



## LEGISLATIVE CONSUMER COMMITTEE

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### SENATE MEMBERS

Sue Malek, Chair  
Jeff Welborn, Vice-Chair

### HOUSE MEMBERS

Mary Ann Dunwell  
Mike Hopkins

### MINUTES LOG

June 26, 2019

Room 137, State Capitol Building,  
Helena, Montana

Please note: This document is a Minutes Log and provides annotation of the time elapsed between the beginning of the meeting and the time at which the item was presented or discussed, a motion was made, or a vote was taken. The narrative presented here is provided only as a guide to the audio or video recording of the meeting. The official discussion, motion, or vote is available on the audio or video archive of this meeting. The Legislature does not prepare a transcript of the meeting activities. The time designation may be used to locate the referenced discussion on the audio or video recording of this meeting.

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Please contact the Montana Consumer Counsel at 406-444-2771 for more information.

### COMMITTEE MEMBERS PRESENT

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Senator Sue Malek, Chair  
Senator Jeff Welborn, Vice Chair  
Representative Mary Ann Dunwell  
Representative Mike Hopkins

### MONTANA CONSUMER COUNSEL STAFF PRESENT

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Robert A. Nelson, Consumer Counsel  
Jason Brown, Staff Attorney  
Paul Schulz, Rate Analyst  
Jaime Stamatson, Economist  
Suzanne Snow, Secretary

## VISITORS PRESENT

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Senator Janet Ellis, District 41 -Helena  
John Hines, NorthWestern Energy  
David Hoffman, NorthWestern Energy  
Makenna Sellers, Northern Plains Resource Council

Sign in Sheet ([Attachment 1](#))

## AGENDA – ([Attachment 2](#))

### CALL TO ORDER

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10:05:53 Senator Malek called the meeting to order with roll call and introductions from the Committee and Montana Consumer Counsel staff members.

Roll Call ([Attachment 3](#))

### ELECTION OF CHAIR AND VICE CHAIR

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10:11:41 Senator Malek called for the election of committee chair and vice-chair.

MOTION: Senator Welborn moved to appoint Senator Malek as Chair.

VOTE: The motion passed unanimously on a voice vote.

MOTION: Rep. Hopkins moved to appoint Senator Welborn as Vice-Chair.

VOTE: The motion passed unanimously on a voice vote.

### APPROVAL OF MINUTES OF PREVIOUS MEETINGS – April 5, 2019 and August 27, 2018

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10:16:09 MOTION: Senator Welborn moved to file and receive the minutes.

VOTE: The motion passed unanimously on a voice vote.

### COLSTRIP DISCUSSION

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10:16:41 Senator Malek introduced John Hines, Vice President - Supply/Montana Government Affairs, NorthWestern Energy. Mr. Hines was invited to talk to the Committee about the closures of Colstrip 1 and 2. Chair Malek expressed the Committee's concern about the loss of the plant and related jobs. In addition, the Committee has asked Mr. Hines to discuss the transmission line and what will happen to the reliability and efficiency of the line when its 600 MW are no longer running.

10:18:24 Presentation by John Hines - - ([Attachment 4](#))

10:30:40 Chair Malek asked for clarification about opening up 600 MW on the transmission line and why it is more difficult to bring the power from west to east than it is from east to west.

10:31:08 Mr. Hines stated that it was the way the line was originally engineered.

10:32:04 Rep. Dunwell asked Mr. Hines what it would take to retrofit the transmission lines to be able to adjust the direction of movement of power.

10:32:28 Mr. Hines stated that it would take a detailed transmission study and hundreds of millions of dollars to upgrade the transmission lines.

10:33:35 Chair Malek asked Mr. Hines to talk about the Western Energy Imbalance Market.

10:33:53 Mr. Hines briefly describe the function of the Energy Imbalance Market (EIM) and the perquisites of being able to participate in the EIM.

10:36:44 Chair Malek noted that when part of Colstrip was closed down last summer, NorthWestern was able to buy energy on the market substantially cheaper than last winter, when Montana had a severe winter and the price of energy was high.

10:36:56 Mr. Hines stated that it was a common misconception that Colstrip was shut down last July and August. NorthWestern had a higher capacity factor in July than it did from its wind output. Wind does not necessarily meet NorthWestern's key need adequately in summer or winter.

10:38.54 Mr. Hines continued with his presentation – NorthWestern's Portfolio - 2019 (page 5)

10:42:31 Mr. Hines apologized for omitting a slide that showed market volatility in his presentation. Mr. Hines outlined the significant concern that NorthWestern has about any additional retirement of Colstrip.

10:45:27 Chair Malek asked Mr. Hines if the energy from Colstrip was used only in Montana and there are no other buyers, would that avert an energy crisis for Montanans.

10:45:41 Mr. Hines stated that there would be significant legal discussions if the other owners chose to close the units 3 and 4 before NorthWestern believes it is economically beneficial to close them.

10:46:10 - Chair Malek stated that Bonneville (BPA) owns the wind that it generates along the river, and that if BPA's hydros are generating excess energy, BPA can ramp that down or up as needed. Montana has private companies building wind and solar farms, which limit the ability of NorthWestern to have that kind of management of the system and therefore why would NorthWestern not consider a solar farm. Chair Malek further stated that it was her understanding that the power would be much cheaper and NorthWestern would have more control.

10:47:04 Mr. Hines stated 1) certain types of resources are necessary to provide certain products in order to keep the system operating; 2) Bonneville has contracts with generators and cannot own generation; and 3) The Federal hydro system is designed differently than the hydro system in Montana.

10:49:30 Rep. Dunwell expressed her concern about NorthWestern having no reserves for 2021/2022. Rep. Dunwell stated that in NorthWestern's portfolio it mentioned challenges with technologies related to the transmission system and this committee has to be concerned about what ratepayers pay and the reliability of energy. Rep. Dunwell sought clarification on what NorthWestern's plan is when Colstrip 1 and 2 are closed.

10:50:30 Mr. Hines outlined the 2018 Electricity Procurement Plan, which is still in draft form and available through the Public Service Commission website.

Mr. Hines stated that NorthWestern had started the process a year and a half ago, but certain Commissioners at the PSC believed the market could provide all of NWE's solutions, and that therefore NorthWestern was forced to terminate its competitive solicitation.

10:55:17 Rep. Dunwell ask Mr. Hines if NorthWestern was going to jump start that process now.

10:55:24 Mr. Hines stated that was correct.

10:55:30 Rep. Dunwell asked Mr. Hines as to what plans NorthWestern might have to maximize the cell storage technology.

10:56:00 Mr. Hines outlined how NorthWestern has been vested in learning about batteries.

- 10:59:32 Chair Malek noted that Kerr Dam was having trouble marketing its power and wondered why it was not being used in Montana to its capacity. Chair Malek expressed that it is important to support the continued viability of that natural resource.
- 11:00:08 Mr. Hines stated that NorthWestern occasionally buys energy from Kerr Dam, but that Kerr Dam has longer term contracts, primarily, with industrial customers in the state of Montana.
- 11:01:13 Chair Malek thanked Mr. Hines for his presentation.
- 11:01:26 Mr. Hines thanked the Committee for the opportunity and stated that NorthWestern is available to answer questions or appear at any other time.

#### Public Comment

- 11:01:40 Brian Fadie, Clean Energy Program Director at the Montana Environmental Information Center, expressed his concern over NorthWestern's plan for reliance on natural gas and not utilizing solar and wind.

#### Committee Discussion

- 11:11:30 Chair Malek asked the Committee if they would like to put together a panel later in the year to talk about NorthWestern's plan in more detail.
- 11:11:53 Rep. Dunwell expressed that what has been presented is sobering and wondered if the committee could open the discussion with Mr. Nelson and Mr. Brown to talk about how best to prepare rate payers for an increase in rates.
- 11:12:32 Chair Malek stated that it is definitely something the committee could ask the staff to present on in the future.
- 11:12:42 Bob Nelson stated that an opportune time to discuss resource planning would be after NorthWestern files its resource portfolio plan.
- 11:13:10 Rep. Dunwell asked Mr. Hines what NorthWestern is doing to prepare ratepayers, especially ratepayers that have to choose between turning down the heat or eating.
- 11:13:59 Mr. Hines stated he had an affinity toward making sure that portion of the population is adequately served.
- 11:16:48 Rep. Dunwell asked Mr. Hines whether he knows if the rates would increase and how much that increase would be.
- 11:16:59 Mr. Hines stated that rates are likely to go up given the natural movement of power market prices over time, but was unable to supply any figures at this point in time.
- 11:17:50 Chair Malek stated that she would work with Bob Nelson to form a panel for the next meeting to discuss NorthWestern's Procurement Plan.

#### ROLES AND RESPONSIBILITIES OF THE CONSUMER COUNSEL AND THE LEGISLATIVE CONSUMER COMMITTEE

- 11:18:15 Bob Nelson outlined the roles and responsibilities of the Consumer Counsel and the Legislative Consumer Committee.
- Statement from previous chair ([Attachment 5](#))
  - Legislative Consumer Duties ([Attachment 6](#))
  - Statues relating to the committee ([Attachment 7](#))
  - Statues pertaining to the specific role of the Consumer Counsel ([Attachment 8](#))
  - Acronyms – ([Attachment 9](#))

## OVERVIEW OF THE UTILITY RATE SETTING PROCESS

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- 11:23:43 Paul Schulz provided a brief overview of the utility rate setting process, including what entities are regulated, why they are regulated, and how in general terms that regulation is approached. Paul also summarized the procedural process at the Public Service Commission when the utility has a rate filing and the setting of rates. ([Attachment 10](#))
- 11:40:33 Chair Malek asked Paul Schulz whether the same process applies to MDU as Title 69 covers NorthWestern, but not MDU.
- 11:40:50 Paul Schulz stated that generally speaking yes, the procedural process and the rate setting process are the same for MDU as NWE.
- 11:41:06 Chair Malek asked Paul Schulz that, given it has been 11 years since NorthWestern filed a rate case, is that when the Commission decides what the rate of return will be and is that pretty standard across the nation.
- 11:41:23 Paul Schulz stated that yes, that is correct.

### Public Comment

None

### Committee Discussion

None

## CONSUMER COUNSEL WEBSITE OVERVIEW

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- 11:43:23 Chair Malek stated the Consumer Counsel has been working to strengthen its website.
- 11:44:43 Bob Nelson gave a brief overview of the Montana Consumer Counsel's webpage.
- 11:50:47 Chair Malek mentioned that Rep. Dunwell had inquired as to what responsibility the Public Service Commission and the Consumer Counsel had in telecommunication related matters; referring to a newspaper article about northeast Montanans losing services and if any of the links on the Consumer Counsel's webpage to state or federal agencies would be able to help them out.
- 11:51:21 Bob Nelson noted that he believed the news articles related to a wireless service, which is not regulated by the Montana Public Service Commission. Broadband service is also not regulated by the Montana Commission. Both services are regulated by the Federal Communications Commission (FCC). The Commission has a limited role in certifying carriers as eligible telecommunication carriers (ETC) under the Federal Telecommunications Act.
- 11:52:49 Chair Malek noted that part of the newspaper story related to a person who owned a car dealership. He was doing all his business through his smart phone and wondered if the matter would fall under telecommunications.
- 11:53:15 Bob Nelson stated that is correct and that it would fall under the FCC.
- 11:53:23 Chair Malek asked Bob Nelson if other states regulate wireless services.
- 11:53:27 Bob Nelson stated that he was not sure what other states regulated.
- 11:53:34 Chair Malek noted that she is worried about northeastern Montana.
- 11:53:44 Rep. Dunwell expressed her concern about connectivity in Montana
- 11:54:57 Bob Nelson noted that the Consumer Counsel would look into this issue but cautioned that the agency has limited staff resources. Bob also noted that other states have similar issues and have expressed a lot of frustration with the inability to make any

headway with the federal agencies such as the FCC. Bob also noted that there was a lot of momentum behind deregulation, especially with respect to the mobile carriers.

11:55:52 Rep. Dunwell stated that part of a certification requirement for these telecom companies should be to service lesser served areas.

11:56:28 Bob Nelson stated that that is actually the case. In order to receive these ETC subsidiaries for broadband, the telecommunication carriers have to meet certain service requirements and offer service to the general population within the area that they are certified to provide that service. Verizon perhaps is not an ETC and therefore does not receive subsidiaries, so it would not be subject to those requirements.

11:57:10 Rep. Dunwell stated that there is room for thought and discussion on this matter.

LUNCH BREAK

#### NORTHWESTERN ENERGY ELECTRIC RATE CASE

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12:33:49 Chair Malek called the meeting back to order with a discussion of NorthWestern's Electric Rate Case.

12:34:15 Bob Nelson provided the Committee with an overview of NorthWestern's Electric Rate Case ([Attachment 11](#)) – Page 3 of the Status of Cases - ([Attachment 12](#))

12:52:19 Chair Malek asked for clarification on NorthWestern's fixed costs.

12:54:15 Bob Nelson outlined how NorthWestern's fix costs are calculated.

12:58:26 Chair Malek asked for clarification of her understanding that if a person used 100 kilowatts of electricity a month, then they would be charged the \$4.49 a kilowatt for every kilowatt.

12:59:00 Bob Nelson replied that would be the case, noting that there is a distinction between kilowatts and kilowatt hours.

13:00:24 Chair Malek asked for further clarification.

13:00:50 Bob Nelson provided additional information on NorthWestern's demand rate structure, noting also that the demand rate structure has been in place for larger business customers, and irrigation customers for some time.

13:03:24 Rep. Dunwell raised a question about customers who conserve energy by using wood burning stoves to heat their home, how is that different from having roof top solar. Rep. Dunwell also inquired as to why there are a dozen rate categories.

13:05:18 Bob Nelson noted that a couple of intervenors in the NorthWestern rate case also made this argument. Bob Nelson explained the widely recognized usage pattern difference between a net meter and non-net metering customer.

13:07:44 Rep. Dunwell asked whether other states are also imposing demand charges.

13:07:57 Bob Nelson noted that a handful of states have revised or rolled back their net metering programs. He was not aware if they have established demand charges or if there are service charges.

13:08:37 Chair Malek invited Bob Nelson to give the committee some background on the transmission issues in the NorthWestern Energy rate case

13:08:52 Bob Nelson outlined the Consumer Counsel's concern with transmission in the NorthWestern rate case. He also noted that NorthWestern has filed an application for

formula rates at the FERC (page 5 of the status report - [Attachment 12](#)) requesting a \$39.5 million increase, which is approximately a 55 percent increase for transmission customers. Bob also noted that the Montana Consumer Counsel has intervened in the docket.

- 13:11:06 Rep. Dunwell inquired, with all of these intervenors, who makes sure all their issues are considered and also, who has the ultimate oversight of the PSC.
- 13:11:30 Bob Nelson replied that the court system would take all intervenor issues into consideration. He also stated that if someone thought that their issue had not been considered or had been inappropriately considered, then they have the opportunity to file a petition for judicial review.
- 13:11:49 Rep. Dunwell inquired whether the process of filing a petition for judicial review would stop the whole rate case process or whether there is a severability.
- 13:11:59 Bob Nelson advised that a petition for judicial review happens at the end of the process when the Commission has issued its final decision, and until that point a case is not deemed ripe for judicial review.
- 13:12:15 Rep. Dunwell asked what happens next in the case.
- 13:12:24 Bob Nelson replied that the case is in the briefing stages. NorthWestern's initial brief, will be filed next week, and all intervenor briefs are due July 31. NorthWestern will have an opportunity for a reply brief, which is due about three weeks after the intervenors have filed their briefs. The Commission will then start holding work sessions and issue its decision sometime in September.
- 13:13:06 Rep. Dunwell asked what effect shutting down Colstrip 1 and 2 will have on this rate case, if any.
- 13:13:22 Bob Nelson stated that he did not see any effect it would have as this is outside the issues that have been presented in the rate case.
- 13:13:37 Rep. Dunwell noted that Mr. Hines mentioned when Colstrip 1 and 2 close down most likely there will be a rate increase for rate payers and asked for clarification how there is no connection with the closure of Colstrip 1 and 2 and the current NorthWestern rate case.
- 13:13:59 Bob Nelson stated that what he thought Mr. Hines was suggesting is a long term very indirect market-based relationship. Bob noted that he expected that there will be some parties, individuals and organizations including MEIC who would disagree with what Mr. Hines conveyed. Bob also noted that he was not sure what MCC's view is at this point on whether the closure of Colstrip 1 and 2 would impact (or how much it would impact) costs going forward, but to the extent it did, it would be through market pressures on the market purchases that NorthWestern is making, which would flow through its power cost trackers.
- 13:15:00 Senator Malek thanked Bob for the timelines and noted that if people want to find out more on this case to visit the PSC website.
- 13:15:18 Bob Nelson added that the status of cases report has links on the docket number, which will take you to the Commission website. Bob also noted that the briefs in the NorthWestern rate case have not yet been filed.
- 13:15:46 Chair Malek inquired about the length of the briefs.
- 13:15:53 Bob Nelson replied that because there are so many issues in this case it could be in the range of about 40 or 50 pages.
- 13:16:07 Chair Malek asked how the average citizen could find out and track this information.
- 13:16:21 Bob Nelson replied that they can call the Montana Consumer Counsel if they have questions.

- 13:16:42 Chair Malek noted that this is a complicated case and again thanked Bob for the timeline.
- 13:16:52 Bob Nelson stated that the Montana Consumer Counsel filed a stipulation and settlement agreement with NorthWestern Energy, The Large Customer Group, FEA and Walmart. The stipulation agreed to a \$6.5 million overall increase as opposed to the requested \$34.9 million, which resulted in an overall 1.23 percent increase instead of the requested 6.6 percent. Also, instead of a 10 percent increase it is a 1.68 percent increase for residential customers. The stipulation also brought down the increases for all the other classes; the largest increase for a general class would be about 5 percent as opposed to the requested 10 percent. Bob further noted that the Montana Consumer Counsel entered into another stipulation with NorthWestern, DEQ and Walmart, which provided for a process to review NorthWestern's e-plus green tariff program and consider options for renewable energy tariffs.
- 13:18:18 Chair Malek asked for clarification on the green energy tariff program.
- 13:18:23 Bob Nelson replied that under the current tariff customers can choose to purchase their energy from green energy at a slightly increased charge. Some customers, especially large business customers like Walmart, are interested in having access to what they view as both desirable green energy and lower cost energy, so there is an issue on how to develop a tariff, which is tricky in Montana given the restructuring of reregulation where the law requires no further retail access/third party choice.
- 13:20:10 Rep. Dunwell asked about charging companies a tariff to continue to use fossil fuel.
- 13:20:27 Bob Nelson replied that this is what is happening right now. Companies are being charged to use fossil fuel, not a penalty per say, but they are being charged the cost of the existing generation. This is a cause for concern for smaller customers who may be left behind paying for that fossil power, in contrast to others who have the opportunity to depart to do that for lower cost power.
- 13:21:16 Chair Malek noted that it is all very complicated and redirected the conversation back to NorthWestern's rate case.
- 13:22:00 Chair Malek called for public comment.
- Senator Janet Ellis, District 41 -Helena, outlined concerns from her constituents about net metering issues and how this is going to affect the solar energy industry in Montana.
- 13:24:18 Makenna Sellers, representing Northern Plains Resource Council, outlined the Council's concerns about the Navigant study performed by NorthWestern, which the Energy Telecommunications Interim Committee (ETIC) deemed did not meet legislative intent as stated in a letter from ETIC to NorthWestern. The Council also noted that its members care about rooftop solar and are concerned about the demand charge.
- 13:26:11 Chair Malek asked Ms. Sellers if she could provide a copy of the ETIC's letter to NorthWestern so the Committee could review the letter next meeting.
- 13:26:20 Ms. Sellers agreed to supply the letter to staff.

#### EMBEDDED RESOURCE COST INFORMATION UPDATE

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- 13:27:20 Jason Brown, staff attorney for the Consumer Counsel, presented a summary of NorthWestern's supply portfolio ([Attachment 13](#))
- 13:31:26 Chair Malek inquired about the BPA credit and what that means.

- 13: 32:15 Bob Nelson stated that the BPA credit was a residential exchange credit, which flows back the difference between the utilities average system cost and the BPA system costs.
- 13:33:05 Rep. Dunwell asked for clarification on what QF-2 and QF-1 mean.
- 13:33:10 Jason Brown responded by stating that QFs are qualifying facilities, which are the result of the 1978 federal law, PURPA. QF-2 refers to contracts entered into with the Montana Power Company in the 1980's and 1990's that have been carried over into NorthWestern's supply portfolio. QF-1 are QFs that have come onboard since NorthWestern acquired the grid in Montana around the 2006-time frame.
- Jason continued with his presentation (page 5)
- 13:41:50 Rep. Dunwell inquired about Spion Kopp verses Judith Gap, both are wind projects so why is one almost twice the cost.
- 13:42:13 Jason Brown responded that since Spion Kopp went into rates in 2013, with some minor exceptions, the fixed rate is unchanged.

#### STATUS OF CASES PENDING

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- 13:47:45 - Bob Nelson briefly highlighted the status of cases. ([Attachment 12](#))
- 13:58:31 Chair Malek asked whether the legislature passed the bill that authorized a new hire at the PSC to consider some of the small water cases.
- 13:58:57 Bob Nelson responded that there were a couple of bills. One was HB 93 that dealt with changes to the standard rates that did not pass, and HB 597 that dealt with hearing examiners, which did pass.
- 13:58:15 Chair Malek inquired whether the PSC has implemented the hearing examiner.
- 13:58:17 Bob Nelson responded that he was not aware whether a hearing examiner had been hired, but did not believe the position was directly related to the small water cases.
- 13:59:28 Jason Brown noted there has been a lot of interest in setting a streamlined approach for rate making in the small water cases over the last few years. A lot of progress has been made, and although these customers are in small pockets around the state, the dollar impact to these people can be enormous.

#### FINANCIAL REPORT

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- 14:00:30 Bob Nelson reviewed the current budget report (dated 6-21-19), which shows a snapshot of where the agency stands at the current time, noting that some categories run a month or two ahead and some run a month or two behind. Bob noted that overall he expected to finish the fiscal year with a budget surplus.
- Bob Nelson also noted that the agency is funded by a separate consumer counsel tax, which is based on the legislatively appropriated amount divided by the gross revenues of the regulated utilities. The Department of Revenue calculates the tax percentage and any amount that is unexpended at the end of the year. If the agency has a budget surplus, for example, it is rolled over and subtracted from the appropriations during the next period in order to calculate the tax amount.
- 14:04:11 Vice Chair Welborn inquired whether the funds for the agency came from general fund, or a mix of funds.
- 14:04:26 Bob Nelson responded that the funding for the agency is 100 percent special revenue and derived from the Consumer Counsel Tax, which is established in the constitution as the funding mechanism for the Consumer Counsel.

- 14:04:43 Chair Malek inquired whether to invite Revenue to review the funding mechanism for the Committee at the next meeting.
- 14:04:50 Bob Nelson noted that the Department of Revenue appeared before the committee last year because there was an issue about accumulations in the fund equity account. There was some consternation as to why that account had been growing. Bob also noted that the efforts of the MCC and the Department of Revenue to bring the fund equity down is working.
- 14:05:14 Chair Malek responded that it was probably not necessary to invite the Department of Revenue to the next meeting.
- 14:05:24 Bob Nelson noted that Revenue have changed the method of calculating the tax rates, to address the accumulations in the fund equity.

#### CONTRACTED SERVICES

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- 14:05:37 Bob requested authorization to retain the services of Duncan & Allen in FERC Docket ER19-176-000 – NorthWestern Energy’s Application for a Transmission Rate Increase.
- 14:09:01 Chair Malek called for a motion to approve the contract for Duncan & Allen in NorthWestern’s application for formula rates.
- MOTION: Vice Chair Welborn moved to approve the retention of Duncan & Allen as requested by the Consumer Counsel.
- VOTE: The motion passed unanimously by a voice vote.

#### NEXT MEETING

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- 14:09:37 Chair Malek inquired whether the following months would be suitable for Committee Meetings - September, Late November 2019 and March, June, September and early December of 2020.
- 14:10:44 Bob Nelson responded that he had no concerns about the months but that there may be some particular dates that he would prefer to avoid.
- 14:10:55 Rep. Hopkins indicated if the doodle poll could be replicated for this process and have Mr. Nelson exclude some dates that might be inconvenient and use that to pick the date.
- 14:11:14 Bob Nelson responded that a doodle poll could be initiated.
- 14:11:22 Chair Malek inquired whether there would be some more information on the rate case out by the September meeting date.
- 14:11:35 Bob Nelson responded that NorthWestern would be filing its portfolio plan
- 14:11:49 Chair Malek inquired whether the PSC will be making a decision on the rate case in September.
- 14:11:53 Bob Nelson responded that he believed it would be sometime in September.
- 14:11:56 Chair Malek asked if the Committee wanted to wait until after the PSC had made its decision or talk about it before.
- The committee agreed to wait until after the PSC had made its decision on the rate case to discuss it further.

14:13:34 Chair Malek noted that Rep. Dunwell asked about having a public meeting at some point and asked Rep. Dunwell if the committee could defer that discussion until the rate case is finalized.

14:14:00 Rep. Dunwell noted that the reason behind her request for a discussion was because she would like a better understanding on how the Consumer Counsel makes sure the public interest is what the public wants when it represents the public.

14:14:58 Bob Nelson responded by noting that the interests of the public are varied, some of them are aligned and some of them are in conflict at times. He believed that the job of the consumer advocate is to represent the economic interest of ratepayers because that is not otherwise represented. The list of intervenors in the NorthWestern rate case included several public interest groups who were active on a lot of the hot button issues, so those points of view were well represented with capable attorneys and professional consultants testifying in the case. Apart from the cost-based interest of the consumers, Bob Nelson also noted that the Consumer Counsel and its consultants had several meetings that were requested by other intervenors in the case, exchanging information and views. The Consumer Counsel also had representatives at five public hearings that the Commission held in Billings, Bozeman, Great Falls, Helena, and Missoula, thereby providing the opportunity to listen to public comment and talk to people after the public hearings.

14:19:00 Chair Malek stated that the committee would not have a public meeting just to have a public meeting and that a discussion on the Navigant study that Miss Sellers mentioned earlier might be warranted. Chair Malek also noted that with talk about raising rates it would be a broader discussion about how people can hold their rates down and what is happening at this point with transmission. Chair Malek stated during the last interim, the feedback she received from people indicated that they felt in order to go to the Public Service Commission they had to have a lawyer, because the proceedings are legal proceedings, and that her hope is that this committee can educate the consumer on what is happening in the energy industry, making sure people understand who the parties are and how they can be involved rather than putting anyone on the spot.

#### ADJOURNMENT

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14:20:33 There being no further business before the Committee the meeting was adjourned by the Chair.

The meeting adjourned at 2:20 p.m.