

1 _____ BILL NO. _____

2 INTRODUCED BY _____
3 (Primary Sponsor)

4 A BILL FOR AN ACT ENTITLED: "AN ACT PROHIBITING A UTILITY FROM LEVYING A DEMAND CHARGE
5 ON SMALL CUSTOMERS; PROVIDING DEFINITIONS; AND PROVIDING AN IMMEDIATE EFFECTIVE
6 DATE."

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

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10 NEW SECTION. Section 1. Definitions. As used in this part, unless the context clearly indicates
11 otherwise, the following definitions apply:

12 (1) "Demand charge" means an additional charge placed on an electric customer's bill based on the
13 highest peak electric usage measured over a specific time period, typically 15 minutes, as provided in the public
14 utility's electric tariff.

15 (2) "Small customer" means a customer that uses less than 27,000 kilowatt hours of electricity per
16 year.

17 (3) "Utility" means a public utility regulated under Title 69, chapter 3, that is not an electric
18 cooperative.

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20 NEW SECTION. Section 2. Demand charge prohibition. (1) A utility may not assess a demand
21 charge on a small customer if the small customer uses less than 27,000 kilowatt hours of electricity a year
22 measured between January 1 and December 31 of each calendar year.

23 (2) Beginning January 1, 2021, a utility must remove the demand charge from a small customer's
24 2020 bill when the customer used less than 27,000 kilowatt hours of electricity.

25 (3) The utility may reestablish the demand charge in the calendar year following a year in which the
26 small customer used more than 27,000 kilowatt hours of electricity.

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28 NEW SECTION. Section 3. Codification instruction. [Sections 1 and 2] are intended to be codified

1 as an integral part of Title 69, and the provisions of Title 69 apply to [sections 1 and 2].

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3 NEW SECTION. Section 4. Severability. If a part of [this act] is invalid, all valid parts that are
4 severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications,
5 the part remains in effect in all valid applications that are severable from the invalid applications.

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7 NEW SECTION. Section 5. Effective date. [This act] is effective on passage and approval.

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