MONTANA PUBLIC SERVICE COMMISSION UPDATE TO

THE ENERGY & TELECOMMUNICATIONS INTERIM COMMITTEE

STATUS OF DOCKETS

January 10, 2024

President James Brown

# 1. NorthWestern Energy

## Advanced Metering Opt-Out Tariff – Docket 2022.06.067

* The Commission’s rules require utilities to provide customers with the option to remove an installed advanced metering device and replace it with an alternative meter approved by the commission, or to decline installation of an advanced metering device and retain the existing meter, as guided by a cost-based opt-out service tariff. See Mont. Admin. R. 38.5.2603(1).
* In June 2022 NorthWestern filed an application for approval of an advanced metering opt-out tariff.
* NorthWestern proposed to allow customers to opt out of NorthWestern’s ongoing deployment of advanced meters for a fee of $75 per service.
* For customers that opt-out, NorthWestern would install a non-communicating meter and implement two meter-reading options: NorthWestern would read the meter for $15 per month, or the customer could self-read the meter for $5 per month.
* NorthWestern stated that it would incur material costs to install non-communicating meters and manage the meter reading process, and although the proposed fees would not fully cover those costs, they reflect prevailing industry rates for opt-out services.
* The Consumer Counsel intervened in the proceeding and opposed NorthWestern’s proposed opt-out fees. The Consumer Counsel asserted the proposed fees were not adequately supported by actual cost information. In addition, the Consumer Counsel contended that NorthWestern’s application failed to comply with Commission rules because it did not allow customers to retain the existing meter.
* The Commission conducted a public hearing on January 31 and February 1, 2023.
* In July 2023 the Commission issued an order denying all opt-out fees until NorthWestern completes the deployment of advanced meters and actual costs are known. The Commission also required NorthWestern to allow customers to decline an advanced meter and retain the current meter without fees in the meantime.
* Recently, the Commission has received multiple complaints from customers who had requested to opt out of receiving an advanced meter but were denied by NorthWestern.
* The Commission is working with NorthWestern on an informal basis to address the complaints, the reasons some customers are being denied the ability to opt out, and whether there are any legitimate circumstances in which it is not feasible to allow opt out requests.

## Electric and Natural Gas General Rate Case – Docket 2022.07.078

* In August 2022 NorthWestern filed its application for authority to increase retail electric and natural gas service rates.
* NorthWestern proposed to increase rates for electric service by $171 million, of which $92 million reflected an increase to base revenue requirements and $79 million reflected pass-through supply and property tax costs.
* NorthWestern proposed to increase rates for natural gas service by $23 million, of which $20 million reflected an increase to base revenue requirements, and $3 million reflected updated property taxes.
* As filed, NorthWestern’s application would have increased the bill of a residential electric customer using an average of 750 kWh per month by $22.76 or 25.6%. A residential natural gas customer using an average of 65 therms per month would have seen a total monthly bill increase of $7.57 or 11.1%
* NorthWestern’s application requested rates sufficient to yield a 10.6% return on stockholders’ equity for the adjusted test period.
* Thirteen parties petitioned to intervene in the case, including: Montana Consumer Counsel, Federal Executive Agencies, Jefferson Energy Trading, Montana Large Customer Group, Montana Environmental Information Center, Colstrip Energy Limited Partnership, 350 Montana, Broad Reach Power, Natural Resources Defense Council (jointly with District XI HRC and Northwest Energy Coalition), Renewable Northwest, and Walmart. The petitions were granted.
* NorthWestern requested interim rates sufficient to recover an additional $120 million from electric customers and $6 million from gas customers.
* In October 2022 the Commission issued Interim Order 7680c authorizing NorthWestern to recover increased revenues of $29 million and $2 million for its electric and natural gas utility operations, respectively. The Commission authorized an increase in electric PCCAM base revenue of $61 million.
* In April 2023 the Commission received a joint motion to approve a settlement agreement by NorthWestern, Consumer Counsel, Large Customer Group, Federal Executive Agencies, and Walmart. The settling parties comprise all parties that addressed revenue requirements, cost allocation, and rate design.
* The settlement reflected an increase in electric revenue of $81.9 million and an increase in natural gas revenue of $18 million. The settlement specified customer class revenue responsibilities that equated to a monthly bill increase for a typical electric residential customer of 14% or $12.60 and a monthly bill increases for a typical natural gas residential customer of 12% or $4.52.
* The Commission held a hearing in April 2023.
* Post-hearing briefing by parties was completed at the end of June 2023.
* In October 2023 the Commission issued a final order approving the settlement agreement.
* In November 2023 the Commission received motions for reconsideration from 350 Montana, Broad Reach Power, and HRC/NRDC/NWEC.
* 350 Montana asked the Commission to review the greenhouse gas emissions from the Yellowstone County Generating Station (YCGS) based on recent court decisions, address whether the class revenue allocations in the settlement are in a zone of reasonableness, reconsider the cost of debt for Colstrip, reconsider the PCCAM adjustment in the settlement related to YCGS, and reconsider the rate impacts on residential and small businesses.
* Broad Reach asked for reconsideration on due process grounds.
* HRC/NRDC/NWEC asked for clarification of the approval for a DSM stakeholder group and the rate impacts on low-income customers.
* The Commission and staff are currently analyzing the motions. A Commission decision is expected in late January.

## 2023 Integrated Resource Plan – Docket 2022.11.102

* In November 2022 NorthWestern notified the Commission that it expected to submit its next integrated resource plan (IRP) by the end of March 2023. NorthWestern ultimately filed the IRP on April 28, 2023.
* The IRP evaluates a variety of potential generation resources and demand-side measures that could meet the projected needs of NorthWestern’s electric service customers in Montana over the next 20 years.
* NorthWestern’s planning analyses are conducted using a complex proprietary computer model, PowerSIMMTM, that optimizes future resource acquisitions based on defined resource options and demand constraints, which are inputs to the model. The model simulates the operation of alternative resource portfolios to quantify total costs and risks associated with the uncertainty of key variables.
* Mont. Code Ann. § 69-3-1204(6)(b) authorizes the Commission to engage independent consultants to evaluate a public utility’s IRP and charge a fee to the utility to recover the cost. The fee is recoverable in the utility’s rates.
* The Commission issued an RFP for a consultant in April 2023 and in May 2023 decided to enter into a contract with Mitsubishi Electric Power Products, Inc. (MEPPI), the only bidder.
* The Commission determined that MEPPI is qualified to assess the capabilities of the PowerSIMMTM model and has extensive experience using capacity expansion models to develop IRPs in multiple states.
* The Commission’s contract with MEPPI took effect on July 1 and MEPPI provided the Commission with a written assessment of the PowerSIMMTM modeling on October 31.
* The Commission provided public notice of NorthWestern’s IRP in May 2023 and set a deadline for written public comments of August 28, 2023. The Commission held five public meetings to receive oral and written comments on the 2023 Plan: August 14, 2023, in Great Falls; August 15, 2023, in Helena; August 16, 2023, in Billings; August 17, 2023, in Butte; and August 22, 2023, in Missoula.
* In September 2023, the Commission extended the deadline for written public comment to October 6, 2023.
* The Commission is preparing its written comments on the IRP based on its own evaluation of the contents of the IRP, MEPPI’s assessment of PowerSIMMTM, and the public comments.

## Update of Standard PURPA Rates – Docket 2023.08.076

* In August 2023 NorthWestern filed an application to update its QF-1 tariff schedule, which provides standard rates for purchases by NorthWestern of energy and capacity from qualifying facilities (QFs) under the federal Public Utility Regulatory Policies Act (PURPA).
* Regulations of the Federal Energy Regulatory Commission (FERC) require utilities to offer standard rates for QFs 100 kilowatts (kW) or smaller but provide state regulatory commissions the discretion to require standard rates for larger facilities.
* The Commission’s rules require Montana utilities to offer standard rates to QFs 3 megawatts (MWs) or smaller.
* In its application, NorthWestern proposes to offer standard rates for contract terms up to 20 years. NorthWestern proposes rates for energy based on market prices in the Western Energy Imbalance Market, as authorized by FERC Order 872. Payments for capacity would be fixed for the term of the contract based on the estimated costs of constructing a new natural gas peaking plant.
* NorthWestern also proposes to implement a standard, off-the-shelf contract to streamline the PPA negotiation process.
* Hydrodynamics and Greenfields Irrigation District (jointly) and the Consumer Counsel have intervened.
* The Commission anticipates holding a public hearing in May 2023.

## PCCAM Annual Rate Adjustment – Docket 2023.09.081

* In September 2023 NorthWestern filed its annual application to adjust electricity supply rates under the Power Costs and Credits Adjustment Mechanism. The application covers the tracking period July 2022 through June 2023.
* Under the PCCAM, rate adjustments automatically take effect on October 1 each year, subject to refund after a final Commission decision.
* NorthWestern seeks to recover approximately $17.5 Million in deferred costs.
* The proposed PCCAM rate adjustment resulted in a decrease in NorthWestern’s electricity supply rates of approximately 4% (because the rates included recovery for a larger deferral from the prior year). A typical residential customer would experience a bill decrease of approximately $4.50 per month.
* Following the Commission’s decision in NorthWestern’s electric and natural gas rate case authorizing an increase in the PCCAM base cost, NorthWestern filed a motion to amend the interim rate adjustment implemented in October 2023. Under the authorized PCCAM base cost, the deferred cost increased by $2.9 million.
* In December 2023 the Commission approved NorthWestern’s motion to modify the interim PCCAM rates to reflect the PCCAM base costs approved in the rate case. The effect of the decision was a slight increase in the PCCAM rates implemented in October. For a typical residential customer, the increase was 0.4% or $0.42 per month.
* The Commission is working with the intervenors to establish a procedural schedule for the docket.

## Electric and Natural Gas Property Tax Tracker – Docket 2023.12.100

* In December 2023 NorthWestern filed its annual electric and natural gas tax tracker filing.
* Mont. Code Ann. § 69-3-308(2)(b) authorizes utilities to automatically adjust their rates for changes in property taxes. Rate adjustments take effect January 1 each year. If the Commission identifies any errors in NorthWestern’s rate calculations, the Commission may request public comment and order NorthWestern to address the errors or omissions.
* In its application, NorthWestern requests a decrease in electric rates for state and local taxes and fees of ($56) Million per year, inclusive of prior period over/(under) collections. NorthWestern requests a decrease in natural gas rates of ($19) Million.
* For a typical residential electric customer using 750 kWh per month, NorthWestern’s application results in a bill reduction of approximately $6.95 per month bill, or 6.15%.
* For a typical natural gas customer using 65 therms per month, NorthWestern’s application results in a bill reduction of approximately $4.40 per month, or 7.46%.

# 2. PURPA Implementation

## ConEd Development Petition for Contract Rates and Terms – Dockets 2019.09.067 and 2019.10.076

* In 2020 the Commission issued a series of orders in response to petitions by ConEd Development (CED) requesting contract rates and terms for three separate QFs comprising about 120 MW of wind generation.
* Petitions for judicial review of the orders were filed by CED in the First Judicial District Court and the Court consolidated the matters into a single case.
* In pertinent part, the issues on appeal involved the Commission’s jurisdiction over, and determinations regarding, the QFs’ responsibilities for costs to upgrade NorthWestern’s transmission system to accommodate the receipt and delivery of the QFs’ energy and capacity.
* The District Court affirmed the Commission’s orders.
* In May 2021 the QFs appealed to the Montana Supreme Court.
* In May 2022 the Supreme Court affirmed in part and remanded in part.
* The Supreme Court affirmed the Commission’s jurisdiction but remanded the cases to the Commission for further proceedings regarding the proper apportionment of the cost of transmission system upgrades among the QFs, NorthWestern’s customers, and other energy projects.
* In August 2022 the Commission issued a procedural order for remand proceedings.
* Commission staff hosted a workshop with the parties to explore any areas of agreement that would allow the parties to narrow the scope of contested issues.
* Testimony from NorthWestern and CED was filed in September 2022, and rebuttal testimony from both parties was filed in December 2022.
* The Commission conducted a public hearing in February 2023.
* Post hearing briefing by the parties was completed in June 2023.
* The Commission issued a final order in the remand proceedings in November 2023 approving a transmission upgrade cost allocation method proposed by NorthWestern and finding that CED was not entitled to reimbursement for transmission system upgrade costs allocated to it pursuant to that method.
* In December 2023 CED filed a motion for reconsideration of the Commission’s final order and NorthWestern filed a motion for leave to file a response to CED’s motion.
* The Commission is reviewing CED’s motion and NorthWestern’s response.

## Colstrip Energy Limited Partnership Petition – Docket 2022.07.073

* In July 2022 Colstrip Energy Limited Partnership (CELP) filed a petition requesting the Commission to establish the contract rates and terms of a QF power purchase and sale agreement with NorthWestern.
* CELP is an existing QF that operates the Rosebud Power Plant, a 42 MW waste coal-fired generator near Colstrip, Montana.
* CELP and NorthWestern have an existing contract that expires on June 30, 2024.
* NorthWestern and the Consumer Counsel filed testimony on CELP’s petition in September 2022 and CELP filed rebuttal testimony in October 2022.
* The Commission conducted a public hearing in December 2022.
* In February 2023 NorthWestern and CELP filed a partial stipulation and settlement agreement on the issue of interconnection terms and conditions.
* The Commission issued Final Order 7859i in May 2023.
* Following the Commission’s Final Order, NorthWestern and CELP filed a joint motion requesting an extension of time to file motions for reconsideration.
* The Commission granted the motion and set a deadline in July 2023 for motions for reconsideration.
* In July NorthWestern and CELP each filed motions for reconsideration.
* To accommodate requests from the parties for further briefing on issues raised in their respective motions for reconsideration, the Commission waived its rule that deems a motion for reconsideration denied if the Commission has not acted on the motion in 20 days. The Commission established deadlines for further briefing, which ended in August.
* In December 2023 the Commission issued its Order on Reconsideration 7859k, which largely upheld the decisions in the Commission’s Final Order but provided clarifications regarding several contract terms. NorthWestern subsequently submitted a partial compliance filing required by the order, but requested more time to prepare a revised power purchase agreement.
* The Commission subsequently received a second motion for reconsideration from CELP.

## Trident Solar Petition – Docket 2023.01.013

* In January 2023 Trident Solar filed a petition asking the Commission to establish rates and terms of a QF power purchase and sale agreement with NorthWestern.
* NorthWestern and the Consumer Counsel subsequently petitioned for, and were granted, intervention.
* In February the Commission issued a procedural order, which, among other things, scheduled a hearing for May 2023.
* Prior to the hearing NorthWestern and Trident jointly filed a Notice of Settlement and Unopposed Motion to Vacate Hearing.
* According to the Motion, NorthWestern and Trident reached an agreement in principle that resolved all material terms and conditions of a proposed power purchase agreement. The Motion requested that the Commission vacate the hearing and allow the parties 60 days to file the settlement and proposed power purchase agreement. The Motion represented that the Consumer Counsel did not oppose the relief requested.
* The Commission granted the Motion and directed the parties to file a settlement and proposed PPA within 60 days.
* In July 2023 NorthWestern and Trident filed an unopposed motion requesting to extend the deadline for filing the settlement materials, which the Commission granted.
* In September 2023 NorthWestern and Trident filed a joint unopposed motion for approval of a settlement agreement.
* In October 2023 the Commission issued Final Order 7881f. The Order concludes that pursuant to the Montana Supreme Court’s decision in *MTSUN v Mont. Dep’t of Pub. Serv. Regulation* ¶ 73, 2020 MT 238, 401 Mont. 324, 472 P.3d the Commission does not have authority to approve the terms of the settled PPA, including the agreed-upon rates.
* NorthWestern and Trident filed a motion for extension of time to file motions for reconsideration, which the Commission granted. Ultimately, however, no motions were received, and the case is resolved.

# 3. Montana-Dakota Utilities

## Authority to Offer Incentives for Conversion – Docket 2021.09.116

* In September 2022, MDU filed an application for authority to offer incentives for approximately 38 customers in the Saco/Bowdoin area to convert from natural gas service to an alternative fuel source.
* MDU stated that it does not expect to be able to reliably continue to deliver natural gas service to the customers because service is provided through a natural gas gathering system serving wells in the Bowdoin area that MDU sold in 2015. Due to third party ownership of the gathering system and upstream gas fields, MDU no longer has control over when the wells may be shut in, which creates uncertainty over MDU’s ongoing ability to purchase the gas supplies needed to serve customers. In addition, declining pressures in the wells and gathering system create reliability risks for customers due to increased water in the gas that can freeze during severe weather.
* MDU proposed to offer customers $10,000 to defray the cost of switching to bulk propane service or another alternative. Customers would have through the end of October 2025 to accept the offer.
* The Consumer Counsel intervened in the docket.
* The Commission issued a procedural order in August 2023.
* The Consumer Counsel submitted testimony in December 2023. The Consumer Counsel generally argues that service quality has not materially declined for customers in the Saco/Bowdoin area and that the costs of alternative services, such as propane, electricity, or fuel oil, are much higher on an equivalent BTU basis compared to the cost of MDU’s natural gas service. The Consumer Counsel recommends rejecting MDU’s proposed October 2025 deadline to accept a fuel switching incentive and requiring MDU to submit regular reports of the gas field pressures feeding the Saco/Bowdoin distribution system.

## MDU Electric and Gas Tax Tracking Adjustment – Docket 2023.10.089

* In November 2023 MDU filed an application to adjust its electric and natural gas rates to reflect changes in state and local taxes and fees pursuant to Mont. Code Ann. § 69-3-308, which allows for annual automatic rate adjustments that are effective January 1 each year.
* MDU reports that state and local taxes assessed to MDU’s electric and gas utility operations in 2023 decreased by 6.82 percent and 9.95 percent, respectively.
* After truing up for actual tax revenue in the prior year, MDU’s filing resulted in an overall increase of about $1.1 Million for electric service and a decrease of about $0.7 Million for natural gas service.
* The bill impact for a typical residential electric customer was an increase of 1.39% per month.
* The bill impact for a typical residential natural gas customer was a decrease of 0.84% per month.

## Update of Standard PURPA Rates – Docket 2023.10.090

* In October 2023 MDU filed a request for approval to update its Power Purchase Time Differentiated Rate 93 Tariff (Rate 93) pursuant to Mont. Admin R. 38.5.1905.
* Rate 93 is MDU’s tariff of standard rates for PURPA qualifying facilities.
* The Commission noticed receipt of the Application and the Consumer Counsel provided notice of its intervention in November 2023.
* The Commission issued a procedural order and the docket is currently in the discovery phase.

# 5. Telecommunications Regulation Modernization

## Modernizing Telecommunications Regulation – Docket 2021.10.125

* The Montana Telecommunications Act was enacted in 1985.
* The Act establishes a policy of universal availability of basic telecommunications service at affordable rates and provides for an “orderly transition from a regulated telecommunications industry to a competitive market environment.” Mont. Code Ann. § 69-3-802.
* The Commission has adopted rules that implement the Act. Mont. Admin. Rs. 38.5.2701 through 38.5.4200.
* As telecommunications markets have evolved over time, the Commission’s regulation has responded. For example, in 2000 the Commission waived requirements for certain competitive local phone service providers to file tariffs or price lists, and in 2014 the Commission removed tariff requirements for the two former monopoly local phone companies (Citizens Telecommunications d/b/a Frontier Communications and CenturyLink).
* The Commission initiated this Docket to assess whether current technology and the state of markets for telecommunications services warrant further changes in Commission regulation and/or governing statutes.
* The Commission requested public comment on two primary issues: the appropriate level of Commission regulation given current and expected market structures and communications technologies and potential modifications to Commission regulations.
* In January 2022 the Commission received comments from several stakeholders including the Montana Telecommunications Association, Bresnan, and CenturyLink.
* This process resulted in a Commission request, and subsequent ETIC approval, for pre-introduction of what became HB 492 during the 2023 Legislative Session. HB 492 was intended as a statutory cleanup bill to repeal several obsolete provisions in Title 69, Chapter 3, related to the regulation of telecommunications services.
* After passing out of the House by a vote of 93-5, HB 492 was tabled in the Senate Business, Labor, and Economic Affairs Committee. The Committee was concerned that the bill would remove regulatory protections for the approximately 10% of customers that continue to receive only traditional landline telecommunications services.
* The Commission continues to believe that increased competition in telecommunications markets since the Montana Telecommunications Act was enacted warrant statutory changes.
* The Commission will continue discussions with stakeholders, consider the Legislature’s concerns with HB 492, and consider whether to suggest alternative statutory changes in future legislative sessions.

# 6. Other dockets and non-dockets

## Investigation into the Adequacy of Infrastructure of CenturyLink – Docket 2021.12.136

* In December 2021, the Commission initiated an investigation into the adequacy of legacy infrastructure operated by Qwest Corporation d/b/a CenturyLink QC.
* The investigation is based on the Commission’s receipt of formal and informal complaints alleging that the infrastructure used to provide service in rural areas of Montana is inadequate, resulting in long service outages, inability to access 911 services, and falsely initiated calls to 911 services.
* The Commission consolidated this docket with docket 2021.10.137, which involves a request by CenturyLink for a temporary waiver of Commission rules that set time requirements for restoring service once a customer reports being out of service.
* The Consumer Counsel requested and was granted intervention in the consolidated docket in February 2022.
* The Commission issued a Notice of Investigative Procedures that established a discovery period and a deadline for comments and requests for further process.
* On May 27, 2022, the Consumer Counsel issued discovery to CenturyLink.
* On June 3, 2022, the Commission issued a procedural order modifying previous deadlines in the case and establishing a deadline of July 29, 2022, for written comments and requests for additional process.
* On July 8, 2022, CenturyLink filed a motion requesting a 30 day continuance, in part to allow it to pursue settlement options with the Consumer Counsel.
* In August 2022 the Consumer Counsel requested a further extension because it had not yet received and reviewed certain confidential material requested in discovery.
* The Consumer Counsel submitted comments in the proceeding in September 2022.
* CenturyLink submitted a response to the Consumer Counsel’s comments in October 2022.
* On November 2, 2022, by Notice of Commission Action, the Commission directed CenturyLink to submit a proposal for resolving the service quality issues in the proceeding. The Commission required CenturyLink to base its proposal on a settlement agreement it had executed with parties in Wyoming to resolve similar quality of service issues.
* CenturyLink submitted its proposal in December 2022.
* In February 2023, the Commission issued discovery to CenturyLink regarding several aspects of its proposal.
* The Commission held a public hearing on CenturyLink’s proposal in September 2023. A decision is expected in early 2024.

## PURPA Section 111(d) – Docket 2022.09.084

* The Infrastructure Investment and Jobs Act of 2021 (“IIJA”) amended Section 111(d) of the Public Utility Regulatory Policies Act (“PURPA”) to require that states consider measures to promote greater electrification of the transportation sector, including the establishment of utility rates that:
  + Promote affordable and equitable electric vehicle charging options for residential, commercial, and public electric vehicle charging infrastructure;
  + Improve the customer experience associated with electric vehicle charging, including by reducing charging times;
  + Accelerate third-party investment in electric vehicle charging; and
  + Appropriately recover the marginal costs of delivering electricity to electric vehicles and electric vehicle charging infrastructure.
* Pursuant to Section 112 of PURPA, state regulatory authorities, such as the Commission, must commence consideration of these potential measures by November 2022.
* The IIJA contains similar provisions for demand response resources/programs.
* On August 23, the Commission voted to initiate a proceeding to investigate these provisions of the IIJA. Through the proceeding the Commission will obtain information and opinions from regulated utilities and the public relevant to the Commission’s consideration of utility rates that meet IIJA criteria.
* A Notice of Opportunity to Comment was issued on September 2, 2022.
* The Commission received comments from BroadbandMT in October 2022. No other comments were received.
* No further action has been taken in the docket to date.

## Resource Adequacy and Risk Profiles in the Montana and Regional Electricity Supply – Docket 2022.09.087

* On August 30, 2022, the Commission voted to initiate an investigative docket on resource adequacy and risks to the electrical supply of the State of Montana.
* On September 20, 2022, the Commission issued a Notice of Investigative Docket and Opportunity to Comment.
* In the Notice, the Commission described that the purpose of the investigation is to determine the size and scope of resource adequacy issues facing Montana and the Western Region. The Commission intends to use the docket as a catalyst and a forum for ongoing discussions about resource adequacy issues.
* In October 2022, the Commission received written comments from NorthWestern Energy, Friends of 2 Rivers, Department of Environmental Quality, Colstrip Energy Limited Partnership, and the Northwest Independent Power Producers Coalition. In November 2022, the Commission received supplemental comments from Northwest Energy Coalition.
* In December 2022, the Commission hosted a two-day conference with regional regulators and other interested stakeholders focused on resource adequacy issues.
* The Commission and its staff continue to research and participate in regional planning for resource adequacy.

## Class C Motor Carrier Rulemaking – Docket 2023.05.038

* In April 2023 the Legislature repealed Class C motor carrier regulation by enacting SB 33.
* SB 33 was requested by the Commission and approved for pre-introduction by the ETIC.
* A Class C carrier was defined as a carrier that provides transportation service under a contract, charter, or agreement that establishes the charge for the service.
* Historically, Class C transportation service typically involved offloading merchandise and product from railroads and transporting it to stores, manufacturers, farms, etc. within in a specific town, as well as the transportation of railroad crews and equipment to where they were needed.
* In 1994 transportation of freight was deregulated. After that, carriers with Class C licenses issued by the PSC tended to rely on their licenses to perform household goods moving, which was also regulated under the Class B service classification.
* Because regulation of household goods moving was repealed in 2021 when Class B carriers were removed from PSC jurisdiction, it no longer made sense to regulate household goods moving by carriers with Class C licenses, and jurisdiction over other uses for Class C authority are either deregulated or federally preempted.
* The Commission initiated this Docket in May to notify Class C carriers and the general public of the Legislature’s repeal of Class C regulation.
* In September 2023 the Commission issued a notice of proposed rulemaking.
* In November 2023 the Commission formally amended its rules to repeal provisions related to the regulation of Class C motor carriers.

## House Bill 55 Implementation: EV Charging Tax – Dockets 2023.09.083 & 2023.08.077

* HB 55, passed by the 2023 Legislature, provides for the establishment of a tax on electric vehicle (EV) charging stations to be assessed by public utilities on the power sold to public charging stations effective July 1, 2023. Additionally, the legislation outlines select metering requirements for EV charging stations as well as provisions for the remittance of the tax funds.
* In Dockets 2023.09.083 (Montana-Dakota Utilities) and 2023.08.077 (NorthWestern Energy) the Commission approved tariffs that allow MDU and NorthWestern to charge the statutory $0.03 per kWh tax on electricity used the charge EV batteries at public charging stations.
* HB 55 is explicit that the taxes collected through the tax are not subject to review or approval by the Commission.
* The Commission provided public notice of the receipt of the utilities’ applications and an opportunity to comment. No comments were received, and the utilities’ proposed tariffs were approved.