

Montana Consumer Counsel

STATUS OF CASES

September 13, 2021

NORTHWESTERN ENERGY (“NWE”)

NWE Application for Preapproval of Capacity Resources, Docket [2021.02.022](#), filed 5/19/21.

NWE requests preapproval of two capacity resources and cost recovery of variable and purchased power costs through the PCCAM: (1) a 175 MW gas-fired plant in Laurel, MT to be owned by NWE with an estimated revenue requirement of \$54,231,473; and (2) a 20-year agreement with a 50 MW battery storage facility in Yellowstone County owned by Beartooth Energy Storage, LLC. NWE calculates a typical monthly residential bill increase of \$6.64 or 7.39% from just the Laurel Generating Station.

- *Notice of Opportunity to Intervene* issued 4/6/21.
- *NWE Application* filed 5/19/21 without confidential exhibits.
- *Notice of Application, Intervention Deadline, and Opportunity for Intervenor Comments* on adequacy issued 5/20/21.
- *MCC Petition to Intervene* filed 6/3/21; granted 6/14/21.
- NWE confidential exhibits filed 6/11/21.
- *Notice of Commission Action* issued 7/2/21; notes that motions for protective orders are to be filed at the earliest possible time in a proceeding, and that Commission did not receive a substantially complete application until June 11, 2021; established supplemental deadlines for comments on adequacy.
- *Order 7781x* issued 7/26/21; finds application adequate as of filing of confidential exhibits on June 11, 2021; it includes a complete and thorough explanation and justification of all changes to its most recent long-term resource plan and three-year action plan and responds to Commission comments; it describes the resources as being in the public interest and consistent with the most recent long-term resource plan; it includes testimony and supporting work papers demonstrating the resources’ cost estimates, comparisons to each alternative resource the utility considered, and all relevant functional differences between each alternative; and it describes all due diligence and bid evaluation in connection with the RFP.
- *Procedural Order 7781y* issued 7/28/21. Hearing set 1/10/22.

[pause for questions]

NWE Annual Power Costs and Credits Adjustment Mechanism (“PCCAM”) Filing, Docket [2020.08.091](#), filed 9/1/20.

In this annual filing NWE tracks incremental electric supply power costs and trues up variations from base. NWE calculated an annual deferred account balance of \$2,220,525 to be amortized over 12 months. With other adjustments (e.g., extinguishing the prior period deferred rate), NorthWestern calculated a typical residential bill decrease of 2.54%.

- *Notice of Application and Intervention Deadline* issued 9/18/20.
- *MCC Petition to Intervene* filed 10/7/20.
- *Procedural Order 7764a* issued 1/12/21; hearing set 5/5/21.
- NWE withdrawal of request to change PSC/MCC taxes to a forecast basis filed 2/24/21.
- *Amended Procedural Order 7764b* issued 3/4/21 vacating procedural schedule.
- *Proposed Final Order 7764c* issued 3/19/21.
- *Final Order 7746d* issued 6/7/21.

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

In this annual filing NWE tracks incremental electric supply power costs and trues up variations from base. NWE calculates an annual deferred account balance of \$19,925,599 to be amortized over 12 months. With other adjustments (which reduce the request to \$18,056,581 million), NWE calculates a typical monthly residential bill increase of \$1.85 or 2.01%. NWE also requests approval to enter certain off-system fixed price hedge transactions.

NWE “Application to Update Base Power Costs and Credits in the PCCAM,” Docket [2021.04.047](#), filed 4/21/21.

NWE requests to increase the “Base PCC” from \$61,703,497 to \$78,658,125, and to increase QF base from \$76,952,206 to \$77,602,226. Typical residential customer would see increase of \$2.28 or 2.54% on monthly bill compared to current rates.

- *NWE Supplement to Application to Update Base Power Costs and Credits in the PCCAM* filed 6/15/21; proposing to update the “Base PCC” again prior to hearing with any capacity contracts entered into at that time.
- *Notice of Application and Intervention Deadline* issued 6/18/21.
- *Interim Order 7788* issued 6/30/21.
- *MCC Petition for Intervention* filed 7/9/21; granted 7/13/21.
- *MCC Motion to Dismiss* filed 8/2/21; NWE response filed 8/12/21; *MCC Reply in Support of Motion to Dismiss* filed 8/23/21.
- *Limited Procedural Order 7788d* issued 8/26/21; oral argument set 9/14/21.

[pause for questions]

NWE Gas Tracker, Docket [2020.07.083](#).

- December gas tracker filed 11/13/20.
 - o Gas supply rate decrease from \$3.01 to \$2.99.
 - o Residential Rate from \$6.89 to \$6.88.
- January gas tracker filed 12/15/20.
 - o Gas supply rate decrease from \$2.99 to \$2.83.
 - o Residential Rate from \$6.88 to \$6.86.
- February gas tracker filed 1/15/21.
 - o Gas supply rate increase from \$2.83 to \$2.97.
 - o Residential Rate from \$6.86 to \$7.00.
- March gas tracker filed 2/16/21.
 - o Gas supply rate increase from \$2.97 to \$3.97.
 - o Residential Rate from \$7.00 to \$8.00.
- April gas tracker filed 3/15/21.
 - o Gas supply rate increase from \$3.97 to \$4.97.
 - o Residential Rate from \$8.00 to \$9.00.
- May gas tracker filed 4/15/21.
 - o Gas supply rate increase from \$4.97 to \$5.91.
 - o Residential Rate from \$9.00 to \$9.94.
- June gas tracker filed 5/14/21.
 - o Gas supply rate increase from \$5.91 to \$6.91.
 - o Residential Rate from \$9.94 to \$10.94.
- Annual Gas Tracker **filed 6/1/21**.
 - o July gas supply rate decrease from \$6.91 to \$3.26.
 - o Residential Rate from \$10.94 to \$7.32.
- *Interim Order 7787* **issued 6/15/21**; *Amended Interim Order 7787a* **issued 6/16/21**.
- *Notice of Application and Intervention Deadline* **issued 7/6/21**.
- *MCC Petition for Intervention* **filed 7/19/21**.

NWE Gas Tracker, Docket [2021.07.098](#).

- August gas tracker [filed 7/15/21](#).
 - o Gas supply rate increase from \$3.26 to \$3.49.
 - o Residential Rate from \$7.32 to \$7.55.
- September gas tracker [filed 8/16/21](#).
 - o Gas supply rate increase from \$3.49 to \$3.78.
 - o Residential Rate from \$7.55 to \$7.83.

NWE Annual USB Tracker, Docket [2021.03.038](#), 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 for Intervention* filed 4/19/21; granted 4/27/21.
- *Interim Order 7779* issued 5/4/21.
- *Procedural Order 7779a* [issued 5/19/21](#).
- *Final Order 7779b* [issued 7/15/21](#).

NWE Petition for Waivers from Community Renewable Energy Project Purchase Requirement for 2017-2020, Docket [2021.04.055](#), filed 4/19/21.

- *NWE Notice of Dismissal* [filed 6/16/21](#).

NWE Request for Partial Waiver of In-Person Notice, Docket [2021.08.109](#), [filed 8/19/21](#).

Townsend Propane Annual Gas Tracker, Docket [2021.04.051](#), filed 4/30/21.

NWE seeks to update 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.
- *Interim Order 7782* [issued 5/19/21](#).
- *Final Order 7782a* [issued 6/23/21](#).

Havre Pipeline Co. Annual Gas Tracker, Docket 2021.07.103, filed 7/30/21.

Total gas supply rate increase from \$0.9475/Mcf to \$1.5171/Mcf, effective 10/1/21.

- *Notice of Application and Intervention Deadline* issued 8/2/21.
- *MCC Petition for Intervention* filed 8/20; granted 8/24/21.
- *Procedural Order 7803* issued 8/24/21.

[pause for questions]

MONTANA-DAKOTA UTILITIES COMPANY (“MDU”)

MDU Electric Tracker (Rate 58), Docket [2020.06.075](#).

- December electric tracker filed 11/16/20.
 - o Increase of \$.00426 secondary.
 - o Total fuel and purchased power in tariff is \$0.02000/kWh.
- January electric tracker filed 12/16/20.
 - o Increase of \$.00052 secondary.
 - o Total fuel and purchased power in tariff is \$0.02052/kWh.
- February electric tracker filed 1/15/21.
 - o Increase of \$.00054 secondary.
 - o Total fuel and purchased power in tariff is \$0.02106/kWh.
- March electric tracker filed 2/17/21.
 - o Increase of \$.00157 secondary.
 - o Total fuel and purchased power in tariff is \$0.02263/kWh.
- April electric tracker filed 3/17/21.
 - o Increase of \$0.00393 secondary.
 - o Total fuel and purchased power in tariff is \$0.02656/kWh.
- May electric tracker filed 4/16/21.
 - o Decrease of \$0.00527 secondary.
 - o Total fuel and purchased power in tariff is \$0.02129/kWh.
- June electric tracker [filed 5/18/21](#)
 - o Decrease of \$0.00114 secondary.
 - o Total fuel and purchased power in tariff is \$0.02015/kWh

MDU Electric Tracker (Rate 58), Docket [2021.06.091](#), [filed 6/16/21](#).

- July electric tracker [filed 6/18/21](#).
 - o Increase of \$0.00226 secondary.
 - o Total fuel and purchased power in tariff is \$0.02241 /kWh.
- *Notice of Application and Intervention Deadline* [issued 6/24/21](#).
- *Interim Order 7789* issued 6/30/21.
- *MCC Petition for Intervention* [filed 7/8/21](#); granted 7/30/21.
- *Procedural Order 7789a* [issued 7/30/21](#).

- August electric tracker filed 7/16/21.
 - o Decrease of \$0.00693 secondary.
 - o Total fuel and purchased power in tariff is \$0.01548/kWh.
- September electric tracker filed 8/18/21.
 - o Increase of \$0.00621 secondary.
 - o Total fuel and purchased power in tariff is \$0.02169/kWh.

MDU Gas Tracker Filings (Rate 88), Docket 2020.09.095, 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 7749* issued 9/30/20.
- November gas tracker filed 10/8/20, no adjustment requested.
- December gas tracker filed 11/6/20, no adjustment requested.
- *Procedural Order 7749a* issued 11/6/20.
- January gas tracker filed 12/8/20.
 - o Increase of \$0.605/Dkt for residential and general service.
 - o 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.
 - o Increase of \$0.083/Dkt for residential and general service.
 - o Total residential rate \$5.26/Dkt.
- April gas tracker filed 3/8/21, no adjustment requested.
- *Final Order 7749b* issued 3/31/21.
- May gas tracker filed 4/8/21, no adjustment requested.
- June gas tracker filed 5/7/21.
 - o Increase of \$0.674/Dkt for residential and general service.
 - o Total residential rate \$6.25/Dkt (includes recent changes to fixed rates).
- July gas tracker filed 6/8/21, no adjustment requested.
- August gas tracker filed 7/8/21, no adjustment requested.
- September gas tracker filed 8/6/21.

- Increase of \$0.408/Dkt for residential and general service.
- Total residential rate \$6.66/Dkt.

MDU Annual Gas Conservation Tracker Filing (Rate 90), Docket [2021.04.046](#), 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 for Intervention* filed 5/7/21; granted 5/20/21.
- *Procedural Order 7785* issued 6/8/21.
- *Final Order 7785a* issued 7/30/21.

[pause for questions]

QUALIFYING FACILITIES (“QFS”)

Apex Solar, LLC Petition to Set Terms and Conditions, Docket [2019.11.091](#), filed 11/8/19.

Apex is an 80 MW solar QF in Beaverhead County claiming a Legally Enforceable Obligation (“LEO”) as of 7/12/19 and entitlement to a 25-year contract term and a carbon adder of \$3.00/MWh. Apex sought an avoided cost rate of \$41.07/MWh around-the-clock but was willing to accept an earlier avoided cost calculation provided by NWE and based on 15-year levelization of \$35.65. Apex requested 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 7707* issued 12/4/19.
- NWE 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 7707b* issued 9/30/20: No 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 7707c* issued 1/5/21: Concludes Apex established 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.

Apex Solar Petition for Judicial Review, First Judicial District Cause No. ADV 2020-1927, 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.
- *Apex Motion to Dismiss with Prejudice* filed 7/21/21.
- *Order Dismissing Case with Prejudice* issued 7/22/21.

Caithness Beaver Creek, LLC Petition to Set Terms and Conditions, Docket 2019.06.034, filed 6/12/19.

Caithness is a 60MW wind plus 20 MW battery QF project located in Sweetgrass and Stillwater Counties claiming an LEO as of 5/2/19. Caithness sought a 25-year contract with avoided cost rates of \$58.18/MWh in heavy load hours and \$38.46/MWh in light load hours for energy, levelized capacity prices of \$152.07/kWh/year, and a total around-the-clock rate of \$49.10/MWh.

- *Notice of Petition and Opportunity to Intervene* issued 6/18/19.
- *MCC Petition for Intervention* filed 7/1/19; granted 7/2/19.
- NWE testimony filed 8/21/19, calculating rates of \$6.75/MWh Light Load hours, and \$20.25/MWh Heavy Load hours based on the marginal cost to serve load methodology.
- *MCC Testimony of Jaime T. 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 REC values; states 25-year contracts are risky for ratepayers and provides examples of 15-year term agreements.
- Hearing held 10/21-24/19.
- *Final Order 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; Caithness failed to support claimed operation of its batteries; adopts undisputed capacity value of \$176.44/kW-year; rejects both parties' 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 Caithness 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”; Caithness failed to establish an LEO; orders NWE to submit a compliance filing.

- Caithness *Motion for Reconsideration* filed 12/19/19.
- NWE *Motion for Clarification and Reconsideration* filed 12/19/19.
- *Order on Reconsideration 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 *Final Order 7680b*.

Caithness Petition for Judicial Review, First Judicial District Cause No. CDV 2020-290, filed 3/9/20.

- o District Court *Order on Petition for Judicial Review* issued 12/2/20: Caithness 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 Caithness 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 arbitrarily excluded batteries from the avoided cost calculation; 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 affirmed.
- Commission *Order on Remand 7680d* issued 8/9/21; declining requests to re-open the record to accept new evidence on remand issues; ordering the use of market prices in Condition 3; declining to remove Grizzly and Black Bear Wind from the avoided cost modeling; adopting Caithness’ battery modeling; ordering the use of actual, historic charges to calculate transmission basis differential; adopting NWE’s default capacity contribution and proposal to use 5-year rolling average based on the SPP method; approving a carbon adder of \$3.03/MWh (later corrected to \$2.25/MWh).

Jawbone Holdings, LLC Petition to Set Terms and Conditions, Docket [2020.12.126](#), filed 12/30/20.

Jawbone is an 80 MW wind project located near Harlowton. It claims an 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 for Intervention* filed 1/15/21; granted 1/22/21.
- *Procedural Order 7768* issued 1/22/21. Hearing set for 5/10/21.
- NWE testimony filed 3/3/21, calculating around-the-clock rates of \$24.67/MWh off-peak and \$35.54/MWh on-peak.
- *MCC Testimony of Jaime T. Stamatson* filed 3/3/21: it is preferable 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 RECs 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.
- Hearing held 5/10-11/20.

[pause for questions]

NWE Request for Immediate Waiver of ARM 38.5.1910(2), Docket [2021.04.060](#), 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.
- *Final Order 7783* issued 5/21/21 granted a waiver of ARM 38.5.1910(2) insofar as it requires avoided cost estimates for hybrid QFs be based on a Commission-approved methodology and kept ARM 38.5.1910 in effect in all other respects.
- *MCC Petition for Intervention* filed 5/28/21; granted 6/4/21.

NWE Application for Approval of QF Interconnection Procedures and Agreements, Docket [2021.08.106](#), filed 8/4/21.

NWE requests approval to implement specific procedures and agreements controlling interconnection of QFs to NWE's transmission system.

- *Notice of Application and Intervention Deadline* issued 8/17/21.
- *MCC Petition for Intervention* filed 8/30/21; granted 9/3/21.

South Dry Creek Partnership Petition for Declaratory Ruling, Docket [2020.12.125](#), 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.
- *South Dry Creek Motion to Dismiss* **filed 8/27/21**.

[pause for questions]

MDU Application for Approval of Fallon Solar Energy Purchase Agreement, Docket [2020.11.110](#), filed 11/5/20.

MDU requests preapproval of a power purchase agreement (“PPA”) with Fallon Solar, LLC, a 20 MW solar QF located near Baker, MT. MDU states that Fallon incurred an 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; granted 2/3/21.
- *Procedural Order 7770* issued 2/19/21.
- *Notice of Additional Issue* **issued 5/19/21**; asking whether there are contested issues of fact regarding the rates and conditions in the agreement; whether the rates and conditions reasonably reflect MDU’s avoided costs as required by PURPA; whether the Commission has authority to preapprove a mutually agreed-to contract for MDU to purchase electricity from a QF under Title 69, Chapter 3, Part 6.
- *Final Order 7770a* **issued 7/29/21**; finding the Commission lacks authority to preapprove QF contracts for cost recovery and that it can only establish terms and conditions when the QF and utility are unable to mutually agree to a contract; denying MDU’s Application.

MDU Annual Avoided Cost Update (Rate 93), Docket [2020.10.103](#), 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 for Intervention* filed 12/4/20.
- *Procedural Order 7767* issued 1/14/21.
- *Proposed Final Order* issued 3/17/21.
- *Final Order 7767b* **issued 5/26/21**.

ENERGY WEST MONTANA & CUT BANK GAS COMPANY

EWM/CBGC Joint Application for Approval of Sale and Transfer of Stock,
Docket [2021.01.015](#), 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 for Intervention* filed 3/4/21; granted 3/17/21.
- *Procedural Order 7775* issued 3/18/21.
- *Procedural Order 7775c* issued 7/8/21.
- *Stipulation and Settlement Agreement* filed 7/26/21; previous regulatory conditions and ring fencing provisions remain in effect; applicants agree to a one-time bill credit of \$125,000; applicants agree to not seek approval for an infrastructure investment recovery rider outside of a general rate case; applicants agree not to file a general rate case prior to 1/1/24; MCC agrees to not oppose the filing of a standalone proceeding to reflect federal income tax changes prior to 2024; applicants agree to an exit fee of \$200,000 if UIF sells the majority of its interest in HUI or its subsidiaries within ten years.

[pause for questions]

EWM Monthly Gas Trackers, Docket [2021.04.061](#).

- 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.
- June gas tracker filed 5/25/21. Residential rate to \$5.43/Mcf.
- July gas tracker filed 6/25/21. Residential rate to \$5.51/Mcf.
- August gas tracker filed 7/29/21. Residential rate to \$5.68/Mcf.
- September gas tracker filed 8/27/21. Residential rate to \$5.85/Mcf.

EWM Annual Gas Cost Tracker, Docket [2021.06.082](#), filed 6/1/21.

EWM seeks to true up and finalize its monthly trackers for the year ending 3/31/21, reflecting an under-collection of \$1,005,694 and over-refund of \$458,618 from prior year amortization, for a net under-collection of \$1,464,312; proposes residential rate of \$5.12/mcf.

- *Notice of Application and Intervention Deadline* issued 6/9/21.
- *MCC Petition for Intervention* filed 6/23/21; granted 7/2/21.
- *Procedural Order 7790* issued 7/8/21.

EWM Annual USB Tracker, Docket [2021.06.083](#), filed 6/1/21.

EWM requests to refund over-collected balance of \$284,577 as of 3/31/21 and projected under-collected balance of \$13,162 as of 3/31/22. West Yellowstone over-collected balance for year ended 3/31/21 is \$125,927, and projected over-collected balance at 3/31/22 is \$2,416. EWM proposes to increase Great Falls rates from \$0.0353/mcf to \$0.0675/mcf and decrease West Yellowstone from \$0.0600 to (\$0.8583)/mcf.

- *Notice of Application and Intervention Deadline* issued 6/9/21.
- *MCC Petition for Intervention* filed 6/23/21; granted 7/2/21.
- *Procedural Order 7791* issued 7/8/21.
- *Amended Procedural Order 7791a* issued 7/27/21; vacated 9/3/21.

CBGC Annual Gas Cost and USB Tracker, Docket [2021.04.045](#), filed 3/31/21.

CBGC 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 for Intervention* filed 5/5/21; granted 5/28/21.
- *Procedural Order 7784* issued 5/28/21.
- *Final Order 7784a* issued 8/18/21.

[pause for questions]

WATER UTILITIES

North Star Development Application for Water and Sewer Rate Increase,
Docket [2010.06.060](#), filed 1/23/19.

This rate case 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 for Intervention* 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; found North Star's Application failed to satisfy minimum filing requirements because it did not report cost of net utility plant in service; allowed 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 7105d* issued 8/21/19.
- *MCC Testimony of Paul Schulz* filed 11/13/19; recommended 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; adjusted rate case expense to original estimate based on imprudence of expenditures; opposed "unregulated" charge for use over 20,000 gallons; supported \$1.2 million original cost rate base with \$123,678 deduction for hay field not used for service; proposed 10 year amortization for Aqua Flo \$195,000 prepayment; explained why taxes should not be allowed for pass-through entities; recommended 2% equity capital structure and 9.8% ROE.
- Hearing held 1/29-30/20.
- *Final Order 7105f* issued 9/8/20; rebuttable presumption that utility investment was recovered through lot sales need not be applied in this case; 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

\$2.00/1000 gallons over 10,000; orders revenue requirement of \$232,201; rates of \$55.93/month + \$2.00/1000 gallons over 10,000.

North Star Petition for Judicial Review, First Judicial District Cause No. ADV-2020-1703, 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 dismissal issued 3/15/21.

North Star Appeal to Montana Supreme Court, Case No. DA 21-0224, filed 5/12/21.

- North Star *Opening Brief* filed 8/19/21.

Investigation of Rules, Practices, and Adequacy of Service of North Star Development, LLC, Docket [2020.09.094](#), initiated 9/1/20.

- *Emergency Order to Show Cause 7744* issued 9/1/20; 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 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 7744b* issued 1/13/21; Commission found 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 overuse 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.
- *Notice of Commission Action* issued 6/30/21; directing North Star to address certain issues by 7/7/21 and listing five additional topics for future consideration.
- *Notice of Commission Action* issued 7/28/21; directing the parties to meet and confer regarding outstanding service quality issues; stating the Commission will consider next steps if the parties cannot reach an agreement by 8/2/21.

- *Notice of Commission Action* issued 8/5/21; directing North Star to address its purported supply or delivery problem by: (a) securing two distribution pumps by 8/6/21; (b) reporting on these efforts by 8/9/21; (c) implementing an odd-even day watering schedule, which allows watering up to thirty minutes per day at ten gallons per minute, effective immediately through 9/30/21; and (d) address longer-term solutions regarding metering, supply, delivery, and notice by 4/1/22.
- *North Star Report as Directed by PSC Notice* filed 8/9/21 attesting to ordering of pumps and installation of signs advertising new watering restrictions to homeowners.
- *North Star Report* filed 8/10/21 attesting to installation of new distribution pump.
- *North Star Report* filed 8/18/21 stating intention to keep the even-odd watering schedule in place for the foreseeable future.

[pause for questions]

Circle H Water, Inc. Operating Ratio Application, Docket [2020.07.081](#), filed 7/17/20.

Circle H has been operating with interim standard rates and was 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 for Intervention* filed 9/18/20.
- *Procedural Order 7752* issued 10/15/20.
- *Amended Procedural Order No. 7752* issued 11/18/20.
- *MCC Comments* filed 11/25/20; stating the operating ration method (“ORM”), which includes a 25% adder to operating expenses, was intended as an alternative to a traditional rate filing after three years of “standard” rates; ORM was intended to address situations where rate base could not be established, and depreciation expense was never intended to be a component of the operating expenses under the ORM.
- *MCC Request for Additional Process* filed 12/9/20.
- *Proposed Final Order 7752b* issued 2/10/21 approving rate of \$31.71/month.
- *Final Order 7752c* issued 5/27/21; excluding depreciation from the ORM calculation and approving a rate of \$31.71 per month effective 4/1/21.
- *Circle H Motion for Reconsideration* filed 6/3/21.

AquaFlo Application to Increase Water and Sewer Rates, Docket [2020.10.100](#), filed 9/30/20.

AquaFlo provides service to a Helena subdivision and seeks a \$49,583 (36.9%) annual revenue increase²⁰¹⁶. 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 for Intervention* filed 12/3/20.
- *Procedural Order 7766* issued 1/12/21; hearing set 5/12/21.
- *Amended Procedural Order 7766a* issued 3/1/21.
- *Stipulation between AquaFlo and MCC* filed 3/8/21; parties agreed to \$55 flat rate plus \$0.56 per 100 gallons and \$1.25 per 100 gallons for excess use.
- *Proposed Final Order* issued 3/30/21.
- *Final Order 7766c* issued 5/19/21 approving *Stipulation* effective 6/1/21.

Wettington Water District, Inc., Application for Standard Rates, Docket [2015.10.082](#), filed 10/19/15.

Wettington requests standard tariff rate of \$50 per month.

- MCC filed *Comments* 11/23/15; asserting 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 show cause response date to 5/30/19.
- *Notice of Commission Action* issued 11/5/19, extending show cause response date to 12/20/19.
- *Order to Show Cause 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 for Intervention* filed 1/8/21; granted 1/14/21.
- *Procedural Order 7755a* issued 1/21/21.

[pause for questions]

OTHER

ABACO Energy Services Application to Establish Service Rates, Docket [2020.07.082](#), 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 for Intervention* filed 8/31/20.
- *Procedural Order 7747* issued 10/1/20.
- *Amended Procedural Order 7747a* issued 10/19/20. Hearing set 4/26/21.
- *Amended Procedural Order 7747b* issued 10/19/20. Hearing remains 4/26/21.
- [MCC testimony](#) filed 1/25/21; David Garrett recommended 9.0% ROE and capital structure of 49% debt, 51% equity for a 7.42% rate of return; Paul Schulz recommended revenue requirement of \$459,877, a \$6.50 monthly fixed charge and volumetric non-commodity rate of \$.54373 per gallon.
- *Stipulation and Settlement Agreement* 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.

[pause for questions]

Qwest d/b/a CenturyLink Petition for Elimination of Performance Assurance Plan and Performance Indicator Definitions, Docket [2021.07.102](#), [filed 7/13/21](#).

Citing recent state and federal decisions, Qwest d/b/a CenturyLink asks to eliminate the “PIDs” and “PAD” entirely.

- *Notice of Petition and Opportunity to Intervene* [issued 7/30/21](#).
- *MCC Petition for Intervention* [filed 8/31/21](#).

Starlink Services, LLC Application for Designation as Eligible Telecommunications Carrier (“ETC”), Docket [2021.01.005](#), filed 1/4/21.

Starlink Services, a subsidiary of SpaceX, was a winning bidder for Rural Digital Opportunity Fund which requires designation by the Commission as an 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 for Intervention* filed 2/19/20; granted 2/22/21.
- *Procedural Order 7772* issued 3/5/21.
- *Final Order 7772a* issued 6/1/21.

Blackfoot Communications, Inc. Application for ETC Designation as an Eligible Telecommunications Carrier, Docket [2021.01.006](#), 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 Commission as an 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 7773* issued 3/5/21.
- *Amended Procedural Order 7773a* issued 3/9/21.
- *Final Order 7773b* issued 6/1/21.

InterBel Telephone Cooperative, Inc. Petition for Designation as an Eligible Telecommunications Carrier, Docket [2021.02.020](#), 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.
- *MCC Petition for Intervention* filed 3/15/21; granted 3/22/21.
- *Procedural Order 7776* issued 3/22/21.
- *Final Order 7776a* issued 6/1/21.

[pause for questions]