



LEGISLATIVE CONSUMER COMMITTEE

SENATE MEMBERS

Brad Molnar
Christopher Pope

HOUSE MEMBERS

Mary Ann Dunwell Vice-Chair
Mike Hopkins Chair

MINUTES LOG

December 6, 2022
State Capitol, Room 137
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 Christopher Pope
Representative Mary Ann Dunwell
Representative Mike Hopkins

MONTANA CONSUMER COUNSEL STAFF PRESENT

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

AGENDA

[\(Attachment 1\)](#)

CALL TO ORDER

13:00:00 Vice-Chair Dunwell called the meeting to order with roll call.

[\(Attachment 2\)](#)

APPROVAL OF MINUTES OF PREVIOUS MEETING – August 19, 2022, and October 3, 2022

13:07:49 MOTION: Representative Hopkins moved acceptance of the minutes.

VOTE: Motion passed unanimously.

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

[\(Attachment 4 – October 3, 2022\)](#)

STATUS OF CASES PENDING

13:08:28 Jason Brown highlighted the cases that have seen some change in status since the Committee's last meeting. [\(Attachment 5\)](#)

13:09:10 NWE Application to Increase Retail Electric and Natural Gas Utility Service Rates, Docket [2022.07.078](#), filed 8/8/22.

13:11:23 Meeting Reconvened after a Brief Recess due to power outage (13:09:46)

Committee Discussion:

13:12:10 Senator Pope asked Jason Brown if he could outline the procedural timeline for the rate case.

13:14:30 NWE Application for Preapproval of Beartooth Energy Storage Agreement, Docket [2021.11.132](#), filed 12/21/21.

13:15:14 NWE Annual PCCAM Filing, Docket [2021.09.112](#), filed 8/31/21.

13:17:00 NWE Annual PCCAM Filing, Docket [2022.09.083](#), filed 8/31/22.

13:17:50 NWE Gas Tracker, Docket [2021.07.098](#).

13:18:19 NWE Gas Tracker, Docket [2022.07.077](#).

Committee Discussion:

13:19:11 Rep. Dunwell asked why so many trackers had been filed and about the merits of monthly tracking.

13:21:55 NWE Townsend Propane Annual Adjustment Filing, Docket [2022.04.053](#), filed 4/29/22.

13:22:15 NWE Application for Emergency Authority to Operate and Acquire the Sleepy Hollow Oil and Gas System, Docket [2022.04.051](#), filed 4/29/22.

Committee Discussion:

13:23:10 Senator Molnar asked whether Sleepy Hollow costs would be borne by the customers of that system or by all NorthWestern gas customers.

13:23:39 Senator Pope asked, with regards to NorthWestern's hedging activities, for links and materials to help the Committee get up to speed on the topic of hedging.

13:29:28 Senator Pope asked in a follow up if ratepayers are at an unreasonable risk for hedging losses.

13:35:00 Senator Molnar asked about the extent to which market price spikes are covered by the company's hedging practices.

13:40:15 NWE Application for Approval of Corporate Restructuring, Docket [2022.06.064](#).

Committee Discussion:

13:41:45 Representative Dunwell asked what the corporate restructuring of NorthWestern Energy would mean to ratepayers.

13:46:37 Senator Pope asked if there would be any accounting change with respect to utility assets such as Colstrip.

13:48:32 NWE Application for Approval of an Advanced Metering Opt-Out Tariff, Docket [2022.06.067](#), filed 6/9/22.

13:50:32 Havre Pipeline Annual Gas Tracker, Docket [2022.08.079](#), filed 7/29/22.

Committee Discussion:

13:51:31 Representative Dunwell asked, regarding NorthWestern's Opt-Out Tariff, how ratepayers would be notified about any extra costs that may be associated with opting out.

13:53:00 Representative Dunwell asked when the final decision would be made on this docket.

13:54:30 MDU Electric Tracker (Rate 58), Docket [2022.06.070](#), filed 6/16/22.

Committee Discussion:

13:54:55 Senator Molnar asked whether any customers would receive a discount based on cost savings to the utility from the new metering system.

13:58:51 Senator Molnar asked whether the meters of opt out customers could be read when a service truck was in their area and not necessarily every month.

14:01:23 MDU Conservation Program Tracking Mechanism (Rate 90), Docket [2022.03.021](#), filed 2/28/22.

14:02:01 MDU Application to Offer Incentives for Conversion in the Saco/Bowdoin Area, Docket [2021.09.116](#), filed 9/15/21.

14:03:29 MDU Gas Tracker Filings (Rate 88), Docket [2022.09.088](#), filed 9/8/22.

14:03:49 MDU Annual Avoided Cost Update (Rate 93), Docket [2022.10.093](#), filed 10/12/22.

14:04:04 MDU Annual Tax Tracker, Docket [2022.10.092](#), filed 11/23/22

14:05:08 MDU Application to Increase Retail Electric and Natural Gas Utility Service Rates, Docket [2022.11.099](#), filed 11/4/22.

Committee Discussion:

14:05:45 Senator Pope asked whether the two main electric utilities being subject to different sets of statutes creates efficiencies or inefficiencies.

14:08:04 Representative Dunwell asked, regarding MDU's Application to Offer Incentives for Conversion in the Saco/Bowdoin Area, which fuel MDU is offering as an alternative fuel source.

14:08:32 EWM Monthly Gas Trackers, Docket [2022.04.052](#), filed 4/27/22.

14:08:46 EWM Annual Gas Cost Tracker, Docket [2022.06.065](#), filed 6/1/22.

14:09:17 EWM Application to Amend Intercompany Line of Credit, Docket [2022.07.072](#), filed 6/30/22.

14:09:48 High Quality H2O Application to Decrease Water Rates, Docket [2021.06.081](#).

Committee Discussion

14:13:44 Representative Dunwell asked where High Quality Water is located.

14:14:06 Aquanet, Inc. Application for Standard Rates for Sundance Subdivision, Docket [2021.09.115](#), filed 9/14/21.

- 14:14:50 Aquanet, Inc. Application for an Interim Rate Request for Linlee Lake Estates, Docket [2022.09.085](#), filed 9/1/22.
- 14:15:19 Flathead Utility Company, Inc. request to approve utility sale and transfer, Docket [2022.09.086](#), filed 9/5/22.
- 14:16:55 ABACO Propane Cost Tracker, Docket [2022.07.075](#), filed 7/1/22.
- 14:19:45 PSC Investigation into the Adequacy of Legacy Infrastructure Operated by Qwest Corporation d/b/a CenturyLink QC, Docket [2021.12.136](#).
- 14:21:58 Air Voice Wireless, LLC Application for Designation as an Eligible Telecommunications Carrier, Docket [2022.04.048](#), filed 4/1/22.
- 14:22:22 PSC Order to Show Cause to Town of Saco Municipal Gas, Docket [2022.10.096](#), issued 10/20/22.
- 14:23:40 Caithness Beaver Creek, LLC (“CBC”) [Second] Petition to Set Terms and Conditions, Docket [2019.06.034](#), filed 6/12/19.
- 14:24:01 CBC [Second] Petition for Judicial Review and Request for Enforcement of Court Order, First Judicial District Cause No. CDV 2020-290, filed 12/6/21.
- 14:25:03 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.
- 14:27:12 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.
- 14:29:43 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.
- 14:31:27 Senator Pope asked about the extent to which the methodology for calculating avoided costs in Montana is well-settled and acceptable for ratepayers.
- 14:36:25 Senator Pope in a follow up asked about the value and firmness of storage paired with a wind or solar resource.
- 14:38:55 Senator Pope asked whether the complexity of the models used to estimate avoided cost is a concern.
- 14:44:09 NWE Petition for Rulemaking to Amend ARM 38.5.1902, 1903, & 1905 to Require Variable Avoided Cost Energy Rates, Docket [2021.09.118](#), filed 9/8/21.

14:45:32 Colstrip Energy Limited Partnership's Petition to Set Terms and Conditions, Docket [2022.07.073](#), filed 7/1/22.

PUBLIC COMMENT

14:47:55 No Public Comment was offered at this time.

FINANCIAL REPORT

14:49:08 Jason Brown reviewed the budget versus expenditure report that reflected accounting periods one through five of fiscal year 2023 (July 2022 to November 2022) noting that the Consumer Counsel is party to two major rate cases before the Public Service Commission that would utilize the Consultants' budget.

CONTRACTED SERVICES

14:50:00 Jason Brown requested authorization from the committee to retain the services of the following consultants:

2022.11.099 – MDU – Application for Authority to Establish Increased Rates for Electric Service.

- Acadian Consulting Group, LLC – Dr. David Dismukes
- Dr. J. Randall Woolridge
- Garrett Group Consulting, Inc. – Mark Garrett
- Resolve Utility Consulting, PLLC – David J. Garrett

MOTION: Representative Hopkins moved to approve the retention of consultants as requested by the Consumer Counsel.

VOTE: The motion passed unanimously on a voice vote.

Committee Discussion:

14:52:25 Senator Pope asked, regarding the budget v. expenditures report, if account 61200, Other Services, included the contracted services budget.

14:53:05 Senator Pope asked in a follow up how much of the 61200 budget was allocated to the contingency fund.

14:53:26 Senator Pope asked in a follow up if the contingency fund is reappropriated every biennium.

14:53:52 Representative Dunwell asked for thoughts on the agency's budget request for the upcoming legislative session.

NEXT MEETING

15:00:05 The date of the next meeting will be set at a later date.

PUBLIC COMMENT

15:09:55 No public comment was offered at this time.

ADJOURNMENT

15:10:20 There being no other matters before the Committee the Chair adjourned the meeting.