Montana Consumer Counsel

5/19/2021 STATUS OF CASES

NorthWestern Energy (NWE)

NWE - 2019.09.058 - Annual Power Costs and Credits Adjustment Mechanism Filing, filed 9/3/19. This is the first annual power cost true-up pursuant to the recently approved revised tracker mechanism. It covers power costs and credits and demand side management supply costs for the period 7/19-6/20. Requests recovery of \$23,865,278, including \$7,389,585 unrecovered QF costs, for typical bill increase of 3.41%.

- Notice of Application and Intervention Deadline issued 10/21/19.
- MCC Petition to Intervene filed 11/8/19.
- Procedural Order No. 7708 issued 12/6/19.
- Notice of Commission Action issued 12/18/19.
- Notice of Staff Action issued 3/11/20 revising procedural schedule.
- MCC Testimony of David Dismukes filed 4/10/20: NWE recognizes that it incurred higher replacement power costs than if C4 had operated during summer of 2018; these costs amount to \$6.89 million of which 10% was removed due to PCCAM sharing mechanism; remaining \$6.2 million should be removed; the PCCAM mechanism approved in D2017.5.39 should be applied up to passage of SB 244 in May 2019, resulting in reduction of \$3.8 million; NWE should update Commission in next filing regarding procedural changes related to an internal audit concerning recording of power trading transactions.
- Hearing held 6/24-25/20.
- Final Order No. 7708f issued 11/18/20: to avoid retroactive application of 69-3-331 amendments, deadband should be applied to tracking period on a pro-rata basis as of effective date, resulting in \$3,765,739 tracking adjustment; finds NWE's actions with regard to 2018 outage were imprudent; prudence required more proactive measures following 2/18 test; replacement power premium of \$5,656,470 (after 90/10 split) is not reasonably recovered from ratepayers; requires NWE to provide update on internal control deficiency finding; requires refund of \$9,422,209 at 10.25% annual interest rate.
- NWE Motion for Reconsideration filed 11/30/20.
- Order No. 7708g on Reconsideration issued 12/30/20: affirms that the deadband applies only to prudently incurred costs after removal of imprudent costs; affirms pro-rata application of deadband; affirms use of avoided cost to calculate outage-related replacement power costs; affirms use of ROE to calculate refund interest but applies 9.7% as most recently approved rate.
- NWE compliance filing submitted 1/8/21. Total refund of \$9,422,209 plus \$730,740 (\$10,152,949) will be credited to bills beginning 1/18/21, based on billed loads from 10/1/19 through 9/30/20. Average residential refund of \$13.60.

NWE - 2020.08.091 - Annual Power Costs and Credits Adjustment Mechanism, filed 9/1/20.This is the annual filing in which NWE tracks its electric supply power costs and trues up variations from base. NWE calculates a deferred account balance of \$4,534,335 to be amortized over 12 months. Replacement of larger prior balance produces a typical residential bill reduction of 2.54%.

- Notice of Application and Intervention Deadline issued 9/18/20.
- MCC Petition to Intervene filed 10/7/20.
- Procedural Order No. 7764a issued 1/12/21. Hearing set 5/5/21.
- NWE withdrawal of request for approval to change MPSC/MCC taxes to a forecast basis filed 2/24/21.
- Amended Procedural Order No. 7764b issued 3/4/21 vacating procedural schedule.
- Proposed Final Order No. 7764c issued 3/19/21.

NWE - 2021.02.022 - Application for Approval to Acquire Capacity Resources, expected to be filed 5/19/21.

- NWE filed notice on 2/18/21 of application to be filed on or about 5/14/21 for approval to acquire capacity resources.
- Notice of Opportunity to Intervene issued 4/6/21.

NWE - 2019.09.059 - QF-1 Tariff Update, filed 10/4/19. This is NWE's application for periodic updates to the QF-1 default tariff that applies to qualifying facilities 3 MW or less. The tariffs provide two options: Option 1 provides fixed rates for agreements up to 15 years separately calculated for solar, wind and hydro; option 2 provides a Mid-C market based rate for terms up to 15 years. Proposed option 1 rates range from \$.00725/kWh for off-peak wind to \$.05355/kWh for on-peak hydro. NWE proposes to calculate avoided cost using hourly PowerSimm modeling for energy and an AERO turbine for capacity.

- Notice of Application and Intervention Deadline issued 11/8/19.
- MCC Petition to Intervene filed 11/27/19.
- Procedural Order No. 7710 issued 12/17/19.
- MCC testimony of Jaime Stamatson filed 2/21/20: supports hourly PowerSimm model method to estimate avoided energy cost; supports 50MW AERO unit to estimate avoided capacity cost three year historical generation profiles for QF resources in conjunction with the Southwest Power Pool methodology, with assumed 10% solar default capacity; recommends no carbon adder inclusion but QFs retain renewable energy credits; recommends 15 year contract lengths and using NWE's open access tariffs to calculate ancillary services costs.
- Hearing held 5/11-13/20.
- Proposed Final Order No. 7710c issued 10/27/20.
- Final Order No. 7710d issued 3/2/21: given likelihood that generation acquired from QF-1 resources will be "relatively minor" and prior court orders, commission adopts proxy method in the interest of simplicity and transparency to calculate avoided energy costs rather than cost to serve load methodology; selects the Dave Gates reciprocating internal combustion engine as the proxy resource and variable costs as the avoided energy costs;

20-year avoided energy cost of \$28.43/MWh; avoided capacity cost of \$176.44/Kw-yr.; adopts Southwest Power Pool methodology to calculate capacity contribution and adopts 10% for solar; adopts carbon adder of \$3.44/MWh conditioned on QFs transferring RECs to NWE; finds QFs should be required to pay for necessary interconnection and upgrade

costs; finds ancillary service costs should be based on NWE's FERC tariffs; adopts 20year contract terms; requires QF-1 rates to be updated annually or when NWE's portfolio changes by more than 80MW.

- Hydrodynamics, Inc. Motion for Reconsideration 3/12/21.
- Order on Reconsideration No. 7710e issued 4/27/21; affirms that QFs should be required to pay for necessary interconnection and upgrade costs; affirms that QFs receiving the carbon adder must transfer RECs to NWE; affirms 20-year contract lengths; clarifies update methodology.

NWE – 2019.11.091 – Petition of Apex Solar, LLC to Set Terms and Conditions, filed 11/8/19. Apex Solar and Apex Solar II are two 80 MW solar Qualifying Facility projects in Beaverhead County petitioning the Commission to set terms and conditions. The projects assert Legally Enforceable Obligations as of 7/12/19, entitlement to 25 year contracts and \$3/MWh carbon adder. Apex I seeks avoided cost of \$41.07/MWh Around the Clock, while Apex II claims \$39.31/MWh. Projects state that they are willing to accept an earlier avoided cost calculation provided by NWE and based on 15 year levelization of \$35.65 and \$34.12 ATC for I and II, respectively. Projects request an "appropriate" avoided capacity cost payment to be estimated in future submissions.

- Notice of Petition and Opportunity to Intervene issued 11/15/19.
- MCC Petition to Intervene filed 11/27/19.
- Procedural Order No. 7707 issued 12/4/19.
- Notice of Commission Action Amending Procedural Schedule issued 12/18/19.
- Apex Solar II LLC notice of Withdrawal of Petition filed 1/10/20.
- Recaptioned by Notice of Staff Action issued 1/27/20.
- NWE Intervenor Testimony filed 1/31/20, calculating all-in rates of \$9.07/MWh off-peak and \$26.08/MWh on-peak.
- MCC Testimony of Jaime Stamatson filed 1/31/20: supports the hourly version of PowerSimm modeling for calculating avoided cost of energy; describes two acceptable methods for calculating avoided capacity cost, including the 6.1% standard practice and implementing a measure-and-pay approach; recommends Apex retain renewable energy credits (RECs) in lieu of carbon cost adder; supports 15 year contract term; supports using NWE's open access transmission tariffs to calculate ancillary services costs.
- Hearing held 6/9-10/20.
- Final Order No. 7707b issued 9/30/20: No legally enforceable obligation (LEO) was formed because Apex did not commit to reimburse interconnection costs specified in administrative rules; adopts cost to serve load analysis and hourly modeling to calculate avoided costs; rejects NWE's declining heat rate analysis and accepts NWE's June 2019 market price forecast adjusted for two years of forward prices; adopts NWE's proposed 6.6% capacity factor, resulting in on-peak avoided capacity cost of \$17.01/MWh, or \$5.11/MWh for all hours; rejects carbon adder and finds Apex will retain its RECs, but NWE is required to amend the PPA if carbon tax is imposed; Apex is responsible for network upgrade costs minus \$99,000 avoidable network costs at DGGS; finds Apex should pay ancillary costs through NWE's open access transmission tariffs; approves 15 year contract term.
- NWE Motion for Reconsideration filed 10/13/20.
- Apex Motion for Reconsideration filed 10/13/20.

- Order on Reconsideration No. 7707c issued 1/5/21: Concludes that APEX established sufficient commitment to establish an LEO; approves monthly PowerSimm modeling based on *Caithness* court decision; reconsiders marginal cost to serve load decision and approves definition consistent with prior practice of three conditions including avoided costs as market price in condition 3; requires APEX to select either a carbon adder or to retain its RECs; observes that *Vote Solar* and *MTSUN* decisions do not require carbon cost adders; affirms that APEX must pay for necessary network upgrades amounting to \$984,686; affirms application of FERC tariffs for ancillary service costs; approves a 20-year contract term, observing that Montana statute requires lengths that "exceed what may be reasonable or possible."
- Apex Notice of Intention to Retain RECs filed 2/2/21.
- Apex Solar, LLC v. PSC Petition for Judicial Review, Cause No. ADV 2020 1927, First Judicial District Court, filed 11/25/20. Apex states that PSC order undermines the economic viability of its project and discourages development, complaining of carbon cost treatment, ancillary service charges, network upgrade costs and curtailment treatment.
 - Apex Amended Petition filed 2/2/21.

NWE –2019.06.034 – Petition of Caithness Beaver Creek, LLC, to Set Terms and Conditions for Qualifying Facility, filed 6/12/19. Pursuant to MCA, 69-3-603 Caithness has filed this new application to determine terms and conditions for two separate 60MW QF wind projects with 20 MW battery storage: Beaver Creek Wind II and III, located in Sweetgrass and Stillwater Counties. Petition asserts that Caithness is entitled to a 25-year contract at \$58.18/MWh in heavy load hours and \$38.46/MWh in light load hours for energy, and levelized capacity prices of \$152.07/kWh/year. Proposed total around the clock avoided cost is \$49.10/MWh. Caithness claims an LEO as of 5/2/19.

- Notice of Petition and Opportunity to Intervene issued 6/18/19.
- MCC Petition to Intervene filed 7/1/19.
- MCC Testimony of Jaime Stamatson filed 8/21/19: noted concerns with use of Typical Meteorological Year data to model avoided cost of energy and that the model results were double recent determinations of avoided energy cost; observes that the avoided cost of capacity value used is dated and that there is a wide discrepancy in capacity contribution estimates; supports measure and pay approach for avoided cost of capacity; urges carbon cost estimates not be added but project owners retain the Renewable Energy Credit values; states 25 year contracts are risky for ratepayers and provides examples of 15 year term agreements.
- Hearing held 10/21-24.
- Final Order No. 7680b issued 12/9/19: adopts avoided energy cost methodology of hourly modeling and marginal cost to serve load; rejects NWE's use of declining heat rate to forecast electricity prices; adopts NWE's use of forward electricity market prices through 2015 but then uses EIA Annual Energy Outlook Henry Hub escalator to forecast; finds that including battery operation in the avoided cost models would have had minimal effects; finds that avoided sales transmission costs are moot as a result of using marginal cost to serve load methodology; avoided cost estimates should include projects upon earlier of execution of PPA or filing of petition with the Commission; CBC has failed to support claimed operation of its batteries; adopts undisputed capacity value of \$176.44/kW-yr.; rejects both CBC and NWE capacity contribution calculations and determines for first three

years value will be 5% of 120 MW after which NWE shall true up payments if capacity exceeds 5% of nameplate and thereafter use application of SPP method to actual capacity; finds carbon costs already incorporated in forward market prices; finds CBC responsible for \$5.1 million network upgrade costs; approves use of OATT for ancillary service costs but requires NWE to establish standards to qualify for self-supply; sets contract length of 20 years based on need to enhance financing of "unique and unproven nature of this project"; CBC failed to establish an LEO; orders NWE to submit a compliance filing.

- CBC Motion for Reconsideration filed 12/19/19.
- NWE Motion for Clarification and Reconsideration filed 12/19/19.
- Order on Reconsideration No. 7680c issued 2/7/20: reaffirms with further explanation adoption of hourly modeling and marginal cost to serve load methodology; reaffirms with further explanation finding that battery operation had not been shown to impact avoided cost rate; modifies forward market price period from 6 years followed by energy information agency escalation rate to 4 years followed by escalation; affirms remainder of Order No. 7680b.
- *Caithness Beaver Creek, LLC v. PSC* Petition for Judicial Review, Cause No. CDV-2020-290, First Judicial District Court, filed 3/9/20.
 - District Court Order issued 12/2/20: CBC incurred an LEO as of 6/12/19, despite disagreement over price terms; adoption of hourly modeling was arbitrary and capricious because prior commission criticisms of transparency had not been satisfied; using marginal cost to serve load approach was arbitrary because the commission had not explained its departure from valuing condition 3 at market price; must include carbon adder of \$3.03/MWh; it was erroneous to use precedent of 4 year market forwards because CBC had presented evidence that markets are illiquid after two years; Commission ignored record evidence on transmission differentials for energy sales and must base such adjustments on historical data; commission is limited to a quasi-judicial function in reviewing petitions between QFs and utilities and may only make determinations about controversies; determination regarding default capacity contribution therefore exceeded statutory authority; commission acted properly in applying interim FERC OATT rates for ancillary services; 20-year contract term was based on substantial evidence.
- CBC Request for Final Relief filed at Commission 2/12/21.
- NWE Motion to Dismiss or, alternatively, Motion for Evidentiary Hearing filed 2/17/21, stating that CBC has certified changed battery size and duration to FERC.

NWE – <u>2020.12.126</u> – **Petition of Jawbone Holdings LLC to Set Terms and Conditions**, filed 12/30/20. Jawbone is an 80 MW wind project located near Harlowton. It claims a LEO as of 12/21/20 and requests a 25-year contract with a net energy price of \$38.76/MWh, which includes a \$2.25/MWh carbon adder, and a \$6.29/MWh around the clock price for capacity payments.

- Notice of Petition and Opportunity to Intervene issued 1/5/21.
- MCC Petition to Intervene filed 1/15/21.
- Procedural Order No. 7768 issued 1/22/21. Hearing set 5/10/21.
- <u>MCC Testimony of Jaime Stamatson</u> filed 3/3/21: it is preferrable to calculate avoided cost of energy based on marginal cost to serve load methodology; capacity contribution should be based on 5% of nameplate; Jawbone should retain its renewable energy credits to

compensate for carbon values; 25 year contract is risky, and 15 year contracts are shown to be sufficient; agrees that ancillary service costs should be based on NWE's FERC tariffs. Usering hold 5/10, 11/20

- Hearing held 5/10-11/20.

NWE - 2021.04.060 - Request for Immediate Waiver of ARM 38.5.1910(2), filed 4/27/21. NWE requests waiver of requirement to calculate avoided cost within 21 days for hybrid renewable-battery QFs.

- Notice of Request and Intervention Deadline issued 5/12/21.

South Dry Creek – <u>2020.12.125</u> – **Petition of South Dry Creek Partnership for Declaratory Ruling**, filed 12/29/20. South Dry Creek requests a declaratory ruling that as a result of the Vote Solar decision, the currently valid QF-1 Tariff Rate is the 2014 QF-1 rate approved by the Commission in 2015.

- Notice of Petition and Opportunity to Comment issued 1/7/21.
- NWE Motion to Dismiss filed 1/19/21 based on ripeness.

NWE - 2020.10.102 - Petition for Certification of Community Renewable Energy Project, filed 10/1/20. Requests certification of 2.7 MW DA Wind facility in Meagher County. DA Wind is a QF operating since 12/29/18 but originally retaining renewable energy credits (RECs). NWE purchased the RECs starting 9/3/20.

- Notice of Petition and Opportunity to Comment issued 10/19/20.
- Order No. 7756 issued 11/13/20, granting requested certification.

NWE – 2020.10.105 – **Petition for Certification of Community Renewable Energy Project**, filed 10/2/20. Requests certification of 2.7 MW 71 Ranch LP wind facility in Meagher County. 71 Ranch LP is a QF operating since 12/22/18 but originally retaining renewable energy credits (RECs). NWE purchased the RECs starting 9/3/20.

- Notice of Petition and Opportunity to Comment issued 10/19/20.
- Order No. 7758 issued 11/13/20, granting requested certification.

NWE - 2020.10.104 – Petition for Certification of Community Renewable Energy Project, filed 10/2/20. Requests certification of 2.7 MW Oversight Resources, LLC wind facility in Meagher County. Oversight Resources is a QF operating since 12/30/18 but originally retaining renewable energy credits (RECs). NWE purchased the RECs starting 9/3/20.

- Notice of Petition and Opportunity to Comment issued 10/19/20.
- Order No. 7757 issued 11/13/20, granting requested certification.

NWE – <u>2020.09.097</u> – **Petition for Declaratory Ruling Regarding Storage Only Community Renewable Energy Projects**, filed 9/17/20. NWE has issued a Request for Proposals (RFP) and requests a declaratory ruling that storage only resources are not eligible to qualify for Community Renewable Energy Projects (CREPs). NWE submits that they do not qualify.

- Notice of Petition and Opportunity to Comment issued 10/7/20.
- Declaratory Ruling issued 1/12/21, declaring that the renewable energy fraction stored in a battery device can be certified as a renewable resource so long as it comprises electricity directly attributable to electricity and RECs produced by one of the sources identified in 69-3-2003(10)(a-h).

NWE – <u>2021.04.055</u> – Petition for Waivers from Community Renewable Energy Project Purchase Requirement for 2017-2020, filed 4/19/21.

NWE – <u>2020.07.083</u> – Monthly Gas Trackers

- December gas tracker filed 11/13/20.
 - Gas decrease from \$3.01 to \$2.99.
 - Residential Rate from \$6.89 to \$6.88.
- January gas tracker filed 12/15/20.
 - Gas decrease from \$2.99 to \$2.83.
 - Residential Rate from \$6.88 to \$6.86.
- February gas tracker filed 1/15/21.
 - Gas increase from \$2.83 to \$2.97.
 - Residential Rate from \$6.86 to \$7.00.
- March gas tracker filed 2/16/21.
 - Gas increase from \$2.97 to \$3.97.
 - Residential Rate from \$7.00 to \$8.00.
- April gas tracker filed 3/15/21.
 - Gas increase from \$3.97 to \$4.97.
 - Residential Rate from \$8.00 to \$9.00.
- May gas tracker filed 4/15/21.
 - Gas increase from \$4.97 to \$5.91.
 - Residential Rate from \$9.00 to \$9.94.
- June gas tracker filed 5/14/21.
 - Gas increase from \$5.91 to \$6.91.
 - Residential Rate from \$9.94 to \$10.94.

NWE - 2020.05.066 - Petition for Accounting Order, filed 5/29/20. In this filing, NWE seeks authority to defer costs associated with the COVID-19 pandemic. Specifically, it requests authority to track incremental bad debt cost and authority to expense pension costs over a five-year period to facilitate additional cash funding in 2020. Notes Governor's 3/30/20 directive prohibiting disconnections for non-payment.

- Notice of Application and Opportunity to Comment or Request Further Process issued 6/8/20.
- <u>MCC Request for Further Process</u> filed 6/18/20, requesting opportunity to conduct discovery and proposing comment deadline of 7/24/20.
- <u>MCC Comments Opposing Petition</u> filed 7/31/20: NWE's interests must be weighed against ratepayers'; reported uncollectibles increase does not meet 5% of net income bright line test for deferrals; if deferrals are allowed any recovery should be offset by cost savings; pension funding is not beyond management control; markets have already turned around; deferrals should be denied.
- MCC Request for Oral Argument filed 8/19/20.
- Notice of Commission Action Setting Oral Argument issued 9/8/20.
- Oral Argument held 9/10/20.
- Notice of Commission Action issued 10/8/20, approving the requested accounting order authorizing an additional \$40 million in pension funding to be amortized over 5 years.

- Order No. 7759 issued 11/18/20: waives the "materiality (5%) threshold and allows NWE to "track" incremental bad debt but prohibits deferred accounting and creation of regulatory asset; agrees that stock market opportunity has passed but concludes there could be future COVID-related downturns, authorizing an accounting order for additional \$40 million pension investment.
- MCC Motion for Reconsideration filed 12/2/20.
- Order on Reconsideration No. 7759a issued 12/23/20: reconsideration denied, but two issues further discussed; agrees that further market opportunities are speculative at this point and request for accounting orders in 2021 have not been noticed; regarding findings of probability of future recovery in rates, commission notes that the Petition specifically requested approval of a regulatory asset which requires a determination of probable recovery and that this was a "regulatory requirement" it must address. The commission authorized NWE to "track" both bad debt and offsetting savings.

NWE - 2020.11.112 - Annual Tax Tracker, filed 12/15/20. This filing represents NWE's annual state and local tax expense adjustment. NWE proposes a net electric expense increase of \$9,204,161 and gas increase of \$4,861,347.

- Notice of Application, Intervention Deadline, Procedural Schedule, and Public Hearing, issued 12/24/20. Comments and hearing requests due 1/18/21.
- MCC Petition to Intervene filed 12/31/20.

NWE - 2020.04.043 - Annual Townsend Propane Tracker, filed 4/30/20. NWE seeks to update its propane supply costs and true-up actual expenses for the period 6/1/19 through 5/31/20; proposes decrease from \$9.38/Dkt to \$7.51/Dkt in summer and \$11.41/Dkt to \$9.13/Dkt in winter; proposes under-collected recovery charge of \$0.06/Dkt.

- Interim Order No. 7726 issued 5/27/20 approving requested rates on interim basis.
- Notice of Opportunity to Comment issued 7/2/20.
- MCC request for further process filed 7/20/20, seeking opportunity to conduct discovery.
- Procedural Order No. 7726a issued 9/8/20.
- <u>MCC Comments</u> filed 10/21/20, suggesting that consistency with cost basis of rates would be served by having no seasonal rate differentiation since there are no seasonal cost differences.
- <u>Settlement and Joint Motion for Default Order of NWE and MCC</u> filed 11/17/20, agreeing to annual fixed rate of \$8.68/Dkt for the tracker period and deferral of any under collections.
- Final Order No. 7726b issued 12/10/20 approving Stipulation for service beginning 1/1/21.

NWE - 2021.04.051 - Annual Townsend Propane Tracker, filed 4/30/21. NWE seeks to update its propane supply costs and true-up actual expenses for the period 6/1/20 through 5/31/21; proposes cost increase from \$8.68/Dkt to \$11.53/Dkt; proposes over-collected refund charge of \$0.009/Dkt.

- Notice of Opportunity to Comment issued 5/5/21.

Havre Pipeline Co. -2020.07.088 – Annual Gas Tracker, filed 7/31/20. HPC requests rate increase from 0.8628/Mcf to 0.9475/Mcf.

- Notice of Application and Intervention Deadline issued 9/9/20.
- MCC Petition to Intervene filed 9/11/20.
- Amended Notice of Application and Intervention Deadline issued 9/14/20.
- Interim Order No. 7745 issued 9/24/20 approving requested rates on interim basis.
- Procedural Order No. 7745a issued 10/14/20.
- Final Order No. 7745b issued 1/14/21 approving requested rates.

NWE - 2021.03.038 – Annual USB Tracker Application filed 3/31/21. In this annual filing, NWE seeks to adjust its USB rate to reflect an over collection in 2020 of \$700,392 and overcollection from 2019 of \$214,769, as well as a 2021 budget of \$3,727,845. Proposed residential rate increases from \$.09092/Dkt to \$0.093539/Dkt.

- Notice of Application and Intervention Deadline issued 4/6/21.
- MCC Petition to Intervene filed 4/19/21.
- Interim Order No. 7779 issued 5/4/21 approving requested changes on interim basis.

NWE – 2021.04.047 – **Application to Update Base Power Costs and Credits in PCCAM**, filed 4/21/21. NWE requests to increase the PCCAM base from \$61,703,497 to \$78,658,125, and to increase the QF base costs from \$76,952,206 to \$77,602,226. The typical residential customer using 750 kWh/month would see an increase of \$2.28 or 2.54% on their monthly bill compared to current rates.

Montana-Dakota Utilities Company (MDU)

MDU –2020.10.103 – Annual Avoided Cost Update (Rate 93), filed 10/1/20. This filing updates MDU's energy and capacity payments applicable under its avoided cost tariff for 2021. MDU calculates energy payments using its production cost model. Proposed capacity payments reflect the MISO capacity auction price for Zone 1 through 2030 and levelized cost of a combustion turbine installed in 2031 for later years.

- Notice of Application and Intervention Deadline issued 11/23/20.
- MCC Petition to Intervene filed 12/4/20.
- Procedural Order No. 7767 issued 1/14/21.
- Proposed Final Order issued 3/17/21.

MDU – <u>2020.11.110</u> – **Application for Approval of Solar Energy Purchase Agreement,** filed 11/5/20. MDU requests approval under Montana's Mini-PURPA of a power purchase agreement (PPA) it has entered into with Fallon Solar, a 20 MW QF facility located near Baker, MT. MDU states that Fallon had incurred a legally enforceable obligation (LEO) that determined the timing of avoided costs. The PPA has energy rates of \$24.77/MWh On-Peak and \$23.20/MWh Off-Peak and a capacity rate of \$8.54/kW-month for a 20 year term.

- Notice of Application and Intervention deadline issued 1/6/21.
- MCC Petition to intervene filed 1/28/21.
- Procedural Order No. 7770 issued 2/19/21. Hearing set 6/14/21.

MDU – <u>2020.06.076</u> - **General Natural Gas Rate Application**, filed 6/22/20. MDU requests an \$8,559,529 (13.42%, or roughly 32% in non-gas costs, 43.8% non- gas costs for residential) overall increase in natural gas utility revenues with increases of 19.81% for Residential and 3.76% for Firm General classes. \$2.11 million of the increase consists of tax components, leaving a "base" increase of \$6.45 million. MDU requests a 10.2% return on equity (ROE). Proposes residential service charge increase to \$11.55/month (45.2%).

- Notice of Application and Intervention Deadline issued 7/1/20.
- MCC Petition to Intervene filed 7/17/20.
- Procedural Order No. 7741 issued 8/17/20. Hearing set 2/2/21.
- MCC Testimony filed 10/30/20: WOOLRIDGE: recommends a return on equity (ROE) of 8.75%; SMITH: recommends several adjustments to rate base and operating income (including pensions and benefits, preferred stock redemption costs, directors' stock awards, amortization of unprotected excess Accumulated Deferred Income Tax), resulting in a recommended overall revenue increase of \$5.36 million, or 8.4% which is a non-gas cost increase of 14.5%; DONKIN: recommends a class cost allocation methodology that more fully recognizes volumetric delivery function of distribution mains and classifies services and meters as partly capacity-related rather than entirely customer-related; recommends Residential class distribution revenue increase of 14.2%, or 8.3% overall increase; recommends that 45% delivery charge be rejected and no service charge increase be approved.
- Notice of Public Listening Session issued 1/8/21.
- Interim Order No. 7741d issued 1/21/21, granting interim revenue increase of \$4,884,024.

- <u>MCC/MDU Stipulation and Settlement</u> filed 2/1/21, agreeing to \$7.25 million revenue increase allocated on equal percentage basis among customer classes and a \$.30 per day residential service charge.
- Hearing held 2/2/21.
- Final Order No. 7741e issued 2/16/21 approving the stipulated settlement.

MDU – <u>2020.06.075</u> – Monthly Electric Trackers (Rate 58).

- December electric tracker filed 11/16/20.
 - \circ Increase of \$.00426 secondary.
 - Total fuel and purchased power in tariff is \$0.02000/kWh.
- January electric tracker filed 12/16/20.
 - Increase of \$.00052 secondary.
 - Total fuel and purchased power in tariff is \$0.02052/kWh.
- February electric tracker filed 1/15/21.
 - Increase of \$.00054 secondary.
 - Total fuel and purchased power in tariff is \$0.02106/kWh.
- March electric tracker filed 2/17/21.
 - Increase of \$.00157 secondary.
 - Total fuel and purchased power in tariff is \$0.02263/kWh.
- April electric tracker filed 3/17/21.
 - Increase of \$0.00393 secondary.
 - Total fuel and purchased power in tariff is \$0.02656/kWh.
- May electric tracker filed 4/16/21.
 - Decrease of \$0.00527 secondary.
 - Total fuel and purchased power in tariff is \$0.02129/kWh.

MDU - 2020.09.095 - Annual Gas Cost Tracker, filed 9/8/20. In this annual tracker filing, MDU seeks a residential and firm general customer increase of \$0.374/Dkt, consisting of a \$.587/Dkt increase in current gas cost and \$.241 decrease in the unreflected cost component. Total residential rate of \$4.57/Dkt.

- Notice of Application and Intervention Deadline issued 9/22/20.
- Interim Order No. 7749 issued 9/30/20, approving requested rates on interim basis.
- Procedural Order No. 7749a issued 11/6/20.
- Final Order No. 7749b issued March 31, 2021.

MDU - <u>2020.09.095</u> - Monthly Gas Trackers (Rate 88)

- November gas tracker filed 10/8/20, no adjustment requested.
- December gas tracker filed 11/6/20, no adjustment requested.
- January gas tracker filed 12/8/20.
 - Increase of \$0.605/Dkt for residential and general service.
 - Total residential rate of \$5.18/Dkt.
- February gas tracker filed 1/8/21, no adjustment requested.
- March gas tracker filed 2/8/21; revised 2/17/21 to cease unreflected credit adjustment to offset some of the approximately \$10 million unexpected gas supply costs relating to recent cold weather event.
 - Increase of \$0.083/Dkt for residential and general service.

- Total residential rate \$5.26/Dkt.
- April gas tracker filed 3/8/21, no adjustment requested.
- May gas tracker filed 4/8/21, no adjustment requested.
- June gas tracker filed 5/7/21.
 - Increase of \$0.674/Dkt for residential and general service.
 - Total residential rate \$6.25/Dkt (includes recent changes to fixed rates).

MDU – 2020.05.055 - Application for Accounting Order to Track and Defer Financial Effects of COVID-19, filed 5/8/20. MDU requests authorization to track, defer, and record incremental COVID-19-related expenses as a regulatory asset. Examples include bad debt, operational expenses, PPE, technology for remote operation, training, legal and regulatory, revenue impacts and undetermined. Cites Governor's 3/30 order prohibiting utility disconnections, extended through 5/24, as well as unusual expense incurrence.

- Notice of Application and Opportunity to Comment or Request Further Process issued 6/8/20. Comments due 7/3/20.
- <u>MCC Request for Further Process</u> filed 6/18/20, requesting opportunity to conduct discovery and proposing comment deadline of 7/24/20.
- Notice of Staff Action issued 10/1/20, establishing further procedural schedule.
- MCC Petition to Intervene filed 10/16/20.
- Notice of Staff Action issued 10/1/20, setting procedural dates. Deadline to request additional process set 12/1/20.
- MCC Comments opposing issuance of accounting order filed 11/20/20: scope of request is overly broad including "any" expense impact and lost revenues; accounting order would violate test year principles for speculative impacts which have not been shown to meet the Commission's materiality test; revenue impacts are also speculative and accounting order would insulate MDU from general economic impacts being felt by others; if order is issued, any future consideration of recovery should include expense reductions including capital costs and MDU's efforts to actively manage costs.
- Procedural Order No. 7765 issued 1/8/21.
- Notice of Withdrawal filed 1/25/21.

MDU - 2020.10.101 - Annual Tax Tracker, filed 11/25/20. MDU states that recoverable taxes have increased \$437,993 (10.55%) for the electric utility and \$2,192,815 (19.82%) for gas. These increases would result in a .68% overall increase for residential electric consumers and 3.37% for gas. If Commission does not issue an order by 1/9/21, the rates are considered approved.

- Notice of Application, Intervention Deadline, Procedural Schedule, and Public Hearing issued 12/4/20.
- MCC Petition to Intervene filed 12/10/20.

MDU - 2020.03.042 - Annual Gas Conservation Program Tracker (Rate 90), filed 3/31/21. MDU requests recovery of expenditures incurred between 3/1/20 and 2/29/21. MDU requests a decrease from the current rate of \$0.014/Dkt to \$0.010/Dkt.

- Notice of Application and Intervention Deadline issued 4/16/21.
- MCC Petition to Intervene filed 5/7/21.

Energy West Montana (EWM) & Cut Bank Gas Company

EWM – <u>2021.01.015</u> - **Joint Application for Approval of Sale and Transfer of Stock**, filed 1/26/21. EWM and Cut Bank Gas together with their parent Hearthstone Utilities, Inc. (HUI) and Ullico Infrastructure Master Fund jointly request approval of Transaction whereby HUI's parent GEP Bison Holdings and its subsidiaries will become subsidiaries of Ullico Master Fund. Applicants state that the transaction is in the public interest, will not affect rates or service, and will not harm Montana ratepayers.

- Notice of Application and Intervention Deadline issued 2/9/21.
- MCC Petition to Intervene filed 3/4/21.
- Procedural Order No. 7775 issued 3/18/21. Intervenor Testimony likely due 3/24/21.

EWM – <u>2020.06.069</u> - **Annual Gas Cost Tracker**, filed 6/1/20. In this filing, EWM seeks to true up and finalize its monthly trackers for the year ending 3/31/20. It reflects an over-collection of \$887,651 and over-refund of \$381,184 from prior year amortization, for a net refund of \$506,467. Proposes residential rate of \$3.69/mcf.

- Notice of Application and Intervention Deadline issued 6/17/20.
- MCC Petition to Intervene filed 6/30/20.
- Procedural Order No. 7754 issued 10/15/20.
- Proposed Final Order No. 7754a issued 1/22/21 approving requested rates.
- Final Order No. 7754b issued 4/23/21.

EWM – <u>2020.03.038</u> – Monthly Gas Trackers

- December gas tracker filed 11/23/20. Residential rate increase to \$4.37/Mcf.
- January gas tracker filed 12/21/20. Residential rate increase to \$4.40/Mcf.
- February gas tracker filed 1/27/21. Residential rate decrease to \$4.37/Mcf.
- March gas tracker filed 2/25/21. Residential rate increase to \$4.88/Mcf.

EWM - <u>2021.04.061</u> - Monthly Gas Trackers

- April gas tracker filed 4/9/21. Residential rate to \$4.69/Mcf.
- May gas tracker filed 4/27/21. Residential rate to \$4.74/Mcf.

EWM – 2020.11.111 – **Annual Tax Tracker**, filed 11/25/20. EWM claims a net tracking adjustment of \$716,805, increasing cost of service by 7.37%

- Notice of Application, Intervention Deadline, Procedural Schedule, and Public Hearing issued 12/24/20.
- MCC Petition to Intervene filed 12/29/20.
- Notice of Commission Action issued 1/7/21 determining that errors relating to base tax changes need to be corrected.
- Final Order No. 7763a issued 2/16/21 approving amended tariffs filed on 2/1/21 and requiring any under or over collection to be accounted for in the next tax tracker filing.

EWM – <u>2020.06.068</u> - **Annual USB Tracker Application,** filed 6/1/20. This is EWM's annual tracker for USB programs in Great Falls, Cascade and West Yellowstone. Great Falls/Cascade over-collected balance for year ended 3/31/20 is \$189,988 and projected balance at 3/31/21 of \$136,218. West Yellowstone over-collected balance for year ended 3/31/20 is \$124,011 and

projected balance at 3/31/21 of \$53,631. EWM proposes to reduce Great Falls rates from \$.0523/mcf to \$.0353/mcf and increase West Yellowstone from \$.0539 to \$.06/mcf to collect statutory 0.42% minimum.

- Notice of Application and Intervention Deadline issued 6/5/20.
- MCC Petition to Intervene filed 7/10/20.
- Procedural Order No. 7743 issued 8/26/20.
- Final Order No. 7743b issued 12/30/20, approving requested rates requiring EWM to address its West Yellowstone over-collection balance in its next filing.

Cut Bank Gas – <u>2021.04.045</u> – Annual Gas Cost and USB Tracker, filed 3/31/21.

- CBG requests reconciliation for over-collection of gas costs of \$50,665 and over-collection of USB charges of \$6,130 for the period 1/1/20 to 12/31/20.
- Notice of Application and Intervention Deadline issued 4/20/21.
- MCC Petition to Intervene filed 5/5/21.

Water Utilities

Circle H Water – 2020.07.081 – **Operating Ratio Application**, filed 7/17/20. Circle H has been operating with interim standard rates for three years and is required to submit this rate application. Circle H requests that rates be increased in phases with an initial increase from \$50 to \$67.56/month for 12 months and then to \$85.12/month for a total 70% increase.

- Notice of Application and Intervention Deadline issued 9/8/20.
- MCC Petition to Intervene filed 9/18/20.
- Procedural Order No. 7752 issued 10/15/20.
- Amended Procedural Order No. 7752 issued 11/18/20.
- <u>MCC Comments</u> filed 11/25/20: The Operating Ratio Methodology with a 25% adder to operating expenses was intended as an alternative to a traditional rate filing after three years of "standard" rates. It was intended to address situations where rate base could not be established. Therefore, the methodology itself and the adder were not intended to incorporate depreciation expense as a component of the operating expenses.
- MCC Request for Additional Process filed 12/9/20.
- Proposed Final Order No. 7752b issued 2/10/21 approving rate of \$31.71/month.

North Star Development – 2010.06.060 – 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. Following two amendments to its application, North Star requests an increase to flat rates for water from \$40/month to \$297.70/month and sewer rates from \$30.00/month to \$189.76/ month, for total rate of \$487.46/month.

- Notice of Application and Intervention Deadline issued 1/30/19.
- MCC Petition to Intervene filed 2/20/19.
- North Star amended application filed 3/25/19 based on an engineering report.
- Notice of Commission Action issued 4/24/19, finding North Star's Application fails to satisfy minimum filing requirements because it does not report cost of net utility plant in service; allows 30 days to refile and suggests considering operating ratio method.
- Notice of Staff Action issued 5/17/19 extending refile deadline to 6/22/19.
- North Star Supplementation of Application filed 6/21/19.
- Notice of Application and Intervention Deadline issued 7/24/19.
- Procedural Order No. 7105d issued 8/21/19.
- MCC Testimony of Paul Schulz filed 11/13/19: recommends overall revenue requirement of \$231,873, resulting in combined water and wastewater rate of \$49.72/month, plus \$2/1000 gallons over 10,000; removes management fee for partner no longer with North Star; adjusts rate case expense to original estimate based on imprudence of expenditures; opposes "unregulated" charge for use over 20,000 gallons; supports \$1.2 million original cost rate base with \$123,678 deduction for hay field not used for service; proposes 10 year amortization for Aqua Flo \$195,000 prepayment; explains why taxes should not be allowed for pass-through entities; recommends 2% equity capital structure and 9.8% ROE.
- Hearing held 1/29-30/20.
- Final Order No. 7105f issued 9/8/20: rebuttable presumption that utility investment was recovered through lot sales need not be applied in this case; provides general discussion of

ratemaking principles and formulas; evidence indicates substantial portion of initial investment was recovered through lot sales and gross plant is now \$1,211,762; 55.79 acre hay ground included in rate base as it was required by DEQ permitting; approves \$26,497 depreciation expense based on non-land portion of plant; adopts 23% equity capital structure and 9.8% return on equity; affirms practice of disallowing income tax recovery for pass-through entities; rate case expense was increased 3 times from \$30,000 to \$85,000+; rate case expense was not prudently incurred and is set at \$30,000; rate case expense should be amortized over rate application time periods which is 5 years in this case; amortizes Aqua Flo \$195,000 payment over 40 years; accepts volumetric rate of \$2/1000 gallons over 10,000; orders revenue requirement of \$232,201; rates of \$55.93/month + \$2/1000 gallons over 10,000.

- *North Star Development, LLC v. PSC* ADV-2020-1703 Petition for Judicial Review, First Judicial District, filed 10/2/20.
 - PSC Motion to Dismiss filed 10/23/20.
 - North Star Amended Complaint filed 11/12/20.
 - PSC Renewed Motion to Dismiss filed 12/28/20.
 - MCC Motion to Intervene filed 1/22/21.
 - Order on Motion to Dismiss granting PSC's Motion to Dismiss issued 3/15/21.
 - North Star Notice of Appeal to Montana Supreme Court filed 5/12/21.

North Star Development – <u>2020.09.094</u> – Investigation of Rules, Practices, and Adequacy of Service, initiated 9/1/20.

- Order No. 7744 issued 9/1/20: Emergency Order to Show Cause; recites complaints and Commission understanding of service issues; concludes that Commission has insufficient facts to determine if water shut-off on 8/30 was the result of unavoidable accident or emergency sufficient to excuse service failure; orders 9/11/20 hearing to determine whether service failure and water restrictions violate 69-3-210, whether penalties are warranted, and appropriate actions.
- Order No. 7744a issued 9/8/20, requiring filing of witness information and books and records in possession of North Star relating to several specified questions pertaining to the investigation.
- Hearing held 9/11/20.
- North Star Motion filed 9/24/20, seeking authority to impose water use restriction fines of \$50 x multiple of yearly offenses, plus \$100/1000 gallons over 22,000.
- Final Order No. 7744b issued 1/13/21: Temporary cessation of service was not caused by unavoidable accident or emergency; NS has long been aware of summer water constraints and at same time reduced maintenance services; Cessation of service constitutes a violation of obligation to serve; \$1000 fine assessed, but payment suspended for one year conditioned on good faith investigation into service improvements and no cessation of service; post-hearing requests for over use fines and inverted rates are outside hearing record; appropriate to leave docket open and broaden inquiry into long term service ability of NS and status of water rights.

Wettington Water -2015.10.082 - Application for Standard Charges, filed 10/19/15. Proposed to adopt standard tariff rate of \$50/month.

- <u>MCC filed Comments</u> 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/month, 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.
- Notice of Commission Action issued 11/5/19, extending Order to Show Cause response date to 12/20/19.
- Order to Show Cause No. 7755 issued 10/22/20, requiring filing by 11/30/20 of 2016-2019 annual reports, either a standard rate application or operating ratio method application, and confirmation that MDEQ issues have been resolved.
- Wettington request to increase rates from \$42.50/month to \$50/month received 11/30/20.
- Notice of Application and Intervention Deadline issued 12/21/20.
- MCC Petition to Intervene filed 1/8/21.
- Procedural Order No. 7755a issued 1/21/21.

AquaFlo -2020.10.100 - Application to Increase Water and Sewer Rates, filed 9/30/20. AquaFlo provides service to a Helena subdivision and seeks a \$49,583 (36.9%) annual revenue increase. AquaFlo requests flat rate increase from \$45.27 to \$62.27/month, volumetric rate increase from \$.512 to \$.722/100 gallons and excess use rate increase from \$1.0241 to \$1.444/100 gallons over 45,000 gallons (Skyview) or 21,000 (Northwest).

- Notice of Application and Intervention Deadline issued 11/20/20.
- MCC Petition to Intervene filed 12/3/20.
- Procedural Order No. 7766 issued 1/12/21. Hearing set 5/12/21.
- Amended Procedural Order No. 7766a issued 3/1/21.
- <u>Stipulation of AquaFlo/MCC</u> filed 3/8/21. Agrees to \$55 flat rate plus \$0.56 per 100 gallons and \$1.25 per 100 gallons for excess use.

- Proposed Final Order approving Stipulation issued 3/30/21.

HLH – <u>2021.02.017</u> – Application to Increase Water Rates, filed 2/4/21.

HLH, LLC, provides water service in Big Sky and requests authority to change rate structure to meet previously approved \$455,000 revenue requirement which it claims it has been unable to generate due to recently adopted tiered rate structure. Proposed rates range from \$1.28 to \$5.43 per 100 gallons. Current rates range from \$1.22 to \$3.05 per 100 gallons.

- Notice of Application and Intervention Deadline issued 2/12/21.
- MCC Petition to Intervene filed 3/1/21.
- HLH Notice of Withdrawal of Petition filed 4/30/21.

Other Utilities

ABACO Energy Services – 2020.07.082 - Application to Establish Service Rates, filed 7/16/20. ABACO seeks authority to establish service rates and terms and conditions for propane service at Big Sky Montana Mountain Village. ABACO seeks to set rates consistent with 2007 agreement with Boyne USA, Inc. Requested non-commodity revenue requirement is \$1,002,177 (64% increase) and rates are \$1.3179/gallon for Residential and \$1.1733/gallon for Commercial, plus a \$7.50/month Residential fixed charge.

- Notice of Application and Intervention Deadline issued 8/12/20.
- MCC Petition to Intervene filed 8/31/20.
- Procedural Order No. 7747 issued 10/1/20.
- Amended Procedural Order No. 7747a issued 10/19/20. Hearing set 4/26/21.
- Amended Procedural Order No. 7747b issued 10/19/20. Hearing remains 4/26/21.
- <u>MCC testimony</u> filed 1/25/21: GARRETT: recommends 9.0% ROE and capital structure of 49% debt, 51% equity for a 7.42% rate of return. SCHULZ: recommends revenue requirement of \$459,877, a \$6.50 monthly fixed charge and volumetric non-commodity rate of \$.54373 per gallon.
- <u>Stipulation and Settlement Agreement</u> filed 4/28/21; agreed to annual revenue requirement of \$580,000; agreed to a fixed charge of \$7.00/month and single volumetric rate of \$0.69/gallon for all customers effective 6/1/21; gas supply rate will continue to be set annually through RFP process; unless there is a material change to its customer base, ABACO agrees to not request any increase to customer charge or non-commodity rate until June 30, 2023 or later.

Starlink Services, LLC – 2021.01.005 - Application for Designation as Eligible Telecommunications Carrier, filed 1/4/21. Starlink Services, a subsidiary of SpaceX, was a winning bidder for Rural Digital Opportunity Fund which requires designation by the MPSC as an Eligible Telecommunications Carrier (ETC). Starlink has received \$72,723,246 related to Montana rural service to 29,478 locations and states that it meets all federal and state requirements for designation. Starlink will provide service through satellite connection.

- Notice of Application and Intervention Deadline issued 2/8/21.
- MCC Petition to Intervene filed 2/19/20.
- Procedural Order No. 7772 issued 3/5/21.

Blackfoot Communications, Inc. -2021.01.006 - Application for Designation as Eligible Telecommunications Carrier, filed 1/5/21. Blackfoot Communications, Inc., a subsidiary of Blackfoot Telephone Cooperative, was a winning bidder for Rural Digital Opportunity Fund which requires designation by the MPSC as an Eligible Telecommunications Carrier (ETC). Blackfoot has received approximately \$12 million related to Montana rural service to approximately 2,700 locations and states that it meets all federal and state requirements for designation.

- Notice of Application and Intervention Deadline issued 2/8/21.
- Procedural Order No. 7773 issued 3/5/21.

InterBel Telephone Coop – <u>2021.02.020</u> – **Petition for Designation as an Eligible Telecommunications Carrier**, filed 2/16/21. InterBel seeks to expand its ETC designation to receive Rural Digital Opportunity Fund Phase 1 funds awarded through the FCC auction. InterBel proposes to expand to locations in the Eureka and Rexford exchanges. InterBel states that it will provide the ETC services required by federal law.

- Notice of Application and Intervention Deadline issued 3/2/21.
- Procedural Order No. 7776 issued 3/22/21.