Montana Consumer Counsel  
STATUS OF CASES  
April 13, 2022

NORTHWESTERN ENERGY (“NWE”)


NWE requests preapproval of a 20-year Energy Storage Agreement (“ESA”) with Beartooth Energy Storage, LLC for energy, capacity and ancillary services from a 50-MW, 4-hour battery facility. NWE asks the Commission to find that adding the ESA to its supply portfolio is in the public interest and that tracking associated costs through the PCCAM will result in just and reasonable rates.

- Notice of Application and Intervention Deadline issued 1/11/22.
- MCC Petition for Intervention filed 1/31/22; granted 2/7/22.
- Order 7824 issued 2/4/22 finding Application satisfies minimum filing requirements; finding that extraordinary circumstances (i.e., “a novel technology that may require novel modeling”) justify extending the 270-day deadline by an additional 90 days; identifying four additional issues: (1) the total gross cost of the contract, including estimates of energy purchases and transmission costs; (2) the estimated impact of the ESA on the net costs of the PCCAM; (3) costs associated with the ESA that should be recovered through the generation revenue requirement instead of the PCCAM; and (4) the value of ancillary services that should be allocated to wholesale customers.
- Procedural Order 7824a issued 2/14/22; hearing set for 8/23/22.
- NWE Additional Issues Testimony filed 3/8/22; estimated annual gross cost of Beartooth project is $6,576,925; offset by “discharging revenue” estimated increase to PCCAM Base is $4,141,352; all costs should be recovered through the PCCAM, which no longer reflects current market conditions and needs to be re-designed; value of credits from wholesale customers will not change as a result of Beartooth project and no costs of Beartooth project should be allocated to wholesale customers.


Through this annual filing NWE tracks incremental electric supply power costs. It calculates an annual deferred account balance of $19,925,599 to be amortized over 12 months. With other adjustments (which reduce the request to $18,056,581 million), NWE calculates a typical monthly residential bill increase of $1.85 or 2.01%. NWE also requests approval to enter certain off-system fixed price hedging transactions.

- Notice of Application and Intervention Deadline issued 9/7/21.
- **MCC Petition for Intervention** filed 9/28/21.
- **Procedural Order 7816** issued 11/23/21; hearing set for 4/19/22.
- **Direct Testimony of David E. Dismukes** filed 1/21/22; recommending rejection of hedging proposal because it lacks specific details, places considerable performance risk on ratepayers, includes questionable incentives to reduce hedging losses, and the need for it is questionable at this time; also recommending a small increase to forecasted DSM spending for the 2021-2022 tracking period but removal of $2.5 million from the forecast to better reflect historical spends during the past three tracking periods.
- **Notice of Public Hearing** issued 3/1/22.
- **NWE Rebuttal Testimony** filed 3/4/22 opposing proposed adjustment to DSM forecast and supporting hedging request to allow forward-fixed-price purchase transactions at Mid-C.


NWE requests to increase the “Base PCC” from $61,703,497 to $78,658,125, and to increase QF base from $76,952,206 to $77,602,226. NWE calculates a typical monthly residential bill increase of $2.28 or 2.54%.

- **NWE Supplement to Application to Update Base Power Costs and Credits in the PCCAM** filed 6/15/21 proposes to use forward market prices from 6/30/21 instead of 3/10/21 and to update the proposal again to reflect any capacity contracts entered prior to hearing in this docket; calculating that further increasing the “Base PCC” to $85,458,196 and the QF base to $84,311,014 would result in a typical monthly residential bill increase of $3.93 or 4.38%.
- **Notice of Application and Intervention Deadline** issued 6/18/21.
- **Interim Order 7788** issued 6/30/21 approving initially requested increase.
- **MCC Petition for Intervention** filed 7/9/21; granted 7/13/21.
- **MCC Motion to Dismiss** filed 8/2/21; NWE response filed 8/12/21; **MCC Reply in Support of Motion to Dismiss** filed 8/23/21.
- **Limited Procedural Order 7788d** issued 8/26/21.
- Oral argument held 9/14/21.
- **Final Order 7788f** dismissing NWE’s **Application** issued 12/2/21 because the Commission previously decided that PCCAM base adjustments can only be made in general rate cases; finding that allowing PCCAM base adjustments between rate cases would introduce a gaming incentive; but allowing NWE to request future PCCAM base adjustments outside of rate cases due to “extraordinary events or unforeseen circumstances.”
- **MCC Motion for Reconsideration** and **NWE Unopposed Motion for Reconsideration** filed 12/13/21. MCC seeks to strike newly announced standard for PCCAM base adjustments outside of rate cases; NWE seeks to strike general language about conflicts between tariffs and orders.
- **NWE proposal to refund interim rates** approved 12/20/21, effective 1/1/22.
- **Notice of Staff Action** waiving automatic denial deadline issued 1/3/22.
- **Order on Reconsideration 7788g** issued 1/24/22 granting MCC’s **Motion for Reconsideration** and NWE’s **Unopposed Motion for Reconsideration**.

**NWE Gas Tracker, Docket 2020.07.083.**
- December gas tracker filed 11/13/20.
  - Gas supply rate decrease from $3.01 to $2.99.
  - Residential Rate from $6.89 to $6.88.
- January gas tracker filed 12/15/20.
  - Gas supply rate decrease from $2.99 to $2.83.
  - Residential Rate from $6.88 to $6.86.
- February gas tracker filed 1/15/21.
  - Gas supply rate increase from $2.83 to $2.97.
  - Residential Rate from $6.86 to $7.00.
- March gas tracker filed 2/16/21.
  - Gas supply rate increase from $2.97 to $3.97.
  - Residential Rate from $7.00 to $8.00.
- April gas tracker filed 3/15/21.
  - Gas supply rate increase from $3.97 to $4.97.
  - Residential Rate from $8.00 to $9.00.
- May gas tracker filed 4/15/21.
  - Gas supply rate increase from $4.97 to $5.91.
  - Residential Rate from $9.00 to $9.94.
- June gas tracker filed 5/14/21.
  - Gas supply rate increase from $5.91 to $6.91.
  - Residential Rate from $9.94 to $10.94.
- Annual Gas Tracker filed 6/1/21.
  - July gas supply rate decrease from $6.91 to $3.26.
  - Residential Rate from $10.94 to $7.32.
- **Interim Order 7787** issued 6/15/21; **Amended Interim Order 7787a** issued 6/16/21.
- **Notice of Application and Intervention Deadline** issued 7/6/21.
- **MCC Petition for Intervention** filed 7/19/21; granted 9/21/21.
- **Procedural Order 7787b** issued 10/7/21.
- **Amended Procedural Order 7787c** issued 12/1/21.
- **NWE Motion for Final Order** filed 1/10/22.
- **Final Order 7787d** issued 2/8/22.

**NWE Gas Tracker**, Docket [2021.07.098](#).

- August gas tracker filed 7/15/21.
  - Gas supply rate increase from $3.26 to $3.49.
  - Residential Rate from $7.32 to $7.55.
- September gas tracker filed 8/16/21.
  - Gas supply rate increase from $3.49 to $3.78.
  - Residential Rate from $7.55 to $7.83.
- October gas tracker filed 9/15/21.
  - Gas supply rate increase from $3.78 to $4.33.
  - Residential Rate from $7.83 to $8.39.
- November gas tracker filed 10/15/21.
  - Gas supply rate increase from $4.33 to $4.41.
  - Residential Rate from $8.39 to $8.47.
- December gas tracker filed 11/15/21.
  - Gas supply rate decrease from $4.41 to $4.24.
  - Residential Rate from $8.47 to $8.30.
- January gas tracker filed 12/15/21.
  - Gas supply rate decrease from $4.24 to $3.98.
  - Residential Rate from $8.30 to $7.95.
- February gas tracker **filed 1/14/22**.
  - Gas supply rate increase from $3.98 to $4.26.
  - Residential Rate from $7.95 to $8.23.
- March gas tracker **filed 2/15/22**.
  - Gas supply rate decrease from $4.26 to $4.20.
  - Residential Rate from $8.23 to $8.17.
- April gas tracker filed 3/15/22.
  - Gas supply rate increase from $4.20 to $4.65.
  - Residential Rate from $8.17 to $8.63.

**NWE Request for Partial Waiver of In-Person Notice**, Docket 2021.08.109, filed 8/19/21.

NWE requests a waiver of the physical “door tag” notice requirement related to termination of service and instead allow other methods of communication such as email and certified mail; NWE cites cost savings, customer security, employee safety, and the Montana Metering Upgrade Project as reasons to do so.

- Notice of Application and Intervention Deadline issued 9/14/21.
- MCC Petition for Intervention filed 10/5/21; granted 10/15/21.
- Procedural Order 7812 issued 10/26/21.
- Amended Procedural Order 7812a issued 12/21/21.
- Direct Testimony of Paul R. Schulz filed 1/12/22 opposing the requested waiver; noting the purpose of in-person notice is to protect the health and welfare of affected customers and none of the reasons given for the waiver support that goal; concluding that NorthWestern’s cost-benefit analysis is incomplete and does not support the requested waiver.
- Amended Procedural Order 7812c issued 2/14/22.
- NWE Rebuttal Testimony filed 3/11/22 presenting a comparison to disconnection procedures in South Dakota; re-calculating potential savings in order to account for the costs of certified mail that would still be incurred; proposing two-year “pilot” during which waiver would be fully in effect for all customers, followed by a report on the effectiveness of the new methods of communication.
- Hearing held 4/5/22.

[pause for questions]
MONTANA-DAKOTA UTILITIES COMPANY ("MDU")

MDU Electric Tracker (Rate 58), Docket 2021.06.091, filed 6/16/21.
- July electric tracker filed 6/18/21.
  - Increase of $0.00226 secondary.
  - Total fuel and purchased power in tariff is $0.02241/kWh.
- Interim Order 7789 issued 6/30/21.
- MCC Petition for Intervention filed 7/8/21; granted 7/30/21.
- Procedural Order 7789a issued 7/30/21.
- August electric tracker filed 7/16/21.
  - Decrease of $0.00693 secondary.
  - Total fuel and purchased power in tariff is $0.01548/kWh.
- September electric tracker filed 8/18/21.
  - Increase of $0.00621 secondary.
  - Total fuel and purchased power in tariff is $0.02169/kWh.
- October electric tracker filed 9/17/21.
  - Increase of $0.00071 secondary.
  - Total fuel and purchased power in tariff is $0.0224/kWh.
- November electric tracker filed 10/15/21.
  - Decrease of $0.00088 secondary.
  - Total fuel and purchased power in tariff is $0.02152/kWh.
- December electric tracker filed 11/17/21.
  - Increase of $0.0386 secondary.
  - Total fuel and purchased power in tariff is $0.02538/kWh.
- January electric tracker filed 12/17/21.
  - Decrease of $0.00065 secondary.
  - Total fuel and purchased power in tariff is $0.02473/kWh.
- February electric tracker filed 1/17/22.
  - Increase of $0.00346 secondary.
  - Total fuel and purchased power in tariff is $0.02819/kWh.
- March electric tracker filed 2/15/22.
  - Increase of $0.00181 secondary.
- April electric tracker filed 3/17/22.
  - Decrease of $0.00046 secondary.
  - Total fuel and purchased power in tariff is $0.02954/kWh.

**MDU Gas Tracker Filings (Rate 88), Docket 2021.09.113, filed 9/8/21.**

In this annual tracker filing, MDU seeks a residential and firm general customer increase of $1.262/Dkt, consisting of a $0.352/Dkt increase in current gas cost and $0.971 increase in the unreflected cost component. Total residential rate of $7.920/Dkt.

- **Interim Order 7807** issued 9/28/21.
- **Notice of Commission Action** issued 9/28/21 appointing a hearings examiner to be assigned by DOJ’s Agency Legal Services Bureau.
- November gas tracker filed 10/8/21.
  - Increase of $0.260/Dkt for residential and general service.
  - Total residential rate $8.18/Dkt.
- **Initial Procedural Order** issued 10/15/21.
  - Increase of $0.271/Dkt for residential and general service.
  - Total residential rate $8.45/Dkt.
- **MCC Petition for Intervention** filed 11/9/21.
  - Decrease of $0.534/Dkt for residential and general service.
  - Total residential rate $7.92/Dkt.
- February gas tracker filed 1/7/22; no adjustment requested.
- March gas tracker filed 12/8/22.
  - Decrease of $0.263/Dkt for residential and general service.
  - Total residential rate $7.65/Dkt.
- April gas tracker filed 3/8/22.
  - Increase of $0.265/Dkt for residential and general service.
  - Total residential rate $7.92/Dkt.

MDU seeks to implement a phased incentive program to provide declining reimbursements for conversion costs for certain customers to convert to alternative fuel sources, and for authority to impose special terms and conditions on customers wishing to continue to receive regulated natural gas distribution service in the Saco/Bowdoin area. Note: MDU’s previous Application for Authority to Discontinue Regulated Natural Gas Distribution in the Saco/Bowdoin Area filed 9/18/18 was withdrawn by MDU on 12/4/19 (see Docket 2018.09.057).

- Notice of Application and Intervention Deadline issued 3/28/22.


MDU’s Base Case resource plan includes retiring the Lewis & Clark 1 coal-fired unit on 3/31/21 and Heskett 1 and 2 coal-fired generating units by 3/31/22, having a capacity and energy contract through 5/31/26, and adding an 88 MW natural gas-fired simple cycle combustion turbine at the Heskett Station site (Heskett 4) in 2023 along with increased reliance on MISO market purchases. Two-year action plan includes issuing a new RFP for supply side and demand side resources and monitoring impacts to Coyote Station associated with the next round of regional haze reductions.

- Notice of 2021 IRP and Opportunity for Public Comment issued 10/14/21.
- Notice of Public Meeting and Opportunity to Comment issued 11/18/21; public listening session set for 1/25/22.
- Notice of Public Meeting and Opportunity to Comment issued 3/7/22; public listening session set for 4/18/22 in Sydney, MT.


MDU requests deferred accounting treatment for unknown investigation and remediation costs associated with a manufactured gas plant site previously owned by MDU in Missoula, Montana. MDU expects its remediation costs to be in the range of $265,000 to $1,250,000.

- Notice of Application and Intervention Deadline issued 1/11/22.
- MCC Petition for Intervention filed 1/31/22; granted 2/15/22.
- Procedural Order 7830 issued 3/10/22; hearing set for 8/11/22.

MDU Conservation Program Tracking Mechanism (Rate 90), Docket 2022.03.021, filed 2/28/22.

- Notice of Application and Intervention Deadline issued 3/11/22.
- MCC Petition for Intervention filed 3/24/22; granted 3/31/22.
ENERGY WEST MONTANA & CUT BANK GAS COMPANY

- November gas tracker filed 10/27/21. Residential rate to $7.30/Mcf.
- March gas tracker filed 2/24/22. Residential rate to $6.68/Mcf.
- April gas tracker filed 3/24/22. Residential rate to $7.08/Mcf.

Through this annual filing EWM and CBGC track incremental state and local property taxes. They present a decrease in revenues of $111,521 for EWM and $2,428 for CBGC, resulting in a typical monthly residential bill decrease of $0.18 or 0.32% for EWM and $0.10 or 0.14% for CBGC.
- Notice of Application and Intervention Deadline issued 12/10/21.
- MCC Petition for Intervention filed 12/17/21; granted 12/21/21.
- Procedural Order 7817a issued 12/21/21.
- Direct Testimony of Paul R. Schulz filed 1/12/22 noting that EWM/CBGC’s treatment of 2019 incremental property taxes (deferred under Accounting Order 7696a in Docket 2019.08.047 on January 21, 2020) did not account for the deductibility of federal and state income taxes.
- Amended Procedural Order 7817b issued 1/13/22.
- EWM/CBGC Notice of Revised PTTA Tariffs filed 1/21/22.
- Notice of Staff Action issued 1/27/22 authorizing EWM/CBGC to file unopposed revised tariffs.
- EWM/CBGC Revised Interim PTTA Tariffs filed 1/28/22; approved 2/4/22.
WATER UTILITIES

North Star Development Application for Water and Sewer Rate Increase, Docket 2010.06.060, filed 1/23/19.

This rate case application results from the Commission’s notification that North Star must file for replacement of its standard rates previously approved. Following two amendments to its application, North Star requests an increase to flat rates for water from $40/month to $297.70/month and sewer rates from $30.00/month to $189.76/month, for total rate of $487.46/month.

- Notice of Application and Intervention Deadline issued 1/30/19.
- MCC Petition for Intervention filed 2/20/19.
- North Star amended application filed 3/25/19 based on an engineering report.
- Notice of Commission Action issued 4/24/19; found North Star’s Application failed to satisfy minimum filing requirements because it did not report cost of net utility plant in service; allowed 30 days to refile and suggests considering operating ratio method.
- Notice of Staff Action issued 5/17/19 extending refile deadline to 6/22/19.
- North Star Supplementation of Application filed 6/21/19.
- Notice of Application and Intervention Deadline issued 7/24/19.
- Procedural Order 7105d issued 8/21/19.
- MCC Testimony of Paul Schulz filed 11/13/19; recommended overall revenue requirement of $231,873, resulting in combined water and wastewater rate of $49.72/month, plus $2/1000 gallons over 10,000; removes management fee for partner no longer with North Star; adjusted rate case expense to original estimate based on imprudence of expenditures; opposed “unregulated” charge for use over 20,000 gallons; supported $1.2 million original cost rate base with $123,678 deduction for hay field not used for service; proposed 10 year amortization for Aqua Flo $195,000 prepayment; explained why taxes should not be allowed for pass-through entities; recommended 2% equity capital structure and 9.8% ROE.
- Hearing held 1/29-30/20.
- Final Order 7105f issued 9/8/20; rebuttable presumption that utility investment was recovered through lot sales need not be applied in this case; general discussion of ratemaking principles and formulas; evidence indicates substantial portion of initial investment was recovered through lot sales and gross plant is now $1,211,762; 55.79 acre hay ground included in rate base as it was required by DEQ permitting; approves $26,497 depreciation expense based on non-land portion of plant; adopts 23% equity capital structure and 9.8% return on equity; affirms practice of disallowing income tax recovery for pass-through entities; rate case expense was increased 3 times from $30,000 to $85,000+; rate case expense was not prudently incurred and is set at $30,000; rate case expense should be amortized over rate application time periods which is 5 years in this case; amortizes Aqua Flo $195,000 payment over 40 years; accepts volumetric rate of
$2.00/1000 gallons over 10,000; orders revenue requirement of $232,201; rates of $55.93/month + $2.00/1000 gallons over 10,000.

- North Star Combined Water and Sewer Service Tariff filed 9/30/20.


  - PSC Motion to Dismiss filed 10/23/20.
  - North Star Amended Complaint filed 11/12/20.
  - PSC Renewed Motion to Dismiss filed 12/28/20.
  - MCC Motion to Intervene filed 1/22/21.
  - Order on Motion to Dismiss granting dismissal issued 3/15/21.

**North Star Appeal to Montana Supreme Court**, Case No. DA 21-0224, filed 5/12/21.

  - North Star Opening Brief filed 8/19/21.
  - PSC Answer Brief filed 10/18/21.


- Emergency Order to Show Cause 7744 issued 9/1/20; recites complaints and Commission understanding of service issues; concludes that Commission has insufficient facts to determine if water shut-off on 8/30 was the result of unavoidable accident or emergency sufficient to excuse service failure; orders 9/11/20 hearing to determine whether service failure and water restrictions violate 69-3-210, whether penalties are warranted, and appropriate actions.

- Order 7744a issued 9/8/20; requiring filing of witness information and books and records in possession of North Star relating to several specified questions pertaining to the investigation.

- Hearing held 9/11/20.

- North Star Motion filed 9/24/20, seeking authority to impose water use restriction fines of $50 x multiple of yearly offenses, plus $100/1000 gallons over 22,000.

- Final Order 7744b issued 1/13/21; Commission found temporary cessation of service was not caused by unavoidable accident or emergency; NS has long been aware of summer water constraints and at same time reduced maintenance services; cessation of service constitutes a violation of obligation to serve; $1000 fine assessed, but payment suspended for one year conditioned on good faith investigation into service improvements and no cessation of service; post-hearing requests for overuse fines and inverted rates are outside hearing record; appropriate to leave docket open and broaden inquiry into long term service ability of NS and status of water rights.
- **Notice of Commission Action** issued 6/30/21; directing North Star to address certain issues by 7/7/21 and listing five additional topics for future consideration.

- **Notice of Commission Action** issued 7/28/21; directing the parties to meet and confer regarding outstanding service quality issues; stating the Commission will consider next steps if the parties cannot reach an agreement by 8/2/21.

- **Notice of Commission Action** issued 8/5/21; directing North Star to address its purported supply or delivery problem by: (a) securing two distribution pumps by 8/6/21; (b) reporting on these efforts by 8/9/21; (c) implementing an odd-even day watering schedule, which allows watering up to thirty minutes per day at ten gallons per minute, effective immediately through 9/30/21; and (d) address longer-term solutions regarding metering, supply, delivery, and notice by 4/1/22.

- North Star *Report as Directed by PSC Notice* filed 8/9/21 attesting to ordering of pumps and installation of signs advertising new watering restrictions to homeowners.

- North Star *Report* filed 8/10/21 attesting to installation of new distribution pump.

- North Star *Report on Second Distribution Pump* filed 8/18/21 stating intention to keep the even-odd watering schedule in place for the foreseeable future.

- North Star *Report on Replacement of Defective Registers* filed 9/21/21 attesting to replacement of 75 defective water meters and inability to replace 18 meters.


- **Notice of Commission Action** regarding the irrigation issue issued 11/17/21.


- North Star January *Progress Report to the PSC Along With Its Response to Ben Reed’s Six Questions* filed 1/31/22.

- North Star February *Progress Report to the PSC Along With Its Response to Zach Rogala’s Questions* filed 2/14/22; proposing an even/odd watering restriction.

- **Notice of Commission Action** issued 3/22/22 allowing an opportunity to comment on North Star’s even/odd watering restriction proposal; *Commission Request for Information letter* also issued 3/22/22 requesting information about well production, supply capabilities, the number of customers served, metered usage, and expected usage in 2022.


- North Star additional *Comments on PSC Notice* filed 3/31/22.

Aquanet requests approval to charge standard rates effective 7/31/21 when it intends to begin offering water services in the Sundance Subdivision.


Moonlight Basin requests a rate increase for water and sewer services from $51.62 to $66.90 per month based on an operating ratio methodology.

- Amended Procedural Order 7821a issued 2/14/22.
- Moonlight Basin Amendment to Application and Request for Extension of Deadline filed 3/11/22.
- Amended Procedural Order 7821b issued 3/14/22.
- Moonlight Basin Notice of Submission of Revised Application Documents filed 3/18/22.

Town of Kevin Complaint, Docket 2021.05.073, filed 5/24/21.

Town of Kevin alleges the North Central Montana Regional Water Authority (“NCMRWA”) is a public utility that should be subject to regulation by the Commission.

- Procedural Order 7793 extending answer deadline issued 7/14/21.
- NCMRWA Answer filed 7/21/21.
- MCC Petition for Intervention filed 9/9/21; granted 9/20/21.
- Procedural Order 7793a issued 9/30/21; hearing set for 3/9/22.
- NCMRWA Motion to Dismiss filed 12/17/21.
- Amended Procedural Order 7793b issued 2/3/22.
- Order 7793c on Motion to Dismiss issued 3/15/22 granting NCMRWA’s Motion to Dismiss.
- Town of Kevin Motion for Reconsideration filed 3/25/22.

Circle H has been operating with interim standard rates and was required to submit this rate application. Circle H requests that rates be increased in phases with an initial increase from $50 to $67.56/month for 12 months and then to $85.12/month for a total 70% increase.

- MCC Petition for Intervention filed 9/18/20.
- Procedural Order 7752 issued 10/15/20.
- MCC Comments filed 11/25/20; stating the operating ration method (“ORM”), which includes a 25% adder to operating expenses, was intended as an alternative to a traditional rate filing after three years of “standard” rates; ORM was intended to address situations where rate base could not be established, and depreciation expense was never intended to be a component of the operating expenses under the ORM.
- Proposed Final Order 7752b issued 2/10/21 approving rate of $31.71/month.
- Final Order 7752c issued 5/27/21; excluding depreciation from the ORM calculation and approving a rate of $31.71 per month effective 4/1/21.
- PSC Staff Letter sent 7/2/21 informing Circle H of future ratemaking options.


Wettington requested standard tariff rate of $50 per month.

- MCC filed Comments 11/23/15; asserting utilities must be in compliance with annual report requirement to adopt standard tariffs and while Wettington filed an annual report it is unclear that sufficient information has been provided for the PSC to appropriately analyze the Company’s financial status; PSC may deny adoption if utility has been operating pursuant to commission-approved rates and determines it would be unjust and unreasonable to approve adoption of standard rate.
- Notice of Commission Action issued 12/22/15: approval of partial increase to $42.50/month, based on MCC comments and failure to meet all DEQ testing requirements.
- Procedural Order No. 7502 issued 8/2/16.
- MCC Testimony of Paul Schulz filed 9/19/16; reviewed recently filed annual reports for 2012-2015 to identify trends and changes, did not receive complete responses to data requests; several unanswered questions remain, which makes it difficult to establish just and reasonable rates; to reduce regulatory process, recommends the Commission finalize the $42.50 rate; Wettington can apply for the $50 rate when it has more support.
- Notice of Commission Action issued 2/10/17, agreeing not enough info to support $50 rate, and continuing $42.50 rate.
- Commission 3-year compliance letter sent 8/9/18, advising that rate filing would be due 10/1/18.
- Order to Show Cause issued 1/11/19, stating that Wettington has not responded to 3-year notice, and has not responded to pressure and water quality complaint notices. Wettington must respond to complaints and file rate application by 2/6/19.
- Notice of Commission Action issued 3/1/19, extending show cause response date to 5/30/19.
- Notice of Commission Action issued 11/5/19, extending show cause response date to 12/20/19.
- Order to Show Cause 7755 issued 10/22/20, requiring filing by 11/30/20 of 2016-2019 annual reports, either a standard rate application or operating ratio method application, and confirmation that MDEQ issues have been resolved.
- Wettington request to increase rates from $42.50/month to $50/month received 11/30/20.
- Notice of Application and Intervention Deadline issued 12/21/20.
- MCC Petition for Intervention filed 1/8/21; granted 1/14/21.
- Procedural Order 7755a issued 1/21/21.

[pause for questions]

ABACO seeks authority to establish service rates and terms and conditions for propane service at Big Sky Montana Mountain Village. ABACO seeks to set rates consistent with 2007 agreement with Boyne USA, Inc. Requested non-commodity revenue requirement is $1,002,177 (64% increase) and rates are $1.3179/gallon for Residential and $1.1733/gallon for Commercial, plus a $7.50/month Residential fixed charge.

- *Notice of Application and Intervention Deadline* issued 8/12/20.
- MCC *Petition for Intervention* filed 8/31/20.
- MCC testimony filed 1/25/21; David Garrett recommended 9.0% ROE and capital structure of 49% debt, 51% equity for a 7.42% rate of return; Paul Schulz recommended revenue requirement of $459,877, a $6.50 monthly fixed charge and volumetric non-commodity rate of $.54373 per gallon.
- *Stipulation and Settlement Agreement* filed 4/28/21; agreed to annual revenue requirement of $580,000; agreed to a fixed charge of $7.00/month and single volumetric rate of $0.69/gallon for all customers effective 6/1/21; gas supply rate will continue to be set annually through RFP process; unless there is a material change to its customer base, ABACO agrees to not request any increase to customer charge or non-commodity rate until June 30, 2023 or later.
- *Final Order 7747i* issued 12/2/21 approving the Stipulation and MCC’s alternative supply tariff; allowing additional process on the remainder of ABACO’s tariffs; and requiring ABACO to make a filing regarding the location of its facilities by 6/30/25.


Citing recent state and federal decisions, Qwest d/b/a CenturyLink asks to eliminate “PIIDs” and “PAD.”

- *Notice of Petition and Opportunity to Intervene* issued 7/30/21.
- MCC *Petition for Intervention* filed 8/31/21; granted 10/25/21.
- *Default Order 7813a* issued 3/16/22.
PSC Investigation into Modernizing Telecommunications Regulation, Docket 2021.10.125.

- Notice of Opportunity to Comment issued 10/28/21 inviting comments on ten specific questions and the issues of regulatory oversight by the Commission and changes to applicable rules and statutes as topics of interest.


- Notice of Consolidation and Opportunity to Comment issued 2/11/22.

PSC Investigation into the Adequacy of Legacy Infrastructure Operated by Qwest Corporation d/b/a CenturyLink QC, Docket 2021.12.136.

- Notice of Commission Action and Intervention Deadline issued 12/10/21 initiating an investigation of service complaints related to outages and access to 911 services in rural areas.
- MCC Petition for Intervention filed 1/31/22; granted 2/3/22.
- Notice of Consolidation and Opportunity to Comment issued 2/11/22.
- Order on Investigative Procedure 7825 issued 2/17/22.
- MCC Comments filed 3/25/22 requesting additional process.
- Order 7825a issued 4/5/22 granting CenturyLink’s Unopposed Request for Extension of Time to respond to PSC data requests.


Denbury provides notice of proposed rates and terms for transportation of CO₂ through a pipeline beginning in February 2022.
QUALIFYING FACILITIES (“QFs”)

Caithness Beaver Creek, LLC (“CBC”) [Second] Petition to Set Terms and Conditions, Docket 2019.06.034, filed 6/12/19.

CBC petitioned for contract terms and conditions for a 60 MW wind plus 20 MW battery QF project located in Sweetgrass and Stillwater Counties claiming an LEO as of 5/2/19. CBC sought a 25-year contract with avoided cost rates of $58.18/MWh in heavy load hours and $38.46/MWh in light load hours for energy, levelized capacity prices of $152.07/kWh/year, and a total around-the-clock rate of $49.10/MWh. Note: CBC’s First Petition to Set Terms and Conditions was resolved by Final Order 7628b issued 3/28/19 (see Docket D2018.8.52).

- Notice of Petition and Opportunity to Intervene issued 6/18/19.
- MCC Petition for Intervention filed 7/1/19; granted 7/2/19.
- NWE testimony filed 8/21/19, calculating rates of $6.75/MWh Light Load hours, and $20.25/MWh Heavy Load hours based on the marginal cost to serve load methodology.
- MCC Testimony of Jaime T. Stamatson filed 8/21/19: noted concerns with use of Typical Meteorological Year data to model avoided cost of energy and that the model results were double recent determinations of avoided energy cost; observes that the avoided cost of capacity value used is dated and that there is a wide discrepancy in capacity contribution estimates; supports measure and pay approach for avoided cost of capacity; urges CO2 cost estimates not be added but project owners retain the REC values; states 25-year contracts are risky for ratepayers and provides examples of 15-year term agreements.
- Hearing held 10/21-24/19.
- Final Order 7680b issued 12/9/19; adopts avoided energy cost methodology of hourly modeling and marginal cost to serve load; rejects NWE’s use of declining heat rate to forecast electricity prices; adopts NWE’s use of forward electricity market prices through 2015 but then uses EIA Annual Energy Outlook Henry Hub escalator to forecast; finds that including battery operation in the avoided cost models would have had minimal effects; finds that avoided sales transmission costs are moot as a result of using marginal cost to serve load methodology; avoided cost estimates should include projects upon earlier of execution of PPA or filing of petition with the Commission; CBC failed to support claimed operation of its batteries; adopts undisputed capacity value of $176.44/kW-year; rejects both parties’ capacity contribution calculations and determines for first three years value will be 5% of 120 MW after which NWE shall true up payments if capacity exceeds 5% of nameplate and thereafter use application of SPP method to actual capacity; finds CO2 costs already incorporated in forward market prices; finds CBC responsible for $5.1 million network upgrade costs; approves use of OATT for ancillary service costs but requires NWE to establish standards to qualify for self-supply; sets contract length of 20 years based on need to enhance financing of “unique and unproven nature of this project”; CBC failed to establish an LEO; orders NWE to submit a compliance filing.
- CBC Motion for Reconsideration filed 12/19/19.
- NWE Motion for Clarification and Reconsideration filed 12/19/19.
Order on Reconsideration 7680c issued 2/7/20; reaffirms with further explanation adoption of hourly modeling and marginal cost to serve load methodology; reaffirms with further explanation finding that battery operation had not been shown to impact avoided cost rate; modifies forward market price period from 6 years followed by energy information agency escalation rate to 4 years followed by escalation; affirms remainder of Final Order 7680b.


- District Court Order on Petition for Judicial Review issued 12/2/20: CBC incurred an LEO as of 6/12/19 despite disagreement over price terms; adoption of hourly modeling was arbitrary and capricious because prior commission criticisms of transparency had not been satisfied; using marginal cost to serve load approach was arbitrary because the commission had not explained its departure from valuing Condition 3 at market price; must include CO₂ adder of $3.03/MWh; it was erroneous to use precedent of 4-year market forwards because CBC had presented evidence that markets are illiquid after two years; Commission ignored record evidence on transmission differentials for energy sales and must base such adjustments on historical data; Commission arbitrarily excluded batteries from the avoided cost calculation; Commission is limited to a quasi-judicial function in reviewing petitions between QFs and utilities and may only make determinations about controversies; determination regarding default capacity contribution therefore exceeded statutory authority; commission acted properly in applying interim FERC OATT rates for ancillary services; 20-year contract term affirmed.

- Commission Order on Remand 7680d issued 8/9/21; declining requests to re-open the record to accept new evidence on remand issues; ordering the use of market prices in “Condition 3”; declining to remove Grizzly and Black Bear Wind from the avoided cost modeling; adopting CBC’s battery modeling; ordering the use of actual, historic charges to calculate transmission basis differential; adopting NWE’s default capacity contribution and proposal to use 5-year rolling average based on the SPP method; approving a CO₂ adder of $3.03/MWh (later corrected to $2.25/MWh).

- Order on Reconsideration of Order on Remand 7680e issued 11/4/21 denying CBC’s Motion for Oral Argument and Motion to Strike; granting in part NWE’s Motion for Reconsideration; rejecting both compliance filings and ordering NWE to make a new compliance filing within 14 days.


CBC challenges the market forward curves used on remand, as well as a “Condition 2” error that the Commission ordered be corrected on remand.

- Order Setting Briefing Schedule and Oral Argument issued 2/2/22; oral argument set for 4/21/22.

CBC petitions for contract terms and conditions for two 50 MW wind plus 30 MW battery QFs located in Stillwater and Sweet Grass Counties. It claims an LEO as of 11/17/21 and entitlement to a 20-year contract with capacity rates of $26.72/kW-month and energy rates of $55.72/MWh (including a CO₂ adder of $5.18/MWh) and $55.17/MWh (including a CO₂ adder of $5.20/MWh).

- Notice of Petition and Opportunity to Intervene issued 12/14/21.
- MCC Petition for Intervention filed 12/22/21; granted 1/12/22.
- Procedural Order 7823 issued 1/12/22; hearing set for 4/27/22.
- Amended Procedural Order 7823a issued 1/24/22.
- MCC Intervenor Testimony of Jaime T. Stamatson filed 2/18/22 addressing the proper methodology for calculating avoided energy and capacity costs, avoidable costs related to carbon dioxide emissions, and avoidable costs related to ancillary services.


Jawbone petitions for contract terms and conditions for an 80 MW wind project located near Harlowton. It claims an LEO as of 12/21/20 and entitlement to a 25-year contract with a capacity rate of $6.29/MWh and an energy rate of $38.76/MWh (including a CO₂ adder of $2.25/MWh).

- Notice of Petition and Opportunity to Intervene issued 1/5/21.
- MCC Petition for Intervention filed 1/15/21; granted 1/22/21.
- NWE testimony filed 3/3/21, calculating rates of $24.67/MWh off-peak and $35.54/MWh on-peak.
- MCC Testimony of Jaime T. Stamatson filed 3/3/21: it is preferrable to calculate avoided cost of energy based on marginal cost to serve load methodology; capacity contribution should be based on 5% of nameplate; Jawbone should retain its RECs to compensate for CO₂ values; 25-year contract is risky, and 15-year contracts are shown to be sufficient; agrees that ancillary service costs should be based on NWE’s FERC tariffs.
- Final Order 7768a issued 10/29/21; finding NWE’s avoided cost of energy in “Condition 3” is zero; using the four-year forward market price forecast and transmission basis differentials proposed by NWE; holding Jawbone responsible for currently unknown transmission upgrade costs; approving rates only for firm transmission service; approving a CO₂ adder of $2.25/MWh and a 20-year contract length; and setting other miscellaneous contract terms.
- Jawbone Motion for Reconsideration and NWE Motion for Reconsideration and Clarification filed 11/8/21.

- Order on Reconsideration 7768b issued 1/26/22 denying both motions for reconsideration.


- Jawbone challenges multiple findings in Final Order 7768a, including decisions related to the avoided cost of energy and interconnection costs.


- NWE requests approval to implement specific procedures and agreements controlling interconnection of QFs to NWE’s system.
  - Notice of Application and Intervention Deadline issued 8/17/21.
  - MCC Petition for Intervention filed 8/30/21; granted 9/2/21.
  - Procedural Order 7810 issued 10/6/21.
  - QF Intervenors’ Motion for Reconsideration of Procedural Order filed 10/6/21.
  - QF Intervenors’ Motion to Immediately Stay Procedural Order 7810 filed 11/5/21.
  - QF Intervenors’ Motion to Dismiss filed 11/19/21.
  - Order on Motions to Dismiss and Stay 7810a issued 1/6/22 denying both motions.
  - QF Intervenors’ Motion for Reconsideration of Order No. 7810A filed 1/18/22; deemed denied 2/7/22.

NWE Revisions to QF-1 Tariff based on Senate Bill 201, Docket 2021.09.111, filed 8/31/21.

- NWE proposes that if it is subject to real and actual costs for compliance with environmental regulations and/or laws, then small QFs may elect to receive a bonus or adder provided it enters into a separate agreement to convey all RECs to NWE.
  - Notice of Application and Intervention Deadline issued 9/10/21.
  - Procedural Order 7815b issued 12/6/21.
  - Amended Procedural Order 7815d issued 1/27/22.
- Final Order 7815e issued 3/17/22 finding that SB 201 cannot be applied retroactively and dismissing NEW’s filing without prejudice; also finding that even if SB 201 could be applied retroactively, it is substantially aligned and consistent with the exiting QF-1 carbon adder that was approved prior to the effective date of SB 201.

- MCC and NWE motions for reconsideration filed 3/28/22 requesting reconsideration of findings about SB 201 being consistent with the existing carbon adder that was approved prior to the effective date of SB 201; NWE also requested reconsideration of the dismissal itself.


NWE petitions the Commission to initiate a rulemaking to reflect recent changes to FERC rules allowing avoided energy costs to be calculated only at the time of delivery, resulting in more accurate avoided cost rates over the term of the contract.

- Procedural Order 7819 issued 12/10/21.
- MCC Comments filed 12/23/21 supporting initiation of a rulemaking proceeding to allow variable energy avoided cost rates.

MDU Annual Avoided Cost Update (Rate 93), Docket 2021.10.123, filed 10/13/21.

This filing updates MDU’s energy and capacity payments under its avoided cost tariff. MDU calculates energy payments using its production cost model and capacity payments based on the MISO capacity auction price for Zone 1 through 2030 and levelized cost of a combustion turbine installed in 2031 for later years.

- Notice of Application and Intervention Deadline issued 10/19/21.
- Procedural Order 7820 issued 12/13/21.
- Final Order 7820a issued 2/16/22.

[pause for questions]