



# LEGISLATIVE CONSUMER COMMITTEE

---

## SENATE MEMBERS

Brad Molnar  
Andrea Olsen, Vice Chair  
Daniel Zolnikov

## HOUSE MEMBERS

Brad Barker, Chair  
George Nikolakakos  
Zoey Zephyr

**Extract**  
**MINUTES LOG**  
October 30, 2023  
State Capitol, Room 152  
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 George Nikolakakos  
Representative Zoey Zephyr

## MONTANA CONSUMER COUNSEL STAFF PRESENT

---

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

## AGENDA

---

[\(Attachment 1\)](#)

## CALL TO ORDER

---

10:08:29 Chair Barker called the meeting to order with roll call.

[\(Attachment 2\)](#)

## APPROVAL OF MINUTES OF PREVIOUS MEETING – July 31, 2023

---

10:09:17 MOTION: Senator Olsen moved acceptance of the minutes.

VOTE: Motion passed unanimously.

[\(Attachment 3 – July 31, 2023\)](#)

## DISCUSSION ON THE STATE OF COMMUNICATIONS INFRASTRUCTURE IN MONTANA

---

10:09:38 Chair Barker stated that the discussion on the State of Communications Infrastructure is on hold pending additional items Senator Olsen wanted to bring forward.

## INTRODUCTION TO TRACKERS

---

10:10:12 Jason Brown introduced Paul Schulz, Utility Rate Analyst, to provide the committee with an overview of the fundamentals of trackers. [\(Attachment 4\)](#)

10:25:38 Chair Barker inquired about the frequency of the data points on trackers and whether they are all the same.

10:35:03 Senator Olsen asked why rate cases are necessary when utilities are using trackers to track costs.

10:41:36 Senator Olsen, in a follow-up, asked if there was a way of tracking the return on equity.

10:43:20 Senator Olsen asked if the profit equity status would be worth adding to a tracker.

10:46:29 Senator Olsen clarified her request regarding the profit equity status.

- 10:47:11 Senator Olsen asked if a presentation on the NorthWestern Energy rate case could be on the agenda for the next meeting with the goal of better understanding the process and outcome.
- 10:49:28 Senator Olsen noted that it would be helpful to understand the profit and equity sharing process.

#### PUBLIC COMMENT

---

- 10:53:05 Senator MaryAnn Dunwell, representing Helena and East Helena – SD 42.

#### COMMITTEE DISCUSSION

---

- 10:57:56 Chair Barker, in summarizing the committee discussion on rate cases, noted that a brief outline of what the cost-plus contract is, and how those manifests in tracking the cost of time, and how that would be beneficial to educate not only the committee but the public as well.
- 11:01:11 Chair Barker asked for clarification on the 90/10 rule.
- 11:04:40 Senator Zolnikov asked if the 100-percent pass through for property tax creates a negative incentive for utilities.
- 11:06:06 Senator Zolnikov asked for clarification on the utility's gas pricing practices.
- 11:11:26 Senator Olsen stated she would like to understand what percentage the rate payers are paying for the asset, versus the company's percentage, versus the shareholders' percentage.
- 11:13:48 Senator Molnar asked if NorthWestern Energy and Montana-Dakota Utilities also have property tax trackers.
- 11:15:00 Senator Molnar inquired about the process of tracking property taxes, which account for 20-percent of the recent rate case, amounting to over \$14 million for electricity and \$4 million for natural gas.
- 11:19:17 Senator Molnar inquired about the collection and projection of tax collections for electricity and gas.
- 11:20:15 Senator Molnar clarified his request for what the numbers might be for gas and electricity.
- 11:42:20 Chair Barker called the meeting back to order after a brief recess with the Status of Cases.

#### STATUS OF CASES PENDING

---

11:42:29 Jason Brown highlighted the cases that have seen some change in status since the Committee's last meeting. ([Attachment 5](#))

11:42:44 NWE Gas Tracker, Docket 2022.07.077.

11:44:07 NWE Gas Tracker, Docket 2023.07.068

11:44:23 NWE Townsend Propane Annual Adjustment Filing, Docket 2023.05.034, filed 4/28/23.

11:44:42 NWE Application to Increase Retail Electric and Natural Gas Utility Service Rates, Docket 2022.07.078, filed 8/8/22.

11:45:46 Havre Pipeline Co. Annual Tracker Application, Docket 2023.08.070, filed 7/31/23.

11:46:23 NWE QF-1 Tariff Update Application, Docket 2023.08.076, filed 8/24/23.

11:47:00 NWE Annual PCCAM Application, Docket 2023.09.081, filed 9/1/23.

Committee Discussion:

11:48:00 Chair Barker asked if the \$13 million disallowance was directly related to hedging losses.

11:48:45 Senator Molnar asked if NorthWestern Energy had explicit authority to allow hedging.

11:50:09 MDU Application to Increase Retail Electric Rates, Docket 2022.11.099, filed 11/4/22.

11:50:42 MDU Electric Tracker (Rate 58), Docket 2023.06.055.

11:51:26 MDU Gas Tracker Filings (Rate 88), Docket 2022.09.088, filed 9/8/22.

11:51:45 MDU Gas Tracker Filings (Rate 88), Docket 2023.09.084, filed 9/8/23.

11:52:09 MDU Conservation Program Tracking Mechanism (Rate 90), Docket 2023.03.027, filed 2/28/22.

11:52:29 MDU Application to Offer Incentives for Conversion in the Saco/Bowdoin Area, Docket 2021.09.116, filed 9/15/21.

Committee Discussion:

11:54:14 Chair Barker asked how many MDU customers does this affect.

11:54:32 MDU Annual Avoided Cost Update (Rate 93), Docket 2023.10.090, filed 10/12/23.

11:55:00 EWM Annual Gas Cost Tracker, Docket 2023.04.029, filed 6/1/22.

EWM Annual Gas Cost Tracker, Docket 2023.06.048, filed 6/1/23.

11:55:29 EWM Application for Approval of Gas Cost Hedging for West Yellowstone, Docket 2023.06.057, filed 6/29/23.

11:56:54 EWM Application for Waiver of Certain Ring-Fencing Requirements and Authorization of a Special Dividend, Docket 2023.10.091, filed 10/17/23.

11:57:45 ABACO Propane Cost Tracker, Docket 2023.05.035, filed 5/8/23.

Committee Discussion:

11:59:16 Chair Barker asked how many customers ABACO serves.

11:59:46 Qwest Corporation d/b/a CenturyLink QC Petition for Temporary Waiver, filed 12/9/21, and Commission Investigation into the Adequacy of Legacy Infrastructure Operated by CenturyLink, Docket 2021.12.136.

Committee Discussion:

12:02:36 Senator Olsen recalled complaints made back in 2015 by ratepayers of the telephone provider regarding lack of service, stating many of them talked about business loss for weeks at a time.

12:04:31 Senator Olsen asked if CenturyLink would automatically, or by request, reimburse customers who have out of service time.

12:04:29 Senator Olsen noted that while CenturyLink has been successful, better solutions are still needed as there is a high cost borne by ratepayers when they experience any out of service time.

12:07:29 Chair Barker asked for clarification on the meaning of ancillary customers.

12:08:22 Chair Barker asked what the impact was to those ancillary customers.

12:08:47 Chair Barker asked if the inclusion of an ancillary customer is somebody who may have adopted another service, not captive, but they are impacted by the waiver.

12:09:02 Senator Olsen asked for clarification on term ‘not captive’.

12:09:28 Senator Olsen noted that CenturyLink customers in urban areas do not have an effective phone system with this provider.

12:10:10 Chair Barker inquired whether reference to a captive customer is not necessarily somebody who cannot change service they just have not.

12:10:40 Aquanet-Linlee Lake Estates’ Application to Implement Rates and Charges for Service in Billings, MT, Docket 2023.08.079, filed 8/30/23.

12:11:30 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.

CBC Appeal to Montana Supreme Court, Case No. DA 23-0529, filed 9/15/23.

12:13:10 Trident Solar, LLC Petition to Set Terms and Conditions, Docket 2023.01.013, filed 1/24/23.

#### COMMITTEE DISCUSSION on the Status of Cases continued

---

- 12:16:38 Senator Olsen inquired if CenturyLink have committed to automatically deducting outages from a customer's bill rather than customers having to call in to let the company know they are out of service.
- 12:17:18 Senator Olsen noted regarding the rate case that it would be helpful to Legislators to have a presentation on the settlement pros and cons and what that means for the next rate case.
- 12:25:22 Senator Olsen stated that The Held case indicated that more steps to protect the environment were needed. Energy production is one of the impacts that affects the environment and inquired if the rate case addressed; the long-term consequences; the long-term cost; the long-term effects; the long term potential unaffordable damages.

#### PUBLIC COMMENT

---

- 12:29:11 Mary Ann Dunwell, State Senator representing SD 42 – Helena and East Helena
- 12:33:31 Jason Brown's, Consumer Counsel, response to Senator Dunwell's comments.

#### COMMITTEE DISCUSSION on the Status of Cases continued

---

- 12:39:55 Chair Barker asked what the parties wanted addressed in the reconsideration on the PPA in the Trident Solar petition.
- 12:40:50 Senator Molnar asked if the Department of Revenue centrally assessed NorthWestern's assets and if so, what was included in the assessment.

#### FINANCIAL REPORT

---

- 12:42:45 Jason Brown reviewed the budget versus expenditure report that reflected accounting periods 1 through 4 of fiscal year 2024 (July 2023 to October 2023).

#### PUBLIC COMMENT ON ITEMS NOT LISTED ON THE AGENDA

---

No public comment was offered at this time.

#### ADJOURNMENT

---

12:44:10      There being no other matters before the Committee the Chair adjourned.