

Montana Consumer Counsel

6/2/2020 STATUS OF CASES

NWE – [2019.12.101](#) – Application for Approval of Capacity Resource Addition.

- Notice of Intent to File an Application for Pre-Approval of a Capacity Resource Acquisition, filed 12/10/19. NWE states it plans to file by 1/31/20 an Application for Commission preapproval to acquire Puget Sound Energy's (PSE) 25% (185 MW) share of Colstrip 4 for \$1. The purchase agreement provides that NWE will sell 90 MW of power to PSE for approximately 5 years, and that NWE will also purchase a portion of PSE's interest in the Colstrip Project Transmission System. PSE will maintain its existing pro rata responsibility for environmental and pension liabilities existing prior to closing of transaction as well as existing pro rata share of decommissioning costs.
- Application filed 2/5/20. NWE asserts a critical capacity deficiency. NWE requests approval to purchase and ratebase 185 MW of CU4 from Puget Sound Energy for \$1.00; sell 95 MW back to Puget for approximately 5 years; include a "Test Period Revenue Requirement" for 95 MW in rates, offset by a reduction to the Power Cost and Credits Adjustment Mechanism (PCCAM); establish a reserve fund for post-closure environmental, remediation and decommissioning costs; make a compliance filing in 5 years to reflect additional revenue requirement for 90 MW and reduction in PCCAM rates. NWE calculates 95MW revenue requirement of \$7.4 million, with revenues and PCCAM savings of \$11.2 million. NWE asserts no customer bill impacts. Sales agreement states Puget will retain responsibility for its presale share of environmental compliance, remediation and decommissioning costs. Conditions precedent to closing include a Transmission Acquisition Agreement with Puget regarding interest in 500 kV line.
- Notice of Application and Intervention Deadline issued 2/12/20.
- Notice of Opportunity for Intervenor Comment issued 2/19/20. Commission requests comments regarding whether NWE's Application complies with minimum filing requirements.
- MCC Petition to Intervene filed 3/3/20.
- [MCC Comments](#) regarding adequacy of application filed 3/6/20: Application fails to satisfy filing requirement rules because the testimony and exhibits are conclusory and shift burden of fact-finding to intervenors, there is insufficient information to compare the proposed resource to alternatives, and it lacks a complete description of each aspect of the resource.
- Notice of Commission Action issued 3/23 finding application deficient and allowing NWE the opportunity to supplement. The application is deficient in two broad areas: 1) does not adequately demonstrate expected annual revenue requirements compared to alternatives, nor adequately describe the acquisition, nor consider public interest issues required by rules, 2) evaluation using PowerSimm did not provide inputs nor consider plausible alternative assumptions regarding resource costs, capabilities and future conditions. Commission provides 30 days to respond to the stated deficiencies, but commits to a typical procedural schedule whether or not NWE chooses to file supplement. Discovery is suspended pending issuance of procedural order.

- NWE Motion for Reconsideration of NCA filed 4/3/20. NWE asserts that the Commission prejudged the application and: adopted a new policy disfavoring opportunity resources; rejected NWE's reserve fund proposal through single issue ratemaking; suggested correcting deficiencies by committing to a C4 retirement date.
- NWE Notice of Right of First Refusal and Intent to Supplement Application filed 4/10/20, stating that Talen is exercising its right of first refusal regarding Puget's C4 sale and that NWE will amend its application to reflect the potential acquisition of 92.5 MW.
- Procedural Order No. 7717b issued 4/22/20. Hearing set 10/19/20.
- NWE Supplement to Application filed 4/24/20. Application is amended to request for approval to acquire "at least 92.5 megawatts" from Puget for \$0.50 and up to 185 MW, directly serving consumers with 47.5 MW and selling 45 MW back to Puget for approximately 5 years.
- Order No. 7717c issued 5/15/20, rescinding NCA finding application deficient, finding Application complies with statutory and administrative rule requirements, and granting request to issue procedural order contemplating resolution by 12/31/20.

NWE –[2018.02.012](#) – 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.
- [Stipulation and Settlement Agreement](#) of NWE, MCC, LCG, FEA and Walmart, filed 5/10/19: \$6.5 million overall increase based on 9.65% ROE, subject to adjustment if decoupling is adopted; agreed allocation of residential (1.68%), small commercial (1.95%), large commercial (-2.2% to -7.1%), irrigation (5%), lighting (1.23%); accepts MCC depreciation rates and agrees future depreciation changes must be approved by commission; accepts CU4 revenue requirement and Excess Accumulated Deferred Income Taxes and amortization as proposed by NWE.
- [Stipulation of NWE, MCC, DEQ and Walmart](#) filed 5/13/19: provides for process to review the E+ green program and consider options for a new renewable energy product tariff.
- Hearing held 5/13-24/19.
- Order No. 7604u issued 12/20/19: Approves stipulated \$6.5 million increase and customer class allocations; approves residential monthly fixed charge increase from \$4.10 to \$4.20; makes increase effective 3/1/20 and orders refund over 1 year period; approves base supply cost and credits of \$138,655,703 for tracker; refrains from reaching decision specific to Colstrip revenue requirement; continues revenue crediting method for FERC-jurisdictional revenues, currently approximately \$54 million; approves a Fixed Cost Recovery Mechanism (FCRM/decoupling) four-year pilot and declines to adjust ROE, finds revision of net metering tariff and new net metering class "generally warranted" but declines to establish new class due to NWE's failure to comply with minimum information requirements for the benefit-cost analysis; directs NWE to establish stakeholder group to evaluate DSM programs; continues practice of expensing DSM; declines to initiate Colstrip investigation docket; rejects crediting mechanism to allow Federal Executive Agencies to receive credit for WAPA power, but requires parties to negotiate a mechanism; approves E+ Green tariff settlement to establish stakeholder group; rejects after-hours reconnection charge.
- [MCC Motion for Reconsideration](#) filed 1/10/20: rationale for approving decoupling is flawed and unsupported; decoupling requires a 25 basis point ROE reduction; decision on FERC jurisdictional cost study permits recovery of costs over which this Commission has no jurisdiction.
- Order on Reconsideration, No. 7604v, issued 5/20/20: affirms adoption of "pilot" decoupling mechanism (3-2); clarifies that pilot audit and assessment should include MCC, identify parameters to assess performance including weather normalization, determine need for ROE reduction, and identify criteria to evaluate adequacy of NWE DSM programs; grants motion to require jurisdictional cost-of-service study for transmission; rescinds requirement for NWE to file rate case and early justification to continue decoupling, stating that the Commission has "full power to investigate the rates of NWE at any time". Also states that the Commission will initiate a new proceeding to determine whether COVID issues require changes in the "timing, structure, or other aspects" of decoupling.

NWE – [2020.05.064](#) – Investigation into Impacts of COVID-19 on NWE’s FCRM.

- PSC issued Notice of Opportunity to Comment on its investigation of COVID-19 impacts on the recently approved decoupling mechanism scheduled to begin 7/1/20. Commission requests comments on several topics, including need for adjustments to implementation date and length of the pilot period. Comments due 7/3/20.

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 \$22,718,059, 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. Hearing set 6/24/20.

- [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.

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 leveled 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.

- Complaint and Petition for Review filed by Caithness 3/9/20: *Caithness Beaver Creek, LLC v. PSC*, CDV-2020-290, First Judicial District Court.

NWE – [2019.09.067](#) – Petition of CED Pondera Wind, LLC, and Teton County Wind, LLC, to Set Terms and Conditions, filed 9/16/19. Pondera is a proposed 20 MW wind Qualifying Facility project in Teton County petitioning the Commission to set terms and conditions for a power purchase agreement with NWE. Pondera seeks 25 year contract for payment of \$46.68/MWh Around the Clock for energy and \$3.40/MWh for capacity in all hours, and entitlement to carbon adder of \$6.27/MWh.

- Notice of Petition and Opportunity to Intervene issued 9/24/19.

- MCC Petition to Intervene filed 10/8/19.

- Procedural Order No. 7699 issued 10/11/19. Hearing set 1/22/20.

- NWE Motion for Reconsideration of Procedural Order filed 10/21/19.

- Revised Procedural Order No. 7699a issued 10/23/19.

- NWE Intervenor testimony filed 11/22/19: Proposes avoided energy cost of \$15.90/MWh for Pondera and \$15.47 MWh for Teton, avoided capacity cost of \$12.91/MWh for Pondera and \$14.47/MWh for Teton for on-peak production, integration costs of (\$14.59)/MWh for Pondera and \$(19.48)/MWh for Teton, and interconnection network upgrade costs of \$(8.60)/MWh for Pondera and \$(8.51)/MWh for Teton, for total avoided cost of \$(7.29)/MWh off-peak and \$5.63/MWh on-peak for Pondera and \$(12.52)/MWh off-peak and \$1.95/MWh on-peak for Teton.

- [MCC Testimony of Jaime Stamatson](#) filed 11/22/19: supports hourly version of PowerSimm to calculate avoided costs; accepts Pondera’s and Teton’s assumed avoided capacity cost value of \$176.40/kw-year; recommends Pondera and Teton retain all renewable energy credits (RECs) to account for environmental benefits in lieu of assumed carbon dioxide values; explains that 15

year contract would minimize ratepayer risk and is reasonable for QFs; supports using NWE's Open Access Transmission Tariff (OATT) to calculate ancillary service costs.

- Hearing held 1/22-24/20.

- Final Order No. 7699c issued 3/23/20: The price terms proposed by CED were roughly double any recent avoided cost determinations, were not consistent with NWE's avoided costs, and no LEO was established; Commission lists several factors that may have contributed to the divergence; NWE failed to adequately address questions related to PowerSimm dispatching resources out of merit so it can not be relied upon to develop avoided costs in this case; similarly rejects CED's proposed proxy for calculating avoided cost, so neither party has met a burden of proof; determines a reciprocating internal combustion engine (RICE unit) should be used to determine avoided costs; avoided energy cost is \$24.18/MWh; adopts 5% capacity factor resulting in \$11.42/MWh capacity payment in on-peak hours; rejects carbon cost adder as unsupported and speculative; QF is responsible for project network upgrade costs, less avoided network costs associated with NWE's next avoidable resource; NWE's Open Access Transmission Tariff (OATT) should be used to calculate ancillary service costs; adopts 15 year contract length.

- CED Motion for Reconsideration filed 4/2/20: regarding most findings.

- NWE Motion for Reconsideration filed 4/2/20: requests clarification of how the \$11.42/MWh on-peak capacity calculation was developed and why it is the same for both projects; \$1.5 million interconnection costs should not be reduced by \$75,000; uncompensated curtailment provisions should not be limited to instances where CED contributed to the emergency.

- Notice of Staff Action issued 4/20/20, waiving 20 day automatic denial rule.

NWE – [2019.10.076](#) – Petition of CED Wheatland County Wind, LLC, to Set Terms and Conditions, filed 10/4/19. Wheatland is a proposed 73 MW wind Qualifying Facility project in Wheatland County petitioning the Commission to set terms and conditions. Wheatland seeks 25 year contract for payment of \$43.23/MWh Around the Clock for energy and \$2.22/MWh for capacity in all hours and entitlement to carbon adder of \$6.27/MWh beginning 1/1/28.

- Notice of Petition and Opportunity to Intervene issued 10/10/19.

- MCC Petition to Intervene filed 10/24/19.

- Procedural Order No. 7702 issued 10/31/19. Hearing set 2/10/20.

- NWE Intervenor testimony filed 12/23/19: Proposes avoided energy cost of \$15.86/MWh, avoided capacity cost of \$10.70/MWh for on-peak production, integration costs of (\$12.43)/MWh, and interconnection network upgrade costs of \$(159.91)/MWh, for total avoided cost of \$(156.48)/MWh off-peak and \$(145.78)/MWh on-peak. Asserts that new 230 kV line costing \$237 million would be required for interconnection.

- [MCC Testimony of Jaime Stamatson](#) filed 12/23/19: supports hourly version of PowerSimm to calculate avoided costs; accepts Wheatland's assumed avoided capacity cost value of \$176.40/kw-year; recommends Wheatland retain all renewable energy credits (RECs) to account for environmental benefits in lieu of assumed carbon dioxide values; explains that 15 year contract would minimize ratepayer risk and is reasonable for QFs; supports using NWE's Open Access Transmission Tariff (OATT) to calculate ancillary service costs.

- Hearing held 2/10-11/20.

- Final Order No. 7702b issued 4/22/20: The price terms proposed by CED were substantially higher than any recent avoided cost determinations, were not consistent with NWE's avoided costs, and no LEO was established; Commission lists several factors that may have contributed

to the divergence; NWE failed to adequately address questions related to PowerSimm dispatching resources out of merit so it cannot be relied upon to develop avoided costs in this case; similarly rejects CED's proposed proxy for calculating avoided cost, so neither party has met a burden of proof; determines a reciprocating internal combustion engine (RICE unit) should be used to determine avoided costs; avoided energy cost is \$24.18/MWh; adopts 5% capacity factor resulting in \$11.04MWh capacity payment in on-peak hours; rejects carbon cost adder as unsupported and speculative; QF is responsible for project network upgrade costs; NWE's Open Access Transmission Tariff (OATT) should be used to calculate ancillary service costs; adopts 15 year contract length.

- CED Request for Reconsideration filed 5/1/20.
- NWE Motion for Reconsideration filed 5/4/20, regarding uncompensated curtailment provisions.
- Notice of Staff Action issued 5/13/20, waiving 20 day automatic denial rule.

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.

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.

NWE – [2020.04.046](#) – 2020 Natural Gas Procurement Plan, filed 4/20/20. This gas procurement plan is filed pursuant to Order No. 7522g issued in D2016.9.68, requiring a plan filing if NWE anticipates requesting approval of gas production assets acquisition. The plan describes a procurement strategy for 2020-2022.

- Notice of Opportunity to Comment issued 5/11/20.
- [MCC Comments](#) filed 5/29/20: need to increase supply cannot be addressed by commenters due to lack of information, should be reserved for future filings; need for long-term hedging has declined since 2006; purchases have been shown to be risky and expensive including a 2019 tracker cost of \$18.5 million; NWE's decisional guidelines would not ensure a "compelling consumer benefit" as desired by the Commission; lack of annual rate cases needs to be factored into purchase price and customer benefit; purchase plans require flexibility.

NWE – [2020.03.041](#) - Natural Gas Universal System Benefits Charge Rate Adjustment, filed 3/31/20. In this annual filing, NWE seeks to adjust its USB rate to reflect an over collection in 2019 of \$859,074 and overcollection from 2018 of \$63,929, as well as a 2020 budget of \$3,592,352. Proposed residential rate decreases from \$.120071/dkt to \$.09092/dkt.

- Notice of Application and Intervention Deadline issued 4/3/20.
- MCC Petition to Intervene filed 4/17/20.
- Interim Order No. 7723 issued 4/29, approving requested changes on interim basis.
- Procedural Order No. 7723a issued 5/7/20.

NWE – [2019.07.040](#) – February gas tracker, filed 1/15/20. Gas increase from \$2.21 to \$2.26. Res. Rate from \$6.07 to \$6.12.

NWE – [2019.07.040](#) – March gas tracker, filed 2/14/20. Gas decrease from \$2.26 to \$2.15. Res. Rate from \$6.12 to \$6.02.

NWE – [2019.07.040](#) – April gas tracker, filed 3/16/20. Gas decrease from \$2.15 to \$2.03. Res. Rate from \$6.02 to \$5.89.

NWE – [2019.07.040](#) – May gas tracker, filed 4/15/20. Gas increase from \$2.03 to \$2.04. Res. Rate from \$5.89 to \$5.91.

NWE – [2019.07.040](#) – June gas tracker, filed 5/15/20. Gas increase from \$2.04 to \$2.05. Res. Rate from \$5.91 to \$5.92.

NWE – [2019.11.089](#) – Annual Tax Tracker, filed 12/18/19. This filing represents NWE’s annual state and local tax expense adjustment. NWE proposes a net electric expense reduction of \$24,106,277 and gas reduction of \$914,395.

- Notice of Application, Intervention Deadline, Procedural Schedule and Public Hearing, issued 12/20/19. Comments and hearing requests due 1/13/20.
- MCC Petition to Intervene filed 12/30/19.
- **MCC Comments** filed 1/13/20, opposing proposal to collect 100% of property taxes related to Dave Gates Generating Station from retail customers.
- Notice of Commission Action issued 1/14/20, setting hearing for 1/21/20.
- Notice Vacating and Resetting Hearing issued 1/16/20.
- NWE Motion to Suspend Procedural Schedule and Vacate Hearing filed 1/27/20. NWE states it has discovered a discrepancy and will make an amended filing.
- Notice of Staff Action vacating hearing issued 1/29/20.
- Amended Application filed 2/28/20. Revised net effect of \$8,575,150 decrease for electric and \$1,182,893 decrease for gas.
- Second Notice of Application, Intervention Deadline, Procedural Schedule and Public Hearing issued 3/2/20.
- **MCC Comments** filed 3/19/20: Opposing NWE’s request to collect 100% of taxes associated with Dave Gates from retail customers.
- Notice of Public Hearing issued 4/1/20, setting hearing 4/9/20.
- Notice of Staff Action Vacating Public Hearing, Setting Briefing Schedule, and Establishing Evidentiary Record issued 4/8/20. Final Brief submitted 5/6/20.

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.

NWE – [2020.04.043](#) – Annual Townsend Propane Supply Rate Adjustment, filed 4/30/20. In this application, NWE seeks to update its propane supply costs and true-up actual expenses for the period 6/1/19 through 5/31/20. Proposes cost 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 is \$.06/dkt.

- Interim Order No. 7726 issued 5/27/20. Approving requested rates on interim basis.

HPC – [2019.07.042](#) – Farmstead Customer Rate Adjustment, filed 7/31/19. This is the annual rate adjustment filing of the Havre Pipeline Company for its farmstead customers served under easement provisions. HPC proposes a 6.8% decrease from \$.9256/Mcf to \$.8628/Mcf.

- Notice of Application and Intervention Deadline issued 9/25/19.
- MCC Petition to Intervene filed 10/16/19.
- Procedural Order No. 7703 issued 11/5/19.
- Final Order No. 7703a issued 2/5/20, approving requested rate decrease.

MDU – [2019.11.090](#) – Update of Time Differentiated Rate 93 Tariff, filed 11/8/19. In this filing, MDU submits its annual avoided cost update for metering charges and energy and capacity payments for QFs 3 MW or smaller and for a term up to 15 years. Proposed energy

rates range from \$.02444/kwh on-peak in 2020 to \$.03726 off-peak in 2034. Capacity rates are MISO prices through 2021, followed by projected levelized cost of a peaking turbine beginning in 2022.

- Notice of Application and Intervention Deadline issued 11/25/19.
- MCC petition to Intervene filed 12/9/19.
- Procedural Order No. 7715 issued 2/5/20.
- Final Order No. 7715a issued 5/4/20, approving filed tariff.

MDU – [2019.06.036](#) - February Electric Cost Tracker – Rate 58. Filed 1/17/20. No change for secondary – total fuel and purchased power in tariff is \$0.02328/kwh.

MDU – [2019.06.036](#) - March Electric Cost Tracker – Rate 58. Filed 2/19/20. Decrease of \$.00085 secondary – total fuel and purchased power in tariff is \$0.02243/kwh.

MDU – [2019.06.036](#) - April Electric Cost Tracker – Rate 58. Filed 3/19/20. Increase of \$.00072 secondary – total fuel and purchased power in tariff is \$0.02315/kwh.

MDU – [2019.06.036](#) - May Electric Cost Tracker – Rate 58. Filed 4/17/20. Decrease of \$.00107 secondary – total fuel and purchased power in tariff is \$0.02208/kwh.

MDU – [2019.06.036](#) - June Electric Cost Tracker – Rate 58. Filed 5/18/20. Decrease of \$.00079 secondary – total fuel and purchased power in tariff is \$0.02129/kwh.

MDU – [2019.11.086](#) – Application for Deferred Accounting Treatment, filed 11/1/19. MDU requests deferred accounting treatment of costs related to retirement of Lewis & Clark 1, Heskett 1, and Heskett 2 coal-fired power plants in March 2021 and 2022. MDU has concluded these units are not economically viable in the MISO market, and estimates total deferred costs of approximately \$16 million which it proposes to amortize over 15 years.

- Notice of Application and Intervention Deadline issued 11/15/19.
- MCC Petition to Intervene filed 12/13/19.
- Procedural Order No. 7711 issued 1/10/20.

MDU – [2019.09.064](#) - Annual Gas Cost Tracker, filed 9/6/19. In this annual filing MDU requests a true-up of gas costs for the year ended September 2019. Net effect is \$.016/dkt increase for Residential class.

- Notice of Application and Intervention Deadline issued 9/23/19.
- Interim Order No. 7694 issued 9/26/19, approving requested rates on interim basis.
- MCC Petition to Intervene filed 10/10/19.
- Procedural Order No. 7694a issued 2/27/20.
- Final Order No. 7694b issued 5/5/20, approving requested rates.

MDU – [2020.03.042](#) - Annual Gas Conservation Program Tracker, filed 3/31/20.

- Requests recovery of expenditures incurred between 3/1/19 and 2/29/20. MDU requests no change in current rate of \$.014/dkt.
- Notice of Application and Intervention Deadline issued 4/2/20.
- MCC Petition to Intervene filed 4/24/20.

- Procedural Order No. 7724 issued 4/30/20.

MDU – [2019.09.064](#) - May Gas Cost Tracker, filed 4/8/20. Decrease of \$.682/Dkt, res. and general service. Res. rate \$4.09/Dk.

MDU – [2019.09.064](#) - June Gas Cost Tracker, filed 5/8/20. Increase of \$.372/Dkt, res. and general service. Res. rate \$4.46/Dk.

MDU – [2020.04.044](#) – Request for Waiver from ARM 38.5.176, filed 4/10/20. MDU seeks waiver from requirement to file a marginal cost study in a Natural Gas general rate filing planned to be made this year.

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, and undetermined. Cites Governor’s 3/30 order prohibiting utility disconnections, extended through 5/24, as well as unusual expense incurrence.

EWM – [2019.08.047](#) - Petition for Accounting Order, filed 8/7/19. EWM requests an accounting order authorizing deferral of 2019 property tax expenses due to changes in DOR’s taxing methodology. EWM was informed 1/19 that it would be centrally assessed, increasing tax expense by \$571,178 over 2018 expense of \$960,013, due to centrally assessed property tax rates.

- Notice of Petition and Intervention Deadline issued 8/23/19.
- MCC Petition to Intervene filed 9/6/19.
- Procedural Order No. 7696 issued 10/9/19.
- Final Order No. 7696a issued 1/31/20, approving accounting order.

EWM – [2019.12.102](#) – Application for Variance from Order No. 7575c, filed 12/9/19. Order No. 7575c, issued 9/26/18, approved for the first time a Gas Infrastructure Reliability Clause (tracker) but made it subject to automatic termination if EWM or CBG chose to implement a tax tracker. This Petition seeks modification of that Order to avoid the GIRC termination.

- Notice of Application and Intervention Deadline issued 12/11/19.
- MCC Petition to Intervene filed 12/27/19.
- Procedural Order No. 7713 issued 1/15/20.
- **[MCC/EWM Settlement Agreement](#)** filed 3/12/20, terminating the GIRC, allowing EWM to file a separate application to recover 2019 GIRC investments, less 2018 Tax Cut and Jobs Act savings, through customer charges.
- Final Order No. 7713b issued 5/15/20 approving Settlement.

EWM – [2019.03.017](#) – February gas tracker filed 1/30/20. Res. rate decrease to \$3.57/Mcf.

EWM – [2019.03.017](#) – March gas tracker filed 2/21/20. Res. rate decrease to \$3.52/Mcf.

EWM – [2019.03.017](#) – April gas tracker filed 3/24/20. Res. rate increase to \$3.54/Mcf.

EWM – [2019.03.017](#) – **May gas tracker** filed 4/28/20. Res. rate increase to \$3.83/Mcf.

EWM – [2019.03.017](#) – **June gas tracker** filed 5/26/20. Res. rate decrease to \$3.80/Mcf.

Cut Bank Gas – [2020.03.040](#) - **Annual Gas Cost and USB Tracker**, filed 3/31/20.

- CBG has filed its annual reconciliation for over collection of \$51,132 of gas costs and under collection of \$3,557 of Universal System Benefits Charges for the period 1/1/19 to 12/31/19.
- Notice of Application and Intervention Deadline issued 4/22/20.
- MCC Petition to Intervene filed 5/15/20.
- Procedural Order No. 7725 issued 5/22/20.

Williams Water Works – [2019.03.013](#) – **Application for Purchase and Sale**, filed 2/6/19.

- Williams requests authorization to sell its water system in the Kalispell area to AP Williams, LLC.
- Notice of Application and Intervention Deadline issued 4/11/19.
- Notice Consolidating with 2019.03.014, Application to Continue Standard Rates, issued 4/11/19.
- MCC Petition to Intervene filed 5/28/19.
- Procedural Order No. 7676 issued 6/26/19.
- MCC Request for Additional Process filed 8/16/19.
- Notice of Staff Action amending procedural Schedule issued 8/21/19.
- [MCC Testimony of Paul Schulz](#) filed 10/17/19: sale of a utility should not justify extension of standard rates which are considered interim for the purpose of collecting information; analyzed revenue requirement based on operating ratio methodology due to lack of rate base; calculates \$28.96/mo. flat rates for residential users and \$24.17/mo. for commercial users, and volumetric rates of \$1.36/thousand gallons for volumetric rates.
- [MCC/Williams Stipulation](#) filed 12/12/19, flat rates for water of \$48.00/month and metered rate of \$39/month, plus volumetric rate of \$1.8875 per 1,000 gallons.
- Final Order No. 7676a issued 1/31/20, approving the transfer from Williams Water Works to AP Williams, and approving the Stipulation.

Holmberg Village – [2016.04.035](#) – **Operating Ratio Application**, filed 2/24/20.

- Holmberg has been operating with interim standard rates since 2016 and is required to submit this rate application. Holmberg requests that current rates be made permanent, but suggests that a rate increase would be necessary if a formal hearing is held on the application.
- Notice of Staff Action issued 3/23/20, rejecting the application for deviating from minimum filing requirements.
- Holmberg Motion for Reconsideration filed 4/23/20.
- Notice of Staff Action issued 5/6/20, waiving 20 day automatic denial rule.

Fox Hills Utilities – [2019.11.087](#) – **Application for Initial Rates**, filed 12/18/19.

- Fox Hills requests that its standard rates be made permanent, although its analysis using the Operating Ratio suggests that a \$5.24/month increase could be justified.
- Notice of Application and Intervention Deadline issued 2/21/20.
 - MCC Petition to Intervene filed 3/4/20.
 - Procedural Order No. 7718 issued 3/11/20

PSC – [2019.12.108](#) – Investigation into HB267 Determination of Opt-Out Programs for Advanced Metering Devices, issued 12/18/19. PSC has issued a Request for Comments regarding HB 267 enacted by the 2019 Legislature. HB 267 requires the Commission to determine by 7/1/2020 whether an opt-out program for advanced metering devices should be required.

- [MCC Comments](#) filed 2/28/20: Describes the consumer protection provisions of HB267 and list of required considerations including individual customer’s privacy interest, costs and practicality of allowing opt-out, availability of other technology, and other concerns; installation of advanced metering devices should not be forced on consumers with heightened privacy concerns; utilities need to provide specific information on costs; after determining need for opt-out program a rulemaking can be initiated to set guidelines for opt-out tariffs; prudence of infrastructure investment should remain subject to challenge.