



LEGISLATIVE CONSUMER COMMITTEE

SENATE MEMBERS

Brad Molnar
Christopher Pope

HOUSE MEMBERS

Mary Ann Dunwell Vice-Chair
Mike Hopkins Chair

MINUTES LOG

January 10, 2022
State Capitol, Room 102
Zoom Videoconference

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.

Access to an electronic copy of these minutes and the audio or video recording is provided from the Legislative Branch home page at <http://legmt.gov>. On the left-side menu of the home page, select Committees, then Interim. Once on the page for Interim Committees, scroll down to the appropriate committee. The written Minutes Log, along with the audio and video recordings, is listed by meeting date on the interim committee's web page. Each of the "Exhibits" is linked and can be viewed by clicking on the Exhibit of interest. All Exhibits are public information and may be printed.

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

COMMITTEE MEMBERS PRESENT

Representative Mary Ann Dunwell, Vice-Chair
Representative Mike Hopkins, Chair
Senator Brad Molnar
Senator Christopher Pope

MONTANA CONSUMER COUNSEL STAFF PRESENT

Jason Brown, Consumer Counsel
Paul Schulz, Rate Analyst
Jaime Stamatson, Economist
Suzanne Snow, Secretary

AGENDA

[\(Attachment 1\)](#)

CALL TO ORDER

13:03:56 Vice-Chair Dunwell called the meeting to order with roll call.

[\(Attachment 2\)](#)

APPROVAL OF MINUTES OF PREVIOUS MEETING – October 4, 2021

13:05:08 MOTION: Senator Pope moved acceptance of the minutes.

VOTE: Without objection the motion passed unanimously.

[\(Attachment 3\)](#)

STATUS OF CASES PENDING

Jason Brown highlighted the cases that have seen some change in status since the Committee's last meeting. [\(Attachment 4\)](#).

13:06:06 NWE Application for Preapproval of Capacity Resources, Docket [2021.02.022](#), filed 5/19/21.

NWE Application for Preapproval of Beartooth Energy Storage Agreement, Docket [2021.11.132](#), filed 12/21/21.

Committee Discussion:

13:08:45 Senator Pope inquired if NorthWestern's application for capacity resources was the result of a competitive bid process.

13:10:56 Senator Pope in a follow-up asked if a project that was sent out for competitive bid would need to come in at lowest cost.

13:13:33 Representative Dunwell inquired whether it would be too early in the process to know how the Consumer Counsel would weigh in on the docket.

13:14:34 Representative Dunwell inquired about the future of the Laurel gas plant.

13:15:30 Senator Molnar stated it was his understanding that the city of Laurel would not give permission for the pipeline to cross city parkland, so an adjacent piece of land was purchased to allow access to the pipeline.

13:18:17 Senator Pope asked if Jason Brown would provide some background information on NorthWestern's application for pre-approval of the Laurel gas plant in particular, with an estimated revenue requirement of \$54 million what would that translate to in dollars per megawatt hour.

13:23:39 NWE Annual PCCAM Filing, Docket 2021.09.112, filed 8/31/21.

- 13:25:50 NWE “Application to Update Base Power Costs and Credits in the PCCAM,” Docket 2021.04.047, filed 4/21/21.
- Committee Discussion:
- 13:28:05 Senator Pope asked for a definition on “forward market prices”.
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
- 13:33:00 Jason Brown briefly discussed the different billing units that are used by the various utilities, prior to presenting the gas tracker dockets. He also noted that Tina Shorten at the Montana Public Service Commission compiles a comparison once a month of the different utilities rates, which can be found at [2022-Gas-and-Electric-Rate-Summary.pdf \(mt.gov\)](#)
- 13:38:07 Committee Discussion.
- 13:44:24 NWE Gas Tracker, Docket [2020.07.083](#).
- 13:45:40 NWE Gas Tracker, Docket [2021.07.098](#)
- Committee discussion
- 13:46:30 Senator Pope asked whether the gas supply rates reflect market prices.
- 13:48:42 Senator Pope in a follow-up asked if NorthWestern Energy charged current market price for gas supplied by the company’s owned gas wells.
- 13:50:05 Senator Molnar inquired as to whether MCC found any causation for the increases in gas rates.
- 13:53:07 Senator Molnar noted that a Texas natural gas conversion station is close to completion, providing an increased capacity to export natural gas. Senator Molnar also noted that consumers will continue to be at the will of the international market if the production of natural gas does not increase.
- 13:54:08 Representative Dunwell inquired as to why it costs twice as much to pipe the natural gas to homes as the actual natural gas itself.
- 13:56:00 NWE Request for Partial Waiver of In-Person Notice, Docket [2021.08.109](#), filed 8/19/21
- 13:57:30 Representative Dunwell inquired as to the reason behind MCC’s opposition to NorthWestern’s request.
- 13:58:58 Havre Pipeline Company (“HPC”) Annual Gas Tracker, Docket [2021.07.103](#), filed 7/30/21.
- 13:59:34 NWE Annual Tax Tracker, Docket [2021.11.129](#), filed 12/14/21.
- 14:02:28 MDU Electric Tracker (Rate 58), Docket [2021.06.091](#), filed 6/16/21.
- 14:03:01 MDU Gas Tracker Filings (Rate 88), Docket [2021.09.113](#), filed 9/8/21.
- 14:04:26 MDU Application to Offer Incentives for Conversion in the Saco/Bowdoin Area, Docket [2021.09.116](#), filed 9/15/21.
- 14:05:19 MDU 2021 Integrated Resource Plan (“IRP”), Docket [2021.09.117](#), filed 9/15/21.

14:06:14 MDU Annual Tax Tracker, Docket [2021.10.122](#), filed 11/24/21.

14:06:54 MDU Application for an Accounting Order, Docket [2021.12.138](#), filed 12/21/21.

Committee Discussion:

14:08:25 Senator Pope inquired if there was an accounting order for remediation related to the Colstrip facility.

14:09:36 Senator Pope in a follow up asked how the subject of remediation would come before the PSC with respect to the Colstrip facility.

14:11:50 Representative Dunwell asked why the company would not be responsible for its clean-up costs.

14:14:50 EWM/CBGC Joint Application for Approval of Sale and Transfer of Stock, Docket [2021.01.015](#), filed 1/26/21.

14:18:46 EWM Monthly Gas Trackers, Docket [2021.04.061](#), filed 3/25/21.

14:19:10 EWM Annual Gas Cost Tracker, Docket [2021.06.082](#), filed 6/1/21.

14:19:53 EWM/CBGC Annual Tax Tracker, Docket [2021.11.127](#), filed 11/30/21.

14:20:35 North Star Development Application for Water and Sewer Rate Increase, Docket [2010.06.060](#), filed 1/23/19.

14:21:43 North Star Petition for Judicial Review, First Judicial District Cause No. ADV-2020-1703, filed 10/2/20.

14:22:55 Investigation of Rules, Practices, and Adequacy of Service of North Star Development, LLC, Docket [2020.09.094](#), initiated 9/1/20.

14:25:05 Aquanet, Inc. Application for Standard Rates for Sundance Subdivision, Docket [2021.09.115](#), filed 9/14/21.

14:26:36 Moonlight Basin Water & Sewer, LLC Application to Increase Rates by Operating Ratio Methodology, Docket [2021.09.121](#), filed 9/29/21.

14:27:48 Town of Kevin Complaint, Docket [2021.05.073](#), filed 5/24/21.

14:28:30 Circle H Water, Inc. Operating Ratio Application, Docket [2020.07.081](#), filed 7/17/20.

14:29:33 Wettington Water District, Inc., Application for Standard Rates, Docket [2015.10.082](#), filed 10/19/15.

14:30:12 Representative Dunwell inquired as to whether Wettington Water was still servicing its customers.

14:32:50 ABACO Energy Services Application to Establish Service Rates, Docket [2020.07.082](#), filed 7/16/20.

13:35:58 Qwest d/b/a CenturyLink Petition for Elimination of Performance Assurance Plan and Performance Indicator Definitions, Docket [2021.07.102](#), filed 7/13/21.

14:35:58 PSC Investigation into Modernizing Telecommunications Regulation, Docket [2021.10.125](#).

- 14:36:43 PSC Investigation into the Adequacy of Legacy Infrastructure Operated by Qwest Corp. d/b/a CenturyLink QC, Docket [2021.12.136](#).
- 14:37:19 Denbury Green Pipeline-Montana, LLC Notice of Filing Rates and Terms, Docket [2021.12.139](#), filed 12/22/21.
- 14:38:10 Caithness Beaver Creek, LLC Petition to Set Terms and Conditions, Docket [2019.06.034](#), filed 6/12/19.
- 14:38:40 Caithness' Second Petition for Judicial Review and Request for Enforcement of Court Order, First Judicial District Cause No. CDV 2020-290, filed 12/6/21.
- 14:40:58 Caithness Beaver Creek, LLC Petition to Set Terms and Conditions, Docket [2021.12.134](#), filed 12/1/21.
- 14:41:38 Jawbone Holdings, LLC Petition to Set Terms and Conditions, Docket [2020.12.126](#), filed 12/30/20.
- Committee Discussion:
- 14:42:58 Senator Pope inquired as to what utility is the other party, regarding Caithness Beaver Creek's third petition (2021.12.134).
- 14:43:43 Senator Pope in a follow up asked if the \$55 per megawatt hour requested in Caithness Beaver Creeks' third petition (2021.12.134), is close to actual market prices with respect to wind and storage in the state of Montana.
- 14:47:14 NWE Application for Approval of QF Interconnection Procedures and Agreements, Docket [2021.08.106](#), filed 8/4/21.
- 14:48:36 NWE Revisions to QF-1 Tariff based on Senate Bill 201, Docket [2021.09.111](#), filed 8/31/21.
- 14:49:37 NWE Petition for Rulemaking to Amend ARM 38.5.1902, 1903, & 1905 to Require Variable Avoided Cost Energy Rates under PURPA, Docket [2021.09.118](#), filed 9/8/21.
- 14:52:14 MDU Annual Avoided Cost Update (Rate 93), Docket [2021.10.123](#), filed 10/13/21.

PUBLIC COMMENT

No public comment was offered at this time.

FINANCIAL REPORT

- 14:57:22 Jason Brown reviewed the budget versus expenditure report, dated January 5, 2022, which accounted for the first six months of fiscal year 2022.

CONTRACTED SERVICES

- 14:59:50 Jason Brown requested authorization from the committee to retain the services of the following consultants:
- 2021.11.132 – NWE Application for Approval of Beartooth Energy Storage Agreement
Acadian Consulting Group, LLC – David Dismukes
- 2021.10.125 – PSC Investigation into Modernizing Telecommunications Regulation
Rolka Loube, LLC – Robert Loube
- 2021.12.136 – PSC Investigation into the Adequacy of Legacy Infrastructure Operated by
Qwest Corp. d/b/a CenturyLink QC
Rolka Loube, LLC – Robert Loube
- 15:01:43 MOTION: Senator Pope moved to approve the retention of consultants as per the request made by the Consumer Counsel.
- VOTE: The motion passed unanimously on a voice vote.

NEXT MEETING

- 15:07:00 The date of the next meeting was set for Wednesday, April 13, 2022, at 1 p.m.

ADJOURNED

- 15:08:26 There being no other matters before the Committee, Vice-Chair Dunwell adjourned the meeting.