



Energy and Telecommunications Interim Committee

65th Montana Legislature

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January 25, 2018

TO: Energy and Telecommunications Interim Committee Members

FR: Trevor Graff

House Joint Resolution No. 28, passed and approved by the 2017 Legislature, proposes the study of natural gas consumer choice in eastern Montana. NorthWestern Energy (NWE) customers in western Montana are currently able to choose their natural gas provider. The same choice is not available to Montana Dakota Utilities (MDU) customers in the east.

As an initial step in the ETIC's study process, members received answers to a questionnaire submitted to MDU regarding the effects of implementing consumer choice on their systems. To further the study, the chairman asked that members amend and submit the following questions for review by Big Sky Gas, a third-party natural gas supplier that currently provides services on NWE's system. Staff would request response by Feb. 16 and will review the responses in cooperation with the Public Service Commission in advance of the March ETIC meeting.

1. Detail the potential value added for consumers who purchase fuel from Big Sky Gas.
2. Describe the nature of complaints Big Sky Gas has received regarding utilities in Montana.
3. Describe the current rate structures employed by Big Sky Gas under operational consumer choice programs.
4. How do Big Sky Gas rates compare to other utilities and suppliers in the state?
5. Does Big Sky Gas offer consistent rates across its service territories?
6. Does Big Sky Gas offer service to customers in all of the communities served by NorthWestern Energy? If not, why?
7. Describe the delivery of Big Sky's product on current transmission and distribution systems in Montana.
8. How does Big Sky Gas contract to ensure natural gas is delivered to NWE's system and to ensure peak demand volumes are met?
9. Does Big Sky Gas deny service to customers deemed not to be credit worthy?
10. Given the differences between NWE and MDU natural gas systems, what measures will Big Sky Gas employ to ensure the delivery of adequate natural gas to Big Sky customers on MDU's system and ensure peak demand volumes are met?

11. Should Big Sky Gas be subject to the same standards set forth for natural gas utilities in the state? For example, Should Big Sky Gas adhere to the termination requirements of ARM 38.5.1401-1408 or similar regulations? Describe the company's current customer termination policies and practices, particularly during the winter month when natural gas demand increases.
12. What policies do Big Sky Gas currently implement to promote efficiency and conservation among its customer base?
13. Describe Big Sky Gas's current customer base in Montana. How many customers is the company serving? How many residential customers does the company serve? How many commercial customers does the company serve?
14. Where does Big Sky Gas currently purchase its natural gas? Where has it purchased natural gas from in the past?

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