

# Montana Consumer Counsel

## 4/5/19 STATUS OF CASES

**NWE – [D2017.5.39/D2016.7.52](#) – MPSC Review of Rates to Recover NWE’s Electricity Supply Costs/2017 Electricity Supply Tracker.** NCA issued 5/18/17. Commission action to implement HB 193.

- This Docket will determine the cost tracking mechanism, if any, that NWE may use to recover electricity supply costs separate from general rate case reviews.
- Finds existing cost tracker expires 7/1/17, and PSC cannot reauthorize tracker under 69-8-210(1), but retains discretion to implement cost tracking under Chapter 3, Title 69. Concludes that NWE may need an interim tracker on 7/1/17, and Commission will implement one conditioned on NWE filing comprehensive electric supply revenue requirement case with permanent tracker proposal by 9/30/17, and filing an interim proposal by 6/2/17. Interim proposal must address several options: projected costs based on PowerSimm modeling; existing mechanism; any other proposal consistent with HB 193.
- NWE Motion for Reconsideration filed 5/30/17.
- Notice of Staff Action issued 6/7/17, clarifying that purpose of the discovery conference is to gather information to inform a future determination of an interim cost tracking mechanism and supply rate.
- NWE calculation of PowerSimm projected costs for purchased power and fuel filed 6/8/17.
- [MCC Comments filed 6/20/17](#): in general, trackers violate the matching principle and only appropriate under certain circumstances; cost tracking should be allowed only after a full contested case procedure; approving interim rates requested by NWE would be appropriate and consistent with prior adjustments; NWE’s next electric rate case should be a full general rate case; continuation of supply cost tracker should be through a stand-alone contested case.
- Notice of Commission Action issued 7/7/17, consolidating D2017.5.39, D2016.7.52 and D2015.7.52, and requiring comments regarding minimum information filing requirements.
- NWE Power Costs and Credits Adjustment Mechanism Proposal filed 7/14/17. Proposes a PCCAM that sets normalized baseline and 90% pass through of difference with respect to certain actual costs.
- MCC Petition to Intervene filed 7/14/17.
- Notice of Proposal, Intervention Deadline, and Initial Procedural Schedule, issued 7/18/17.

- Notice of Commission Action issued 8/30/17, finding discovery process adequate to explore issues and declining to order submission of minimum filing requirements.
- Procedural Order No. 7563a issued 9/21/17.
- [MCC testimony of George Donkin filed 11/27/17](#): recommends Commission consider terminating tracker because it is a single issue ratemaking tool that violates the matching principle, and reduces management efficiency incentives; electricity supply costs do not meet traditional criteria for trackers, including management control and volatility; if tracker continued, certain categories should be excluded; Commission should consider drawbacks to proposed 90/10 sharing mechanism; if tracker is terminated, should be coordinated with base rate review in next general filing; recommends several cost categories that should be excluded if tracker is continued; discusses problem with 90/10 sharing of providing an incentive to overstate forecast period costs; logical inconsistency in attempting to provide management incentive if there is little management control over these costs, which is a traditional basis for tracking.
- Notice of Additional Issues issued 12/12/17: Directs parties to consider alternatives that incorporate risk-sharing features common to other utilities in the region, to be applied starting 7/1/17; include evaluation of categories included and excluded from PCCAM and interim treatment beginning 7/1/17, appropriate base costs associated with electricity supply, and a sharing mechanism that equitably apportions risk; consideration of impact of dropping certain cost categories as of 7/1/17; expresses interest in “parameters of risk associated with fixed-cost assets” and relationship between PCCAM costs and rate based assets’ operation; requests testimony on reasonable “deadbands” found in other state tracker mechanisms; requests testimony regarding relationship and timing between base costs established in this PCCAM proceeding with review in next general rate filing and ongoing updates; should any true-ups be annual or monthly; should NWE be allowed to engage in hedging if it bears associated risks.
- Notice of Staff Action issued 12/27/17, amending procedural schedule to accommodate additional issues. Hearing set 5/31/18.
- [MCC Additional Issues Testimony of George Donkin](#) filed 3/23/18: maintains primary recommendation to terminate tracker; notes this is equivalent of 100% deadband and provides stronger incentives; discusses deadband and earnings test adoption in nearby states; notes deadbands in general provide greater incentives than NWE’s sharing mechanism; recommends asymmetric deadbands to better match market price risks; short of termination, recommends asymmetric deadband \$4.1 M below and \$8.25 M above base supply costs, with +/- 100 basis points earnings test around allowed ROE and 50/50 sharing of eligible exceedances; regarding base supply costs discusses relationship of variable and fixed cost risks and actual generation of owned generation versus preapproval assumptions; suggests NWE could bear greater production risks by setting base levels at preapproval amounts; recommends base cost updates occur only in general rate cases; recommends continued rejection of hedging practices.
- Hearing held 5/31 – 6/1/18
- Final Order No. 7563c issued 11/29/18: Commission notes desire to adopt simple incremental changes to tracker that will provide clear incentive for control of power-supply costs; allows continued tracking with a deadband of \$4.1 million on either side of baseline costs; rejects earnings test; determines that tracking should occur on an entire portfolio basis rather than for individual categories of supplies; outside the deadband

commission adopts 90/10 sharing of difference between actuals and baseline; approves base costs as proposed by NWE; effective date of new mechanism is 7/1/17.

- NWE Motion for Reconsideration filed 12/12/18.

- Order No. 7563d on Reconsideration, issued 1/9/19, affirming approval of deadband, removing requirement to file statistical evidence to adjust deadband in future, and clarifying that DSM and administrative costs are not subject to sharing during pendency of current rate case.

**NWE – [D2018.2.12](#) – Application to Increase Electric Rates**, filed 2/23/18.

- NWE filed a Motion to Bifurcate, regarding a general electric rate increase application expected to be filed by 9/30/18. NWE requested that revenue requirement issues be considered in a first phase, with customer class cost allocation and other issues following within 2 months after issuance of a revenue requirement determination. Issues in the first phase would include a consolidated revenue requirement for generation, distribution, and transmission. Several of these components are currently treated individually due to preapprovals of generation assets separate from transmission and distribution cost reviews. NWE states that tax reform and tracker mechanism dockets will affect its revenue requirement application and it needs the revenue requirement data to develop an allocated cost/rate design proposal. NWE enumerates other time consuming pending dockets, including FERC matters. NWE also states the allocated cost/rate design portion of the filing will be more complex than usual due to issues such as energy choice, net metering and customer rate options and would like additional time to complete a stakeholder process. NWE finally states bifurcation would make it less burdensome for parties to participate.

- Notice of Opportunity to Comment issued 3/14/18.

- Order No. 7604 issued 6/6/18, granting motion to bifurcate, and finding that NWE had effectively waived the “nine-month statutory time period” and that the revenue requirement order would be interim and subject to adjustment when the second phase ACOS/RD order is issued.

- NWE Motion for Reconsideration filed 6/18/18, asserting that the Commission must issue a final decision within nine months of filing, and NWE has not waived that deadline.

- Order No. 7604a On Reconsideration issued 8/9/18: there is no nine-month deadline for final orders, rather utilities may implement rates subject to refund; removes finding that request for bifurcation is a waiver of nine-month time period; continues to authorize bifurcation and commits to issuing final decisions where feasible; notes that, absent bifurcation, magnitude of the filing may in any event require exceeding nine months.

- NWE Application filed 9/28/18: NWE requests a “base rate” increase of \$34,861,573. This results from a netting of an increase to transmission and distribution revenues of \$37,912,116, less a reduction to generation-related annual revenues of \$3,050,543.

NWE states that the \$34.9 million represents an “overall” increase of 6.6%.

Ratepayers would experience different individual impacts because 1) NWE proposes to allocate this increase in different percentages to the various rate classes, and 2) rate structure will cause different impacts. NWE is proposing a 10% increase to the Residential class, a 10% increase to the Irrigation class, a 0% increase to the Transmission (FERC jurisdictional) class, and 4% to all other classes. NWE states that

the “typical” (i.e., 750 kwh per month) residential consumer would experience a 7.39% bill increase. However, due to service charge increases and varying usage, bill impacts for residential consumers would range from 5.9% – 30%. NWE requests an authorized 10.65% Return on Equity and an increase in the Residential monthly service charge from \$4.10 to \$5.60. NWE also proposes to rate base Two Dot Wind, a former QF, and requests authorization to rate base Demand Side Management (DSM) expenditures rather than expensing them. NWE further proposes a new rate class for new net metering customers that would include a monthly demand rate component in addition to customer and energy charges.

- Notice of Application and Intervention Deadline issued 10/2/18.
- MCC Petition to Intervene filed 10/18/18.
- Notice of Staff Action issued 10/26/18, granting intervention to: MCC; Large Customer Group; HRC District XI/NRDC; NW Energy Coalition; MEIC/Sierra Club/Vote Solar/Montana Renewable Energy Association; Northern Cheyenne Tribe; DEQ; Federal Executive Agencies; Walmart.
- Procedural Order No. 7604b issued 11/16/18. Hearing set 5/13/18.
- NWE Motion for Reconsideration of Order No. 7604b filed 11/26/18 regarding discovery issues, including contention that Commission may not issue discovery and move responses into the record.
- Order 7604g on Reconsideration issued 12/6/18, suspending deadlines in the Procedural Order and requesting parties brief the issue of Commission information gathering methods.
- Notice of Commission Action issued 12/28/18, reestablishing Procedural Schedule, extending initial discovery deadline to 1/4/19, and noting that commission information gathering will proceed through “inquiries” and “notices.”
- [MCC testimony](#) filed 2/12/19: HILL – discusses representative capital structures and evaluates cost of equity capital using several methods; recommends a capital structure with 47.25% equity and 2.65% short-term debt and 8.75% return on common equity. GARRETT – recommends depreciation expense adjustments to several transmission and distribution accounts, reducing expense by \$8,094,283. SMITH – recommends adjustments to multiple rate base and expense items, resulting in a revenue decrease of \$17.321 million (\$21.815 generation and -\$4.377 T&D). DISMUKES – recommends \$527,646 rate base reduction related to CU4 outage repairs; recommends adjustments to net metering cost-benefit study to remove speculative environmental compliance costs and hypothetical transmission benefits; recommends continuing to expense DSM costs; recommends electricity cost tracker (PCCAM) include an annual floor of 1.8 million MWhs credits for wholesale sales; supports use of embedded cost of service study with distribution demand allocated based on average of customer class contributions to system coincident peak and customer class non-coincident peak; class revenue increases should be capped at 1.25x system average; customer charges should not be increased; proposed net metering demand rate structure should be approved; \$150 after hours reconnection fee should be rejected.
- Notice of Additional Issues served 3/1/19. Commission requests further evidence by 3/22/19 on the following issues: 1) Unexplained power supply expense of \$506,099 purportedly for RFP expense; 2) An estimate of the deferred liability associated with Excess Accumulated Deferred Income Taxes (EADIT) beginning 1/1/18 and how the

liability should be returned to customers; 3) Hazard Tree issues including potential liability and insurance, and timeline for addressing; 4) Street Lighting charges; 5) General Office Building cost/benefit analysis and RFP process. Commission also withdraws information requests.

- Interim Order No. 7604r issued 3/4/19, approving \$10,544,411 interim increase.
- [MCC Additional Issues Testimony of Ralph Smith](#) filed 3/22/19: NWE's amortization of protected EADIT should be trued up to its 2017 Federal Income Tax filing due to bonus depreciation tax changes; reiterates adjustments made in direct testimony for unprotected EADIT; net of EADIT amortizations is \$1,995,003 deferred income tax expense reduction; it is unclear what NWE has been booking since 1/1/18; EADIT amortization should not be earmarked for hazard tree removal;

**NWE – [D2018.8.52](#) – Petition of Caithness Beaver Creek, LLC, to Set Terms and Conditions for Qualifying Facility**, filed 8/10/18. Pursuant to MCA, 69-3-603 this proceeding will determine terms and conditions for four separate 80 MW QF wind projects with 10 MW battery storage: Beaver Creek Wind I – IV, located in Sweetgrass and Stillwater Counties. Petition asserts that Caithness is entitled to a 20 year contract at \$31.33/MWh in heavy load hours and \$29.50/MWh in light load hours for energy, and levelized capacity prices of \$81.45/MWh for heavy load hours during peak months of January, February, July, August and December.

- Notice of Petition and Opportunity to Intervene issued 8/15/18.
- MCC Petition to Intervene filed 8/29/18.
- Procedural Order No. 7628 issued 9/13/18. Hearing set 12/19/18.
- NWE Testimony filed 10/25/18: Calculates avoided energy cost under four scenarios based on how energy is valued in Long 2 conditions and whether dispatch is modeled hourly; recommends avoided energy cost of (\$4.51/MWh)(Off-Peak) and \$4.60/MWh(On-Peak) with capacity cost of \$9.11 MWh on-peak for first three years with subsequent measure and pay; assuming batteries qualify for reserve and regulation (34MW), NWE will still need to supply 90 MW of load following capacity to meet balancing requirements; NWE calculated capacity value using an aeroderivative combustion turbine with capital costs levelized over 30 years; proposes to measure actual capacity contribution from Caithness annually; claims total cost would be \$421 million over 15 years and 67% of generation would be sold to market with 17% being uneconomic; NWE criticizes applicant's gas and electric market forecasts and wind data.
- [MCC Testimony of Jaime Stamatson](#) filed 10/25/18: supports continued application of PowerSimm modeling process approved in prior Commission orders to calculate avoided energy cost; avoided costs should be calculated for each project independently; proper application of the approved Southwest Power Pool (SPP) methodology would increase asserted capacity contribution, but wind production data appears to be faulty, making calculated capacity contributions questionable; more appropriate to use an aeroderivative combustion turbine than an internal combustion engine to calculate avoided capacity costs; supports measure and pay approach for capacity payments; projects should retain their renewable energy credits to represent environmental benefits; supports 15 year contract length; if ancillary services are required from NWE they should be valued based on 2018 resource study.

- Notice of Additional Issues, served 11/30/18. Commission identified six issues on which it requested additional testimony: 1) information requested from Petitioner regarding an apparent data problem in its capacity calculations; 2) consistency of Petition with statutory 80 MW size limitations; 3) incremental cost of alternative electric energy for individual projects; 4) whether NWE flexible capacity needs could be avoided through flexible curtailment provisions; 5) effect of a FERC decision on NWE's petition for declaratory order that would revoke QF designation for the battery component of the projects; 6) reasonable and permissible contract lengths.
- Notice of Staff Action issued 12/7/18, revising procedural schedule and setting hearing date of 2/5/19.
- NWE Motion for Partial Dismissal filed 12/20/18. Asserts Commission does not have authority to set rates for multiple QFs in a single proceeding.
- Hearing held 2/5-8/19.
- Final Order No. 7628b issued 3/28/19: Sets avoided energy rates of \$27.43/MWh in heavy load hours, \$17.64/MWh in light load hours and \$22.97/MWh around-the-clock; avoided energy costs to be reduced by \$7.12/MWh to account for 90 MW of project-related incremental capacity (INC) requirements; sets avoided capacity costs of \$152,067/MW-yr. for 34.1 MW for first three years, changing to a measure-and-pay method thereafter; CBC to pay network upgrade costs of \$3,617,866; no deductions for spinning and supplemental contingency reserves as long as they are self-provided; adheres to 15 year contract lengths.

**NWE – [D2019.2.8](#) - Petition of Grizzly Wind, LLC to Set Terms and Conditions for Qualifying Facility**, filed 2/4/19. Grizzly Wind (Grizzly) is a proposed 80 MW wind facility in Stillwater County, owned by Building Energy Development US, LLC and developed by Optimum Renewables, LLC. Grizzly provided NWE an executed Power Purchase Agreement to sell its output at \$24.79/MWh, subject to requested “upward adjustments.”

- Notice of Petition and Opportunity to Intervene issued 2/6/19.
- MCC Petition to Intervene filed 2/20/19.
- Procedural Order No. 7660 issued 2/28/19. Hearing set 6/11/19.

**NWE – [D2019.2.9](#) - Petition of Black Bear Wind, LLC to Set Terms and Conditions for Qualifying Facility**, filed 2/4/19. Black Bear Wind (BBW) is a proposed 80 MW wind facility in Stillwater County, owned by Building Energy Development US, LLC and developed by Optimum Renewables, LLC. BBW provided NWE an executed Power Purchase Agreement to sell its output at \$24.79/MWh, subject to requested “upward adjustments.”

- Notice of Petition and Opportunity to Intervene issued 2/6/19.
- MCC Petition to Intervene filed 2/20/19.
- Procedural Order No. 7661 issued 2/28/19. Hearing set 6/13/19.

**NWE – FERC Docket No. EL-18-195-000 – Petition for Declaratory Order**, filed 8/31/18. NWE requests that FERC revoke the Qualifying Facility status of Beaver Creek Wind I-IV, LLCs. NWE asserts that addition of storage facilities causes the projects to exceed 80 MW statutory production limit.

- Federal Register Notice published 9/10/18.
- Beaver Creek Motion to Intervene and Answer filed 9/25/18.

**NWE – FERC Docket No. EL-19-3-000 – Petition for Declaratory Order**, filed 8/31/18. NWE requests that FERC determine that avoided cost should be 0 in periods when NWE has excess generation and cannot back down generation, and that nothing in PURPA permits establishing a rate above avoided cost. This Petition challenges Montana Commission orders that NWE must pay QFs forecasted market prices when NWE cannot use QF output to serve its load.

- Notice of Petition issued 10/3/18. Comment Date 11/1/18.
- NWE Answer filed 11/16/18.

**NWE – [D2017.8.65/D2016.4.33](#) – Petition for Waiver of Community Renewable Energy Project Purchase Obligation for 2016**, filed 8/18/17.

- Claims NWE took all reasonable steps to comply but was unable to procure its full 65.4 MW share of 75 MW CREP state mandate. NWE has procured 25.1 MW of CREP resources. NWE evaluated 11 projects responding to 2015 RFP and found none cost competitive and in compliance with cost cap. NWE issued another RFP in May 2016, but no project could be operational in 2016.

- NWE Motion to Consolidate with 2015 waiver request, D2016.4.33, filed 10/13/17.
- Notice of Petition and Intervention Deadline issued 10/25/17.
- Notice of Commission Action issued 10/25/17, consolidating with D2016.4.33.
- MCC Petition to Intervene filed 11/9/17.
- Procedural Order No. 7578 issued 11/29/17.
- Hearing held 4/4/18.
- Order No. 7578b issued 9/11/18, finding NWE took all reasonable steps and approving requested waiver.
- MEIC and NWE Motion for Reconsideration filed 10/1/18.
- Notice of Commission Action issued 10/24/18, denying Motion for Reconsideration.
- **MEIC v. PSC – DDV-18-0640 - Complaint and Petition for Judicial Review**, 8th Judicial District, filed 11/16/18. Asserts that PSC’s decision to grant a waiver was unreasonable, arbitrary and unlawful because record did not demonstrate that NWE had taken all reasonable steps to procure CREPs; also asserts the PSC incorrectly applied the cost cap provision because NWE only solicited CREP bids which provided the only measure for comparison.

**NWE – [D2018.10.73](#) - Petition for Certification of a CREP**, filed 10/30/18. NWE requests certification of the recently acquired Two Dot Wind farm as an 11.28 MW Community Renewable Resource Project. NWE states it qualifies because the PSC certified Two Dot as an eligible Renewable Resource in 2015, it is under 25 MW, and it is owned by a public utility.

- Notice of Petition and Opportunity to Comment issued 11/1/18.
- MCC Petition to Intervene filed 11/16/18.
- Final Order No. 7647 issued 11/27/18, approving certification of Two Dot as a CREP.

**NWE – [D2019.3.15](#) – Petition for Certification of Stillwater Wind, LLC as an Eligible Renewable Resource**, filed 3/22/19. NWE seeks certification of Stillwater Wind, LLC Project, previously WKN Montana II, LLC, as an eligible renewable resource under 69-3-2003, MCA. Stillwater is a 25 MW wind facility located in Montana and began commercial operation 10/27/18.

- Notice of Application and Opportunity to Comment issued 3/26/19.

**NWE – [D2019.3.16](#) – Petition for Certification of Big Timber Wind, LLC as an Eligible Renewable Resource**, filed 3/22/19. NWE seeks certification of Big Timber Wind, LLC Project, previously Greycliff Wind Prime, LLC, as an eligible renewable resource under 69-3-2003, MCA. Stillwater is a 25 MW wind facility located in Montana and began commercial operation 10/27/18.

- Notice of Application and Opportunity to Comment issued 3/26/19.

**NWE – [N2018.11.78](#) – 2018 Electricity Supply Resource Plan**. NWE Motion to extend submission deadline from 11/15/18 to 2/15/19, filed 11/13/18. NWE states an extension is necessary to reflect impacts of 11/8 decision to participate in the Western Energy Imbalance Market (EIM).

- Notice of Commission Action issued 12/5/18, granting extension to 3/15/19 to file a draft plan, requiring minimum 60 day period for stakeholder comment, and requiring final plan by 12/15/19 with discussion of stakeholder comments.

**NWE – [D2018.7.45](#) – October electric tracker**. Filed 9/15/18. Res. Commodity rate decrease to \$.067034/kwh (.42%) (\$1.7 M annualized rev. req.)

**NWE – [D2018.7.45](#) – November electric tracker**. Filed 10/15/18. Res. Commodity rate increase to \$.067467/kwh (.64%) (\$2.6 M annualized rev. req.)

**NWE – [D2018.7.45](#) – December electric tracker**. Filed 11/15/18. Res. Commodity rate increase to \$.067597/kwh (.19%) (\$.8 M annualized rev. req.)

**NWE – [D2017.5.39](#) – January electric tracker**. Filed 12/20/18. Res. Commodity rate decrease to \$.066890/kwh (1.05%)

**NWE – [D2018.7.46](#) – October gas tracker**, filed 9/14/18. Gas decrease from \$2.35 to \$2.27. Res. Rate from \$6.36 to \$6.28.

**NWE – [D2018.7.46](#) – November gas tracker**, filed 10/15/18. Gas increase from \$2.27 to \$2.34. Res. Rate from \$6.28 to \$6.35.

**NWE – [D2018.7.46](#) – December gas tracker**, filed 11/16/18. Gas decrease from \$2.34 to \$2.28. Res. Rate from \$6.35 to \$6.28.

**NWE – [D2018.7.46](#) – January gas tracker**, filed 12/20/18. Gas decrease from \$2.28 to \$2.16. Res. Rate from \$6.28 to \$6.14.



NWE – [D2018.7.46](#) – **February gas tracker**, filed 1/15/18. Gas decrease from \$2.16 to \$2.05. Res. Rate from \$6.14 to \$6.01.

NWE – [D2018.7.46](#) – **March gas tracker**, filed 2/15/18. Gas increase from \$2.05 to \$2.25. Res. Rate from \$6.01 to \$6.21.

NWE – [D2018.7.46](#) – **April gas tracker**, filed 3/15/18. Gas increase from \$2.25 to \$2.91. Res. Rate from \$6.21 to \$6.87.

NWE – [D2018.10.65](#) – **Application to Discontinue Service**, filed 10/5/18. NWE seeks expedited (30 day) approval to discontinue gas service to three premises near Cut Bank. Wells and gathering lines delivering gas to the distribution lines are owned by a third party producer after being sold by Montana Power. NWE later succeeded to the distribution lines and service. Declining pressure jeopardizes ability to serve and cost of extending other service lines would be prohibitive. NWE proposes to pay for propane conversion, tank installation, one year tank lease and first tank fill.

-NWE Supplement filed 11/1/18, stating that the third party producer has returned at least one well to service and has committed to provide sufficient pressure to serve NWE’s customers through 4/19, or until NWE has received authority to abandon service.

- Notice of Application and Intervention Deadline issued 12/19/18.

- MCC Petition to Intervene filed 1/8/19.

- Procedural Order No. 7662 issued 3/6/19. Deadline to request additional process 5/10/19.

NWE – [D2018.4.28](#) – **Townsend Propane Supply Annual Tracker**, filed 4/30/18. Requests current cost increase from \$0.698/therm to \$0.910/therm in summer and \$0.0849/therm to \$1.107/therm for winter. Also requests collection of \$29,108 under-collection.

- Notice of Opportunity to Comment and For Further Process issued 5/7/18.

- Interim Order No. 7601 issued 5/29/18, approving requested rates on interim basis.

- Procedural Order No. 7601a issued 6/28/18.

- Final Order No. 7601b issued 9/11/18, approving requested rates.

NWE – [D2018.4.24](#) – **Investigation of Federal Tax Reform Impacts**, filed 3/30/18. Pursuant to Commission order, this filing proposes a methodology to calculate and share benefits of the 2017 Tax Cuts and Jobs Act (TCJA). Calculates \$3.154 million cash flow reduction for gas utility, proposed to be entirely allocated to customers, and \$10.889 million for electric utility, proposed to be allocated 50% to customers and 50% as an allowable expenditure to remove hazard trees – for total of \$14.043 million. Method required in PSC Notice of Inquiry would alternatively result in \$21.996 million.

- Notice of Application and Intervention Deadline and Initial Discovery Deadline issued 4/20/18.

- MCC Petition to Intervene filed 5/7/18.

- Procedural Order No. 7602 issued 5/30/18. Hearing set 8/30/18.

- [MCC testimony](#) of Ralph C. Smith filed 7/3/18: tax expense reduction related to the 21% tax rate change should be calculated using the “restated historical method” outlined in the Commission’s Notice of Investigation; tax savings should be addressed in the current proceeding to the extent possible; unresolved questions regarding categorization of Excess Accumulated Deferred Income Taxes should be addressed in upcoming rate case; level of

unprotected Excess Accumulated Deferred Income Taxes (EADIT) needs to be clearly identified; need for vegetation management plan should be addressed in upcoming rate case; revenue requirement impact of restated historic method is \$21.996 million (\$21.291 for electric and \$.705 for gas).

- Hearing held 8/30-31/18.

- [Stipulation and Settlement Agreement](#) of NWE, MCC, LCG, HRC/NRDC, and MEIC/NWEC filed 11/13/18: Within 30 days of PSC order, NWE will issue one time refund, to customers of record as of 9/30/18, of \$19.17 million to electric customers and \$1.33 million to gas customers (total \$20.5 million); approximately \$1 million of this will be unallocated and will be allocated 10% to Energy Share and 90% to fund structural issues to qualify for low income weatherization; NWE will implement a \$1.33 million natural gas rate reduction effective 1/1/19; issues regarding EADIT will be resolved in future rate cases; parties agree not to oppose a known and measurable adjustment of actual 2018 expenditures up to \$3.5 million for hazard tree management.

- Final Order No. 7602c issued 12/19/18, approving Stipulation.

- NWE Gas Compliance Filing submitted 12/20/18. Res. rate reduction from \$6.141/dkt to \$6.097/dkt (.7%)

- Compliance report filed 3/12/19: Billing credits issued of \$18,408,070 (electric) and \$1,276,502 (gas); unissued balance of \$815,667 of which 10% distributed to Energy Share and 90% to DPHHS.

**NWE – [D2018.11.80](#) - Annual Tax Tracker**, filed 12/7/18.

- Requests net increase of \$10,731,351 for the electric utility and net decrease of \$702,912 for the natural gas utility. Current increase of \$6,723,259 (electric) and \$17,333 (gas).

- Notice of Application, Intervention Deadline, Procedural Schedule and Notice of Public Hearing issued 12/20/17.

- MCC petition to Intervene filed 12/26/18.

**Havre Pipeline Co. – [D2016.7.58](#) – Annual Rate Adjustment**, filed 7/29/16. Requests rate decrease from \$1.8082/Mcf to \$0.9256/Mcf (48.8%). Gas cost component change from \$1.6173/Mcf to \$0.7347/Mcf.

- MCC Petition to Intervene filed 9/6/16.

- Notice of Commission Action issued 9/27/16, consolidating with D2013.7.56 and D2015.9.70.

- Interim Order No. 7514 issued 9/27/16 approving requested rates on interim basis.

- Procedural Order No. 7514a issued 1/17/17.

- Notice of Staff Action issued 6/6/17, vacating remaining procedural schedule dates.

- Final Order No. 7514b issued 7/19/17, approving requested rates and making interim orders final, and requiring tariff updates to expressly state any limitations or unique aspects of farm tap service.

- Compliance filing submitted 8/18/17, proposing several Special Terms and Conditions.

- Notice of Proposal Intervention Deadline and Initial Procedural Schedule issued 9/1/17.

- MCC Petition to Intervene filed 9/29/17.

- Procedural Order No. 7514c issued 3/7/18. Hearing set 8/29/18.

- HPC testimony filed 4/13/18.

- [MCC testimony](#) of George Donkin filed 6/19/18: reviews prior service complaint dockets and subsequent judicial review; terms and conditions should state that service is

provided indefinitely subject to public utility service obligation; provision that service is incident “only” to an easement should be removed and replaced with provision that service may not be abandoned absent commission approval; prior owner’s service call cutoff of 3:30 p.m. should be restored; HPC should provide quarterly reports regarding service interruptions.

- [Stipulation and Settlement of NWE and MCC](#) filed 8/27/18: Terms and Conditions will be revised to state that, pursuant to definition of “customer,” service is incident to the easement granted by the customer to HPC, and that HPC may not abandon service without prior approval of the Commission; business hours may be modified as proposed by HPC.

- Hearing held 8/29/18.

- Final Order No. 7514d issued 3/25/19, approving Stipulation with the clarification that “abandonment” should be interpreted to include functional abandonment.

**MDU – [D2018.9.60](#) – Application to Increase Electric Rates**, filed 9/28/18. MDU requests a revenue increase of \$11,882,128 (18.9%). Proposed class increases are: Residential (22%), Small General (18.8%), Large General (17.1%), Municipal Pumping (22.8%), and Lighting (21.5%). “Typical” residential bills would increase \$16.23/mo. MDU is requesting a 10.3% authorized equity return and 7.54% overall return. Proposed Residential Basic Service Charge increase to \$7.60/mo. (47%). MDU also seeks to expand the Purchased Power Cost Tracking mechanism to include transmission costs. MDU requests interim increase of \$4,596,161.

- Notice of Application and Intervention Deadline issued 10/2/18.

- MCC Petition to Intervene filed 10/18/18.

- Procedural Order No. 7645 issued 11/19/18. Hearing set 4/30/19.

- Notice of Additional Issues served 12/20/18, requesting testimony and recommendations regarding MDU’s tracker mechanism in view of amendment to 69-8-210 and recent order revising NWE’s tracker mechanism.

- [MCC testimony](#) filed 2/19/19: HILL (jointly with Denbury) – discusses representative capital structures and evaluates cost of equity capital using several methods; recommends a capital structure with 47.54% equity and 5% short-term debt and 8.75% return on common equity. GARRETT (jointly with Denbury) – recommends depreciation expense adjustments to several transmission and distribution accounts, reducing expense by \$1,789,435. SMITH – recommends adjustments to multiple rate base and expense items, resulting in a revenue increase of \$7.269 million; opposes shifting RTO transmission expense recovery to tracking mechanism. WATKINS – criticizes MDU’s use of the “average and excess” method to allocate generation costs; recommends that primary distribution be classified 100% demand and allocated based on class non-coincident peaks; accepts proposal to limit class increases to 125% of system average; recommends no change in existing residential service charge of \$5.17/mo.

- Interim Order No. 7645d issued 3/7/19, authorizing \$7,935,155 (12.59% overall) equal percentage interim increase in all rate schedules on interim basis, based on MCC revenue requirement calculation adjusted for 9.25% equity return.

- [MCC Cross-Intervenor Testimony of Glenn Watkins](#) filed 3/26/19: Agrees with Denbury that MDU’s estimates of class non-coincident peak demands are flawed, but further explains that the class contributions to the 12 monthly coincident peak demands

relied upon by Denbury are also flawed and unreliable; as a result, recommends that no cost of service study is reliable and all classes should receive equal percentage increases.

**MDU – [D2018.6.43](#) – Annual Purchased Power Tracking Adjustment**, filed 6/15/18. In this annual filing, MDU trues-up its tracked electricity supply costs for May 2017 through April 2018 period. The filing claims a \$1,569 over-collection from Primary customers and a \$14,666 under-collection from Secondary. Net effect of tracker would be .03 cent increase to primary and .005 cent decrease to secondary customers. Total fuel and purchased power in tariff is \$0.02280/kwh.

- Notice of Application and Intervention Deadline issued 6/21/18.
- Interim Order No. 7609 issued 6/26/18, approving requested rates and setting any refund carrying charge at 9.25% based on midpoint of range previously found reasonable.
- MCC Petition to Intervene filed 7/12/18.
- Procedural Order No. 7609a issued 7/19/18.
- Final Order No. 7609b issued 10/2/18, approving requested rates.

**MDU – [D2018.12.84](#) – Annual Rate 93 Avoided Cost Update**, filed 12/27/18. This filing updates MDU’s metering charges and energy and capacity payments applicable under it’s avoided cost tariff for 2019. MDU calculates energy payments using its production cost model, includes on- and off-peak rates, and offers options to fix the rate or accept annual Rate 93 changes. MDU is proposing to allow contract terms of 15 years, with fixed energy payments escalated at 3% annually. Proposed capacity payments reflect the MISO capacity auction price for Zone 1 through 2023 and levelized cost of a combustion turbine installed in 2024 for later years. Reduced income taxes and capital costs have lowered projected 2024 capacity payments. Proposed energy payments are \$.02252/kwh in 2019, capacity payments are \$.03/Kw through 5/31/19, changing every year through 2023 based on MISO rates and \$9.247/Kw effective 6/1/2024.

- Notice of Application and Intervention Deadline issued 1/4/19.
- MCC Petition to Intervene filed 1/16/19.
- Procedural Order No. 7658 issued 2/1/19.
- Notice of Commission Action Amending Procedural Schedule issued 2/4/19. Hearing set 6/21/19.

**MDU – [D2018.6.43](#) - October Electric Cost Tracker – Rate 58**. Filed 9/17/18. Increase of .113¢/kwh secondary – total fuel and purchased power in tariff is \$0.02536/kwh.

**MDU – [D2018.6.43](#) - November Electric Cost Tracker – Rate 58**. Filed 10/16/18. Decrease of .057¢/kwh secondary – total fuel and purchased power in tariff is \$0.02479/kwh.

**MDU – [D2018.6.43](#) - December Electric Cost Tracker – Rate 58**. Filed 11/16/18. Increase of .170¢/kwh secondary – total fuel and purchased power in tariff is \$0.02649/kwh.

**MDU – [D2018.6.43](#) - January Electric Cost Tracker – Rate 58.** Filed 12/14/18. Increase of .167¢/kwh secondary – total fuel and purchased power in tariff is \$0.02816/kwh.

**MDU – [D2018.6.43](#) - February Electric Cost Tracker – Rate 58.** Filed 1/17/19. Decrease of .005¢/kwh secondary – total fuel and purchased power in tariff is \$0.02811/kwh.

**MDU – [D2018.6.43](#) - March Electric Cost Tracker – Rate 58.** Filed 2/15/19. Increase of .010¢/kwh secondary – total fuel and purchased power in tariff is \$0.02821/kwh.

**MDU – [D2018.6.43](#) - April Electric Cost Tracker – Rate 58.** Filed 3/18/19. Increase of .385¢/kwh secondary – total fuel and purchased power in tariff is \$0.02901/kwh.

**MDU – [D2018.9.57](#) - Application to Discontinue Natural Gas Service to Saco/Bowdoin Area,** filed 9/18/18. MDU seeks to abandon regulated gas service to 38 residential and 3 commercial accounts in the Bowdoin natural gas field area. Other customers in the area receive free gas service as a condition of easement terms from Scout Energy Partners. MDU purchases gas from Scout and delivers it through gathering lines owned by Williston Basin, a sister company. Reduced pressure is causing freeze ups. Asserts direct expenses of service exceeds revenues, and building alternative supply lines would cost \$2.2 million. MDU is offering assistance with conversions with a deadline of 8/31/19. Conversion costs are expected to be \$205,000 (\$5000/account) and abandonment costs \$95,000. MDU requests deferred accounting for these costs.

- Notice of Application and Intervention Deadline issued 9/25/18.
- MCC Petition to Intervene filed 10/10/18.

**MDU – [D2017.9.70](#) – Annual Gas Cost Tracker,** filed 9/8/17.

- Net decrease of \$.055/dk Residential and increase of \$.114/dk Interruptible. Res. Rate of \$5.19/dk.
- Notice of Commission Action consolidating with D2011.9.77, D2012.9.96, D2013.9.64, D2014.9.79, D2015.9.71, D2016.9.69 issued 7/11/18.
- Procedural Order No. 7618 issued 7/19/18.
- Default Order No. 7618b issued 9/18/18, approving requested rates in consolidated dockets.

**MDU – [D2018.9.56](#) – Annual Gas Cost Tracker,** filed 9/7/18. This annual true-up filing for the 12 months ending 9/30/18 shows a net over recovery of \$3,008,336. A gas cost increase of \$.226/dk is offset by the unreflected balance reduction of \$.269/dk for residential customers. Net effect of tracker is reduction of \$.069/dk for residential and general service. October rate of \$4.651/dk.

- Notice of Application and Intervention Deadline issued 9/18/18.
- Interim Order No. 7631 issued 9/25/18, approving requested rates on an interim basis.
- Procedural Order No. 7631a issued 10/16/18.
- MCC Petition to Intervene filed 10/10/18.
- [MCC Request for Additional Process](#) filed 11/21/18, requesting opportunity to file testimony by 12/14/18.

- Final Order No. 7631b issued 1/15/19, approving requested rates.

**MDU – [D2019.3.11](#) – Natural Gas Conservation Program.** Filed 2/28/19. MDU seeks approval of its natural gas conservation portfolio for program years 2020-2022, proposing to continue all current programs with the exception of incentives for high efficiency residential boiler replacements.

- Notice of Application and Intervention Deadline issued 3/14/19.

- MCC Petition to Intervene filed 3/28/19.

**MDU – [D2019.4.20](#)- Annual Conservation Program Tracker,** filed 3/29. MDU seeks approval to continue a conservation tracker surcharge of \$.014/dkt to recover \$140,342 for the year ending April 30. 2019.

**MDU – [D2018.9.56](#) - December Gas Cost Tracker,** filed 11/8/18. Increase of \$.565/Dkt, res. and general service. Res. rate \$5.216/Dk.

**MDU – [D2018.9.56](#) - February Gas Cost Tracker,** filed 1/8/19. Decrease of \$.294/Dkt, res. and general service. Res. rate \$4.922/Dk.

**MDU – [D2018.9.56](#) - April Gas Cost Tracker,** filed 3/8/19. Decrease of \$.318/Dkt, res. and general service. Res. rate \$4.604/Dk.

**MDU – [D2018.4.22](#) – Impacts of Tax Cuts and Jobs Act of 2017.** Filed 4/2/18. This is one of several follow up filings required by the Commission’s general investigation. MDU proposes to address tax law impacts as part of electric rate application to be filed 9/30/18. The Company asserts that current revenues are insufficient to earn authorized return notwithstanding tax reduction.

- Notice of Application and Intervention Deadline issued 5/8/18.

- MCC Petition to Intervene filed 6/7/18.

- Procedural Order No. 7622 issued 8/23/18.

- [MCC Testimony of Ralph C. Smith](#) filed 10/2/18: tax reduction meets requirements for single-issue treatment; MDU should issue a one-time bill credit to reflect the reduced 2018 tax rate; annual savings calculated according to the Commission NCA are \$3,241,415; an alternative calculation using the 6.06% ROE reported by MDU for 2017 results in savings of \$2.324 million, including Excess Accumulated Deferred Income Taxes (EADIT) of \$573,000; unresolved issues regarding EADIT should be addressed in the pending rate case.

- [Stipulation and Settlement of MCC, Denbury and MDU](#) filed 11/30/18: \$1.5 million refund to account for tax rate change and Excess Deferred Income Taxes from 1/1/18 to effective date of new rates, allocated to classes as specified and to individual customers based on 2018 usage; refunds to be made during 4/19 billing cycle; going-forward issues related to EDIT are reserved for pending rate case.

- Hearing held 12/4/18.

- Final Order No. 7622a issued 12/21/18, approving Stipulation.

**MDU – [D2018.10.64](#) - Annual Tax Tracker**, filed 11/29/18. MDU requests this annual tracking of state and local taxes and fees, asserting that state and local taxes have increased 19.92% for electric and 19.03% for gas customers, resulting in increased revenue requirements of \$1,164,231 and \$1,587,856, respectively.

- Notice of Application and Intervention Deadline issued 12/5/18.
- MCC Petition to Intervene filed 12/10/18.
- Tariffs approved 1/7/19.

**MDU – [D2018.1.6](#) – Application for Approval of Corporate Reorganization**, filed 1/31/18. MDU Resources proposes to reorganize MDU and Great Plains Natural Gas Co., both currently divisions of MDU Resources, into a wholly-owned subsidiary of a new holding company. Issues will include consumer impacts of a reorganization and appropriate ringfencing protections regarding other corporate entities.

- Notice of Application and Intervention Deadline issued 2/6/18.
- MCC Petition to Intervene filed 2/28/18.
- Procedural Order No. 7592 issued 3/14/18.
- [MCC Testimony](#) of Ralph Smith filed 6/13/18: Provides overview of reorganization plan; recommends that representations made in the application be formalized as commitments for approval; recommends Commission approve the application subject to several conditions including – MDU will bear all reorganization costs; headquarters will remain in Bismarck; no employee changes without demonstrated efficiencies; no reductions in customer services; no change in gas purchasing functions; no change in rates absent commission approval; maintain 45% equity in utility capital structure absent commission approval; no dividend payout if utility is rated below investment grade, separate debt for Montana-Dakota and MDU Energy Capital, LLC, no increase in utility cost of service related to reorganization and no transfer of utility assets to other affiliates.
- [MDU/MCC Stipulation](#) filed 8/21/18: agrees reorganization is consistent with the public interest with following conditions: MDU will not seek to recover reorganization costs through rates; reorganization will be accomplished through specified journal entries and MDU will retain its utility assets; MDU will not pay dividends if its equity ratio falls below 45%, absent commission approval; MDU and MDU Energy Capital will have separate debt agreements and no debt issued by other subsidiaries will be secured by utility assets; MDU will continue to provide utility accounting records as well as information regarding debt issuances by and affiliate transactions with affiliates.
- Hearing held 8/22/18.
- Final Order No. 7592b issued 9/14/18, approving stipulation and reorganization.

**WBI Energy Transmission – FERC Docket No. RP19-165-000 – Gas Transmission Rate Increase**, filed 10/31/18. WBI provides the bulk of gas transmission services to MDU and costs are passed on through MDU trackers. WBI is requesting a \$34 million increase for a total revenue requirement of \$129 million. WBI requests an authorized Return on Equity of 14.5% and overall Rate of Return of 10.9% based on an equity ratio of 64%. The filing proposes a rate discount mechanism that would hold the company harmless for revenue impacts, and a Straight Fixed-Variable method to allocate costs and design rates. WBI further requests a Capital, Environmental and Safety Cost Recovery Mechanism (CESCRM) rate surcharge and tracker.

- MCC Motion to Intervene and Protest filed 11/14/18.
- Commission Order Accepting and Suspending Tariffs and Establishing Hearing Procedures issued 11/30/18.
- Order Scheduling Prehearing Conference issued 12/6/18.
- Prehearing Conference held 12/13/18.
- Order Establishing Procedural Schedule issued 12/14/18.

**EWM – [D2017.9.80](#) – Natural Gas General Rate Increase**, filed 9/29/17. Joint application of Energy West Montana and Cut Bank Gas for increases of \$1,526,960 and \$183,284, respectively; also proposes infrastructure cost recovery mechanism.

- This Docket determines the rate increase that will be allowed for EWM and Cut Bank Gas consumers, and how an increase will be allocated to various customer classes. Issues also include whether a separate infrastructure cost tracking mechanism should be approved.
- EWM proposes 12.3% residential (7.03% overall bill), 3.25% small general service and 0.69% large general service increases; CBG proposes 7.07% residential and 28.49% general service increases. Requests 10.75% ROE. Proposes increased residential service charge from \$7.25 to \$12.00 (EWM) and \$13.00 to \$17.00 (CBG).
- Notice of Application and Intervention Deadline issued 10/3/17.
- MCC Petition to Intervene filed 10/20/17.
- Procedural Order No. 7575 issued 11/20/17.
- Notice of Commission Action issued 1/22/18, modifying Procedural Order 7575 for supplemental tax issues.
- [MCC testimony](#) filed 2/22/18: Hill - Recommends 8.75% ROE, average capital structure of proxy group used to calculate ROE (49.43% equity/43.25% long-term debt/7.32% short-term debt) for overall 6.62% ROR for EWM and 6.42% for Cut Bank, demonstrates that SME Pipeline proposal would result in excessive returns; Schulz – recommends \$316,134 (1.35%) increase for EWM and \$109,367 (8.49%) increase for CBG, proposes several rate base and expense adjustments, including limiting rate basing of SME Pipeline to \$75,000 purchase price rather than \$4.9 million cost to SME, proposes adjustments to cost of enterprise planning software system that exceeded budget by more than 3x and has no demonstrated cost savings, adjusts working cash and regulatory expense amortization period; Donkin – recommends increase to residential class of 1.25x average increase granted, and no service charge increases, recommends rejecting Gas Infrastructure Reliability Clause tracking mechanism as unnecessary single-issue rate mechanism.
- EWM Supplemental Testimony regarding Tax Cuts and Jobs Act of 2017 filed 2/22/18, supporting a revised increase of \$1,361,817 (5.8%) for EWM and \$178,328 for CBG. EWM has protected excess deferred tax liability of \$2,611,725 and unprotected asset of \$561,386, and proposes to return both based on normalization rules as offset to the GIRC expenditures.
- Notice of Commission Action issued 3/7/18, identifying additional issue of EWM’s line extension policy.
- Revised Procedural Order No. 7575b issued 3/15.
- EWM Additional Issue Testimony filed 3/30/18: proposes no change to main extension policy of \$500 allowance for residential customers; proposes free extension policy for services – proposes first 100 feet free + \$5.50/foot beyond.



- [MCC Response Testimony of Ralph Smith](#) filed 4/6/18: recommends implementation of 21% tax rate, straight line depreciation of excess deferred taxes, rejection of GIRC offset proposal, amortization of deferred tax credit liabilities dating to 1/1/18.
- [MCC Additional Issue Testimony of George Donkin](#) filed 4/24/18: recommends rejecting suggestion that a tracker might be used to true-up line-extension costs on annual basis, reiterates that tracking is a single-issue mechanism and violates the matching principle, current mechanism allows customer contributions for incremental costs that are not recovered through sales revenue.
- Hearing held 5/9-10/18.
- Final Order No. 7575c issued 9/26/18: Approves a Gas Infrastructure Reliability Clause (GIRC) starting in 2019 limited to incremental spending net of depreciation and subject to earnings test; GIRC includes termination provision if rate case filed within first few years and automatic termination after five years which requires rate case filing for permanent inclusion in rates; GIRC will terminate if tax tracker is filed; GIRC will be offset by 2018 deferred tax reductions and annual EDIT amortizations; disallows certain costs related to enterprise system planning software; determines that underearning should not excuse utility from returning deferred tax reductions but allows 2018 calculation based on a seasonally weighted calculation; limits rate basing SME Pipeline to original \$75,000 purchase price; retains prior working cash estimation method, but encourages lead lag study in next case; includes short-term debt in EWM's capital structure at 4.25%; approves 9.2% ROE for EWM and overall return of 6.91%; adopts minimum system approach to allocate distribution mains costs; maintains existing customer charge; approves EWM \$479,461 (2%) and CBG \$128,238 revenue increase.

**EWM – [D2018.11.74](#) - Report on GIRC Plans for 2019**, filed 11/1/18. Report on Gas Infrastructure Reliability Clause (GIRC) plans and tax cuts deferral and 2019 EDIT required by Order No. 7575c. EWM plans to spend \$1.35 million in 2019 for GIRC-eligible expenditures, including 1000 service replacements and replacing Aldyl-A and bare steel mains as part of service renewal projects or in response to leaks. EWM reports deferred tax liability of \$44,806 as of 9/30/18, and net EDIT of \$54k.

**EWM – [D2018.6.37](#) – Annual Gas Cost Tracker**, filed 6/1/18. In this annual filing, EWM seeks to true-up gas costs for the 12 months ending March 31, 2018, and refund a net over-collection of \$757,997. Residential rate decreases to \$3.23/Mcf.

- Notice of Application and Intervention Deadline issued 6/7/18.
- MCC Petition to Intervene filed 6/28/18.
- Procedural Order No. 7633 issued 10/1/18.
- Final Order No. 7633a issued 11/27/18, approving requested rates on final basis.

**EWM – [D2018.6.36](#) – Annual USB Tracker**, filed 6/1/18. In this annual filing, EWM seeks to true-up Universal System Benefits (USB) collections and expenditures, and to decrease its USB rate for 12 months from \$.0992/Mcf to \$.0683/Mcf to refund overcollections of \$123,999, after which it would return to \$.0966/Mcf to collect \$423,356/yr.

- Notice of Application and Intervention Deadline issued 6/14/18.
- MCC Petition to Intervene filed 6/28/18.

- Procedural Order No. 7611 issued 7/11/18.
- Final Order No. 7611a issued 10/9/18, approving a two part USB surcharge with net rate of \$.0683/Dkt until 3/31/19 and \$.0852/Dkt thereafter, and orders transfer of \$31,764 to West Yellowstone USB program.

**EWM – [D2018.4.23](#) – September gas tracker** filed 8/28/18. Res. rate decrease to \$3.62/Mcf.

**EWM – [D2018.4.23](#) – October gas tracker** filed 9/27/18. Res. rate increase to \$3.91/Mcf.

**EWM – [D2018.4.23](#) – November gas tracker** filed 10/30/18. Res. rate increase to \$4.54/Mcf.

**EWM – [D2018.4.23](#) – December gas tracker** filed 11/27/18. Res. rate decrease to \$4.22/Mcf.

**EWM – [D2018.4.23](#) – January gas tracker** filed 12/21/18. Res. rate increase to \$4.41/Mcf.

**EWM – [D2018.4.23](#) – February gas tracker** filed 1/28/19. Res. rate decrease to \$4.27/Mcf.

**EWM – [D2018.4.23](#) – March gas tracker** filed 2/26/19. Res. rate increase to \$4.58/Mcf.

**EWM – [D2018.4.23](#) – April gas tracker** filed 3/26/19. Res. rate decrease to \$3.92/Mcf.

**EWM – [D2017.12.89](#) – Reconciliation of West Yellowstone No Interest Loan Program Surcharge**, filed 12/1/17.

- Issues in this docket are how to treat an over-collection of low income consumer support funds and whether to modify ongoing collections and programs.
- Reconciliation of difference between collections and disbursements for No-Interest Loan Program from 1997 to 2017 shows \$112,507 over collection. EWM proposes to convert program to a Universal System Benefit (USB) program to commit 1.12% of gross revenues to Energy Share, making a one-time contribution of half of the surplus and retaining the remainder to supplement current \$.0644/Mcf surcharge for future payments.
- Notice of Application and Intervention Deadline issued 12/6/17.
- MCC Petition to Intervene filed 1/5/18.
- Procedural Order No. 7587 issued 1/24/18.
- [MCC testimony of Paul Schulz](#) filed 3/15/18: collected funds should be spent in West Yellowstone system; rate should be reduced to .42% statutory minimum; excess collections of \$3100 should be refunded over 12 months; \$109,764 remaining should be held in separate interest-bearing account and be used for future bill assistance and weatherization programs; EWMWY should immediately implement a low-income rate discount program modeled on the EWM-Great Falls program.
- EWM Rebuttal Testimony filed 4/20/18.

- Notice of Staff Action issued 5/10/18, amending schedule.
- [EWM/MCC Settlement Agreement](#) filed 6/14/18: USB Charge for West Yellowstone should be .42%; NIP over-collected balance is \$109,765; customers should be refunded \$3100 in July 2018 bills, with remainder held in interest bearing account; over collected amounts should be used only for West Yellowstone USB programs; low-income discount program to be implemented immediately with ways to increase participation investigated; EWM will file a USB plan by 10/1/18.
- Order No. 7587a issued 7/13/18, approving the Stipulation and requiring EWM to submit a USB program plan by 10/1/18.
- EWM Compliance filing submitted 10/4/18 providing Universal System Benefits Plan based on collaboration of EWM and MCC. Implements low income discount program and contract with Energy Share to provide furnace and water heater programs, low-income weatherization and emergency bill assistance, as well as promotional support for the programs.
- Final Order No. 7587b issued 11/20/18, approving EWM's proposed USB plan for West Yellowstone.

**Cut Bank Gas – [D2019.3.18](#) – Annual Gas Cost and USB True-Ups**, filed 3/29/19. Cut Bank Gas seeks approval of a \$.07977/Mcf credit to return a \$16,327 gas cost over-collection, and a \$.04162/Mcf surcharge to recover an \$8,266 under-collection of USB costs.

**Miller Oil – [D2017.2.11](#) – Annual Propane Cost Tracking Adjustment**, filed 6/4/18.

- Proposes annual decrease of \$7,238.
- MCC Petition to Intervene filed 10/10/18.
- Default Order No. 7644 issued 11/16/18, approving requested rates.

**ABACO Energy Services, Inc – [D2018.3.17](#)- Application to Establish Service Rates**, filed 3/16/18.

- Requests revenue requirement of \$572,281, including 40.65% ROE, or rate increase of 63% (Commercial) and 64% (residential).
- Notice of Application and Intervention Deadline issued 3/23/18.
- MCC Petition to Intervene filed 4/25/18.
- Procedural Order No. 7652 issued 12/4/18. Requires parties to select a third-party mediator by 12/11/18, establishes a 2/15/19 settlement deadline, and finds the proceeding will be stayed pending judicial review of DDV-2017-57 in the absence of a settlement.
- [MCC Motion for Reconsideration](#) filed 12/14/18, noting that no discovery has been conducted, arguing that mediation should not be forced upon the parties, and that the commission jurisdiction issue should be resolved before the case proceeds.
- Order No. 7652a on Reconsideration issued 1/17/19, granting MCC's Motion and staying the docket pending resolution of jurisdictional challenges.

***ABACO Energy Services, LLC v. PSC* – DDV-2017-57 – Petition for Judicial Review of -Order No. 7393c**, filed 1/20/17.

- Administrative Record filed 2/21/17.
- ABACO Request for Entry of Default and Default Judgment filed 3/8/18.

- Order on Request for Entry of Default and Default Judgment, issued 3/22/18, finds PSC did not file an Answer as required by 2/9/17, based on Title 69.
- ABACO Request for Entry of Default Judgment filed 2/22/19.
- PSC Opposition to Request for Entry of Default and Default Judgment filed 3/8/19.

**Big Mountain Water – [D2018.6.40](#) – Application to Increase Water Rates**, filed 7/31/18.

- Big Mountain Motion for Extension of Time to file application to change water rates with a test period ending 9/30/17, filed 6/13/18.
- Notice of Commission Action issued 6/26/18 granting extension to 7/31/18.
- Application filed 7/31/18. Requests \$11,376 (4.2%) increase.
- Notice of Application and Intervention Deadline issued 8/8/18.
- MCC Petition to Intervene filed 8/29/18.
- Procedural Order No. 7634 issued 10/3/18.
- [MCC/Big Mountain settlement](#) filed 11/28, agreeing to \$10,241 (3.8%) increase based on 9.5% Return on Equity.
- Notice of Public Hearing, Settlement, and Opportunity to Request Additional Process issued 12/21/18.
- Order No. 7634a issued 1/24/19, approving settlement and stipulation.

**Aquanet – [D2018.6.39](#) – Application for Standard Rate Tariff for Water and Sewer for Regal Community Court**, filed 6/4/18.

- Aquanet does not currently provide service and seeks \$49.98/mo. for non-metered water and \$26.27/mo. for sewer service.
- Notice of Application and Intervention Deadline issued 6/21/18.
- MCC Petition to Intervene filed 7/9/18.
- Procedural Order No. 7627 issued 9/12/18.
- Final Order No. 7627a issued 11/28/18, approving standard rates on an interim basis with requirement to file subsequent application within three years.

**High Quality H2O – [D2018.3.13](#) – Application to Implement Standard Rates**, filed 3/1/18.

- Increased rate from \$25 to \$30 1/1/18. Requests \$35/mo. 7/1/18, \$40 on 1/1/19, and \$45 on 7/1/19.
- Notice of Application and Intervention Deadline issued 3/14/18.
- MCC Petition to Intervene filed 4/4/18.
- Procedural Order No. 7605 issued 7/3/18.
- [MCC testimony of Paul Schulz](#) filed 8/23/18: High Quality initially raised rates to \$30 without approval and became aware of standard rates after a complaint was lodged; constructed approximate revenue requirement using available information; no original cost information, but using assumed investment and 100% equity capital structure, full standard rate results in return of 147%; generous assumptions result in \$10,230 revenue requirement, versus \$28,768 collections prior to increase to \$30. Recommends rate be returned to \$25/mo.
- Order No. 7605b issued 9/14/18: Finds “High Quality’s Operating and Maintenance expenses were insufficient” compared to similar utilities; reported expenses indicate that

“standard rates would result in excessive rates”, but this is due to failure to report typical expenses; finds that with typical expenses “the standard rate potentially would not result in excessive rates”; normally would allow discovery in the current docket, but with pre-amendment filing Commission finds it more appropriate to “validate High Quality’s costs in a subsequent docket for replacement rates; finds this approach reasonable based on opportunity for refunds, approves requested rate phase in to \$45/mo. on an interim basis.

**HLH, LLC – [D2018.9.63](#) - Application to Increase Water Rates**, filed 9/28/18. HLH requests a \$156,952 (32%) increase for water service in its Big Sky service area.

- Notice of Application and Intervention Deadline issued 10/2/18.
- MCC Petition to Intervene filed 10/18/18.
- Procedural Order No. 7642 issued 11/2/18. Hearing set 6/5/19.
- [HLH/MCC Stipulation](#) filed 1/23/19, agreeing to revenue requirement increase of \$140,157 based on 9.5% equity return.
- Firelight Meadow’s Condominium Owner’s Association Motion for Late Intervention granted 2/20/19.
- Procedural Order No. 7642a issued 3/1/19.

**Indian Springs Ranch Water and Sewer – [N2014.7.66](#) – Application for Initial Rates**, filed 6/15/17. Indian Springs requests 3 year extension of standard rate tariffs approved 8/27/14.

- Notice of Opportunity to Comment issued 7/7/17.
- [MCC Comments](#) filed 7/26/17: rates are subject to statutory requirements and must be just and reasonable; Indian Springs has not explained its request to continue standard rates; Commission should allow for discovery and comments.
- Notice of Commission Action issued 9/20/17, extending standard rate tariff on interim basis.
- Notice of Commission Action issued 7/24/18, requiring filing by 9/24/18 of rate application pursuant to minimum rate case filing standards, or operating ratio methodology.
- Three year compliance filing submitted 9/20/18 based on operating ratio methodology and requesting \$8,965 (15%) increase.
- Notice of Application and Intervention Deadline issued 12/18/18.
- MCC Petition to Intervene filed 1/4/19.
- Procedural Order No. 7655 issued 1/15/19.

**Alpine Pacific Utilities – [N2014.9.80](#) – Notice of Intent to Extend Standard Rate**, filed 9/11/17.

- Notice of Commission Action issued 7/24/18, requiring filing by 9/24/18 of rate application pursuant to minimum rate case filing standards, or operating ratio methodology.
- Alpine Operating Ratio Methodology filing submitted 8/15/18, requesting 5% increase to \$84/mo.
- Notice of Application, Opportunity to Comment, and Request Hearing Deadline issued 12/7/18.

- [MCC Comments and Request for Further Process](#) filed 1/7/19, observing that Alpine has not filed required information necessary to assess requested increase and has not confirmed notice to customers.
- Notice of Staff Action issued 1/25/19, allowing MCC until 2/1/19 to request additional information.
- Final Order No. 7664 issued 3/28/19, approving requested rates.

**Glacier Point Water and Sewer – [D2014.6.57](#) – Intent to Continue Standard Rates,** filed 4/24/17.

- Standard Rates were initially approved 8/1/14. Water and sewer rates were increased to \$50 and \$30/mo., respectively. Commission sent three year compliance notice 4/4/17. Request to continue standard rates filed 4/24/17.
- Notice of Opportunity to Comment issued 6/16/17.
- [MCC Comments](#) filed 6/29/17: objects to request to indefinitely continue standard rates without review; standard rates expire after three years at which time utility must elect to file standard rate case, application of operating ratio methodology, or request for extension of standard rates; PSC rules recognize that standard rates may be rejected if utility has been operating pursuant to Commission-approved rates and standard rates would be unjust and unreasonable; Glacier Point has not supported its election to continue standard rates; MCC should be allowed to review.
- Procedural Order and Opportunity to Intervene, Order No. 7531a, issued 7/18/17, establishing deadlines for intervention and intervenor testimony.
- Notice of Commission Action issued 7/25/17, authorizing existing rates on interim basis.
- MCC Petition to Intervene filed 7/26/17.
- Procedural Order No. 7531b issued 8/28/17, allowing for discovery, testimony and comments.
- [MCC testimony of Paul Schulz](#) filed 10/6/17: notes this is application to extend, rather than establish, standard rates so information should be available; traditional cost of service analysis produces combined water and sewer rate of \$63.62; operating ratio produces rate of \$61.99; both assume all reported expenses are reasonable; used Glacier Point’s reported rate base in 2016 reduced by average accumulated depreciation since that date and increased by working cash allowance; used actual 82% equity capital structure and 9.8% ROE; recommends combined rate of \$64 (\$40 water and \$24 sewer).
- [MCC Comments and Contingent Request for Further Process](#) filed 10/18/17: Requests implementation of Paul Schulz recommended rates, or opportunity for hearing.
- Notice of Commission Action issued 8/8/18, requiring filing by 9/24/18 of rate application pursuant to minimum rate case filing standards, or operating ratio methodology.
- Notice of Staff Action issued 11/9/18 granting extension to file application.
- Glacier Point Rate Application filed 11/30/18. Application requests increases of \$3.00 and \$2.00/mo. For water and sewer service, respectively, and \$36/mo. Irrigation charge for May through September.
- Notice of Application and Intervention Deadline issued 1/25/19.
- MCC Petition to Intervene filed 2/15/19.
- Procedural Order No. 7351c issued 3/6/19. Hearing set 7/11/19.

**Wettington Water – [N2015.10.82](#) - Application for Standard Charges**, filed 10/19/15. Proposed to adopt standard tariff rate of \$50/mo.

-[MCC filed Comments](#) 11/23/15: 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/mo., 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 Order to Show Cause response date to 5/30/19.

**North Star Development – [D2010.6.60](#) – Application for Water and Sewer Rate Increase**, filed 1/23/19. This application results from the Commission's notification that North Star must file for replacement of its standard rates previously approved. North Star requests an \$8600 (3.6%) increase, raising monthly water and sewer rates to \$41.00 and \$30.55, respectively.

-Notice of Application and Intervention Deadline issued 1/30/19.

- MCC Petition to Intervene filed 2/20/19.

**Kookoosint Village Homeowners Assoc. – [D2018.10.70](#) – Application for Transfer of Ownership and Proposed Standard Rate**, filed 10/3/18. Kookoosint Village Homeowners Association seeks approval of transfer of water system to AP Kookoosint, LLC, (APK) and APK seeks simultaneous approval of standard rates.

- Notice of Application and Intervention Deadline issued 1/25/19.

- MCC Petition to Intervene filed 2/15/19.

- Procedural Order No. 7663 issued 3/12/19. Request for Additional Process due 5/3/19.

**ViaSat, Inc – [D2018.9.59](#) – Application for ETC Designation**, filed 9/28/18. ViaSat received Connect America Fund Phase II (CAF II) funds from FCC to provide broadband services in Montana, but conditioned on Eligible Telecommunications Carrier (ETC)

designation. This Petition requests ETC designation from the Montana Commission which would require certain commitments to provide voice grade access to the telephone network and lifeline services.

- Notice of Petition and Intervention Deadline issued 10/4/18.
- MCC Petition to Intervene filed 10/18/18.
- Procedural Order No. 7641 issued 10/26/18.
- Final Order No. 7641ba issued 2/28/19, approving ETC designation and imposing annual reporting requirements and coverage plan within one year of order.- Hearing held 1/16/19.

**Gallatin Wireless Internet – [D2018.11.77](#) - Application for Designation as Eligible Telecommunications Carrier**, filed 11/5/18. Gallatin Wireless Internet is an affiliate of Tri County Telephone Association based in Cody, WY, and was a successful bidder for CAF II funding for certain high cost areas in Montana where CenturyLink declined funding. Gallatin now requires ETC designation from the Montana PSC for areas in which it intends to offer voice and data services.

- Procedural Order No. 7646 issued 11/19/18.
- MCC Petition to Intervene filed 11/27/18.
- Hearing held 1/16/19.
- Final Order No. 7566a issued 2/22/19, approving ETC designation and denying waiver of 5 year 98% coverage plan rule.