilities."~~

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18 **Section 5.** Section 69-3-1414, MCA, is amended to read:

19 "**69-3-1414. Acquisition of rate-based facilities.** A natural gas utility ~~that provides its customers with~~
20 ~~a choice of natural gas suppliers pursuant to 69-3-1403 and that does did not own natural gas production and~~
21 gathering resources on April 1, 2009, may acquire those facilities and place them in the rate base as provided
22 in 69-3-1413 through 69-3-1416."

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24 NEW SECTION. **Section 6. Saving clause.** [This act] does not affect rights and duties that matured,
25 penalties that were incurred, or proceedings that were begun before [the effective date of this act].

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27 NEW SECTION. **Section 7. Effective date.** [This act] is effective on passage and approval.

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