



LEGISLATIVE CONSUMER COMMITTEE

SENATE MEMBERS

Brad Molnar
Andrea Olsen
Daniel Zolnikov

HOUSE MEMBERS

Brad Barker
George Nikolakakos
Zoey Zephyr

MINUTES LOG

June 8, 2023
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

Senator Brad Molnar
Senator Andrea Olsen
Senator Zolnikov
Representative Brad Barker
Representative Zoey Zephyr

COMMITTEE MEMBERS EXCUSED

Representative George Nikolakakos

MONTANA CONSUMER COUNSEL STAFF PRESENT

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

AGENDA

[\(Attachment 1\)](#)

CALL TO ORDER

13:09:05 Chair Molnar called the meeting to order.

13:09:17 Roll Call.

[\(Attachment 2\)](#)

INTRODUCTIONS

13:10:00 Consumer Counsel Staff

13:12:50 Committee

ELECTION OF CHAIR AND VICE-CHAIR

13:17:55 Chair Molnar called for nominations for chair and vice-chair.

13:18:09 Senator Olsen asked if the Committee would consider seeking legal opinion from the Consumer Counsel on the new language in SB176, Page 7, Section 9. Section 5-15-10, regarding the Legislative consumer committee – appointment and composition before moving to the business of election of officers.

13:21:24 Chair Molnar noted that there is a motion without exception and asked Mr. Brown if he would like to reply.

13:21:29 Jason Brown responded to the motion that this was not a question he had researched or looked into in preparation for the meeting. Mr. Brown stated he would be happy to work on providing a written legal opinion on the question, if that was something the committee wanted.

13:22:12 Chair Molnar asked Jason Brown if he concurred that there is a conflict in the statute with how the committee is currently set up.

13:22:21 Jason Brown responded to the Chair that he did see the conflict pointed out in MCA 5-15-101, Sub 1, a and b and the last sentence of 5:15:101 Sub 2.

13:23:00 MOTION: Chair Molnar moved that he remain temporarily chair until this matter is resolved after consultation with legal staff.

VOTE: Motion passed unanimously on a voice vote.

APPROVAL OF MINUTES OF PREVIOUS MEETING – December 6, 2022

13:25:17 MOTION: Senator Zolnikov moved acceptance of the minutes.

VOTE: Motion passed unanimously on a voice vote.

[\(Attachment 3 – August 19, 2022\)](#)

REVIEW OF ROLES AND RESPONSIBILITIES OF THE CONSUMER COUNSEL AND LEGISLATIVE CONSUMER COMMITTEE (LCC)

13:25:32 Chair Molnar asked Jason Brown to review the rules and responsibilities of the Consumer Counsel and the Legislative Consumer Committee. [Attachment 4](#)

Public Comment:

13:29:05 Senator Dunwell, representing Senate District 42, Helena and East Helena, voiced her support of the office of the Montana Consumer Counsel.

13:37:14 Chair Molnar noted that the role of the LCC was to oversee the expenditures and the functions of the office of the consumer counsel; not to direct the office on how to testify, or to weigh in and give a partisan slant.

STATUS OF CASES PENDING

13:38:38 Jason Brown highlighted the cases that have seen some change in status since the Committee’s last meeting. [\(Attachment 5\)](#)

13:39:10 NWE Application to Increase Retail Electric and Natural Gas Utility Service Rates, Docket [2022.07.078](#), filed 8/8/22.

Committee Discussion:

13:58:57 Rep. Barker asked if Mr. Brown could briefly outline the different customer classes.

13:59:37 Senator Olsen asked Mr. Brown if he would give a detailed explanation of the settlement agreement.

14:04:17 Senator Molnar inquired about the electric revenue increase and how the investment figure of \$87 million came about.

14:06:57 NWE Annual PCCAM Filing, Docket [2022.09.083](#), filed 8/31/22.

14:09:51 NWE Gas Tracker, Docket [2021.07.098](#).

14:11:33 NWE Gas Tracker, Docket [2022.07.077](#).

14:12:00 NWE Townsend Propane Annual Adjustment Filing, Docket [2022.04.053](#), filed 4/29/22.

14:12:39 NWE Application for Approval of Corporate Restructuring, Docket [2022.06.064](#).

14:15:57 NWE Application for Approval of an Advanced Metering Opt-Out Tariff, Docket [2022.06.067](#), filed 6/9/22.

Committee Discussion:

14:21:31 Representative Barker asked if the new meters would give NorthWestern the capacity to take a look at demand verses usage on a broader number of customer classes.

14:22:58 Havre Pipeline Annual Gas Tracker, Docket [2022.08.079](#), filed 7/29/22.

14:24:07 NWE Integrated Resource Plan, Docket [2022.11.102](#), filed 4/28/23

14:27:24 NWE Annual Tax Tracker, Docket [2022.12.106](#), filed 12/15/22.

14:29:14 Joint Petition of NWE and Hill County Electric Cooperative for Provision of Electric Service Facilities, Docket [2023.01.012](#), filed 1/5/23.

Committee Discussion:

14:31:25 Senator Olsen asked if the actual increase in NorthWestern Energy's rates over the last year amounted to 29 percent. Senator Olsen also inquired if there was any flexibility to decrease the rate of return when there is a large rate increase over a short period of time.

14:34:55 Senator Olsen in a follow up asked if the rate of return was part of the settlement discussion and if so, what were the details of that discussion.

14:38:28 Senator Olsen noted it would be helpful if Mr. Brown could circulate hearing exhibit MCC-6.

14:45:06 Meeting reconvened after a 5-minute recess.

14:45:09 MDU Application to Increase Retail Electric Rates, Docket [2022.11.099](#), filed 11/4/22.

14:48:39 MDU Electric Tracker (Rate 58), Docket [2022.06.070](#), filed 6/16/22.

14:49:11 MDU Gas Tracker Filings (Rate 88), Docket [2022.09.088](#), filed 9/8/22.

14:49:45 MDU Annual Tax Tracker, Docket [2022.10.092](#), filed 11/23/22.

14:50:13 MDU Conservation Program Tracking Mechanism (Rate 90), Docket [2023.03.027](#), filed 2/28/22.

- 14:50:50 MDU Application to Offer Incentives for Conversion in the Saco/Bowdoin Area, Docket [2021.09.116](#), filed 9/15/21.
- 14:52:31 EWM Monthly Gas Trackers, Docket [2022.04.052](#), filed 4/27/22.
- 14:53:04 EWM Annual Gas Cost Tracker, Docket [2023.04.029](#), filed 6/1/22.
- 14:54:52 EWM Annual Gas Cost Tracker, Docket [2023.06.048](#), filed 6/1/23.
- 14:55:23 EWM Annual Tax Tracker, Docket [2022.12.103](#), filed 11/30/22.
- 14:57:39 High Quality H2O Application to Decrease Water Rates, Docket [2021.06.081](#).
Committee Discussion
- 14:59:57 Aquanet, Inc. Application for Standard Rates for Sundance Subdivision, Docket [2021.09.115](#), filed 9/14/21.
- 15:00:11 Aquanet, Inc. Application for an Interim Rate Request for Linlee Lake Estates, Docket [2022.09.085](#), filed 9/1/22.
- 15:02:07 Flathead Utility Company, Inc. Request to Approve Utility Sale and Transfer, Docket [2022.09.086](#), filed 9/5/22
- 15:03:02 Flathead Utility Company, Inc. Operating Ratio Methodology Request for Rate Increase, Docket [2023.03.024](#), filed 3/26/23.
- Committee Discussion:
- 15:04:50 Representative Baker inquired about the process taken to calculate rates for water utilities.
- 15:07:48 ABACO Propane Cost Tracker, Docket [2022.07.075](#), filed 7/1/22.
- 15:10:50 ABACO Propane Cost Tracker, Docket [2023.05.035](#), filed 5/8/23.
- 15:11:11 PSC Investigation into the Adequacy of Legacy Infrastructure Operated by Qwest Corporation d/b/a CenturyLink QC, Docket [2021.12.136](#).
- 15:14:48 InterBel Application for Designation as an Eligible Telecommunications Carrier, Docket [2023.03.021](#), filed 3/6/23.
- 15:15:30 PSC Order to Show Cause to Town of Saco Municipal Gas, Docket [2022.10.096](#), issued 10/20/22.
- Committee Discussion – 2021.12.136 – CenturyLink
- 15:17:07 Senator Olsen asked whether Qwest/CenturyLink customers could rely on better service. Senator Olsen also asked for an update on the landline communications system after expressing her concern about losing access to landline services particularly in areas where there is poor cell service, and for people accustomed to a landline.
- 15:21:47 Jason Brown gave a brief background on Qualifying Facilities (QF) dockets.

- 15:31:13 CBC [Third] Petition to Set Terms and Conditions, Docket [2021.12.134](#), filed 12/1/21.
CBC [Third] *Petition for Judicial Review*, First Judicial District Cause No. BDV-2022-764, filed 11/30/22.
- 15:32:17 Consolidated Edison (“CED”) Petitions to Set Terms and Conditions, Docket [2019.10.076](#), filed 10/4/19.
CED Complaint and Petition for Judicial Review, First Judicial District Cause No. ADV-2020-1292, filed 8/11/20.
CED Appeal to Montana Supreme Court, Case No. DA 21-0250, filed 5/24/21.
- Committee Discussion
- 15:34:06 Representative Baker inquired if the transmission capacity was part of the discussion for the approval in locating these facilities.
- 15:35:54 Representative Baker noted that he was not aware that the cost of the transmission upgrade would be on the QF.
- 15:37:03 Jawbone Holdings, LLC Petition to Set Terms and Conditions, Docket [2020.12.126](#), filed 12/30/20.
Jawbone Petition for Judicial Review, First Judicial District Cause No. CDV 2022-161, filed 2/25/22.
- 15:38:00 MDU Annual Avoided Cost Update (Rate 93), Docket [2022.10.093](#), filed 10/12/22.
- 15:39:47 Colstrip Energy Limited Partnership’s Petition to Set Terms and Conditions, Docket [2022.07.073](#), filed 7/1/22.
- 15:43:23 Trident Solar, LLC Petition to Set Terms and Conditions, Docket [2023.01.013](#), filed 1/24/23.

PUBLIC COMMENT

- 15:47:47 Senator Dunwell, representing SD42, Helena and East Helena, expressed her concern for the proposed rate increase by NorthWestern Energy for the residential ratepayers. Senator Dunwell also stated that consumers wanting to opt out of smart meters should be able to do so for no additional charge.

FINANCIAL REPORT

- 15:53:40 Jason Brown reviewed the budget versus expenditure report that reflected accounting periods one through eleven of fiscal year 2023 (July 2022 to May 2023).

CONTRACTED SERVICES

- 15:55:35 Jason Brown requested authorization from the committee to retain the services of the following consultants:

Docket 2022.07.077 – NWE – Annual NWE Gas Tracker
- Donkin & Associates – George Donkin

Docket 2023.06.[TBD] – MDU – Annual MDU Electric Tracker (Rate 58)
- Acadian Consulting Group, LLC – David Dismukes

Docket 2023.__. [TBD] – NWE – Annual NWE Power Costs and Credits Adjustment
Mechanism (“PCCAM”) Tracker
- Acadian Consulting Group, LLC – David Dismukes

15:58:31 MOTION: Chair Molnar moved to approve the retention of consultants as requested by the Consumer Counsel.

VOTE: The motion passed unanimously on a voice vote.

Committee Discussion:

15:59:16 Chair Molnar asked Jason Brown if he could coordinate with ETIC as to its next meeting date before scheduling the next LCC meeting.

16:03:51 Chair Molnar asked if the consumer has benefited from PCAAM 90/10 sharing.

PERSONNEL MATTERS – CONSUMER COUNSEL STAFF PAY – HB 13

16:06:43 Jason Brown requested that the pay plan outlined under HB0013 (68th Legislature - 2023) be approved for the Consumer Counsel staff.

16:08:43 MOTION: Senator Olsen moved to approve the state pay plan as outlined in HB0013 for all Consumer Counsel staff.

68th Legislature 2023 HB0013

Section 2. Section 2-18-303, MCA, is amended to read:

"2-18-303. Procedures for administering broadband pay plan.

- (3) *Effective on the first day of the first complete pay period that includes July 1, 2023, the base salary of each employee must be increased by \$1.50 an hour or by 4%, whichever is greater. Effective on the first day of the first complete pay period that includes July 1, 2024, the base salary of each employee must be increased by \$1.50 an hour or by 4%, whichever is greater. All full-time employees must receive a one-time, lump-sum payment of \$1,040 in the first full pay period after [the effective date of this act]. All employees who are regularly scheduled to work 20 hours or more a week but less than 40 hours a week must receive a one-time, lump-sum payment of \$780 in the first full pay period after [the effective date of this act]. All employees who are regularly scheduled to work less than 20 hours a week must receive a onetime, lump-sum payment of \$520 in the first full pay period after [the effective date of this act]. These payments are applicable for fiscal year 2023 only."*

VOTE: Motion passed unanimously on a voice vote.

NEXT MEETING

16:12:24 The date of the next meeting will be set at a later date.

PUBLIC COMMENT

16:13:58 No public comment was offered at this time.

ADJOURNMENT

16:14:17 There being no other matters before the Committee the Chair adjourned the meeting.