



LEGISLATIVE CONSUMER COMMITTEE

SENATE MEMBERS

Sue Malek, Chair
Jeff Welborn, Vice-Chair

HOUSE MEMBERS

Mary Ann Dunwell
Mike Hopkins

MINUTES LOG

January 13, 2020
Room 335, State Capitol Building,
Helena, Montana

Please note: This document is a Minutes Log and provides annotation of the time elapsed between the beginning of the meeting and the time at which the item was presented or discussed, a motion was made, or a vote was taken. The narrative presented here is provided only as a guide to the audio or video recording of the meeting. The official discussion, motion, or vote is available on the audio or video archive of this meeting. The Legislature does not prepare a transcript of the meeting activities. The time designation may be used to locate the referenced discussion on the audio or video recording of this meeting.

Access to an electronic copy of these minutes and the audio or video recording is provided from the Legislative Branch home page at <http://legmt.gov>. On the left-side menu of the home page, select Committees, then Interim. Once on the page for Interim Committees, scroll down to the appropriate committee. The written Minutes Log, along with the audio and video recordings, is listed by meeting date on the interim committee's web page. Each of the "Exhibits" is linked and can be viewed by clicking on the Exhibit of interest. All Exhibits are public information and may be printed.

Please contact the Montana Consumer Counsel at 406-444-2771 for more information.

COMMITTEE MEMBERS PRESENT

Senator Sue Malek, Chair
Representative Mary Ann Dunwell
Representative Mike Hopkins

COMMITTEE MEMBERS EXCUSED

Senator Jeff Welborn, Vice Chair

MONTANA CONSUMER COUNSEL STAFF PRESENT

Robert A. Nelson, Consumer Counsel
Jason Brown, Staff Attorney
Paul Schulz, Rate Analyst
Jaime Stamatson, Economist
Suzanne Snow, Secretary

VISITORS PRESENT

Makenna Sellers – Northern Plains Resource Council
Representative Zolnikov

Sign in Sheet ([Attachment 1](#))

AGENDA

([Attachment 2](#))

CALL TO ORDER

15:40:39 Chair Malek called the meeting to order with roll call.

([Attachment 3](#))

APPROVAL OF MINUTES OF PREVIOUS MEETINGS – November 14, 2019

15:41:16 MOTION: Representative Dunwell moved acceptance of the minutes.

VOTE: The motion passed unanimously on a voice vote

([Attachment 4](#))

15:41:26 Chair Malek opened a discussion on NorthWestern Energy's Resource Procurement Plan and Competitive Solicitation dockets before the Public Service Commission.

Bob Nelson outlined the following NorthWestern Energy cases, which was followed by a lengthy discussion with the committee.

2019.08.052 - Resource Procurement Plan -- page 3 of the Status of Cases Pending .
([Attachment 5](#))

2019.11.093 – Information Regarding a Competitive Solicitation. – Page 4 of the Status of Cases

- 16:13:50 Chair Malek opened a discussion on HB 597 by outlining some of the Consumer Counsel's concerns and invited Rep. Zolnikov to the podium.
- 16:15:46 Rep. Zolnikov gave a brief background and outline of the legislative intent of HB597.
- 16:20:55 Chair Malek encouraged Rep. Zolnikov to be involved in monitoring that the legislative intent of HB597 is followed.

STATUS OF CASES PENDING

- 16:35:22 Bob Nelson briefly highlighted the cases that have seen some change in status since the Committee's last meeting. ([Attachment 5](#))
- 16:35:49 2018.02.012 - NorthWestern General Rate Case (page 1)
- 16:40:45 2019.09.058 – NorthWestern's Annual Power Costs and Credits Adjustment Mechanism (page 3)
- The following cases referenced related to QF dockets pending that affect NorthWestern.
- 16:41:46 2019.06.064 – Caithness Beaver Creek
- 16:46:21 2019.09.067 – CED Pondera and CED Teton County Wind
- 2019.10.076 – CED Wheatland County Wind (page 6)
- 16:47:08 2019.11.091 – Apex Solar and Apex Solar II
- 16:47:45 2019.09.059 – NorthWestern Energy – QF-1 Tariff Update
- 16:48:22 2018.10.065 – NorthWestern Energy - Application to Discontinue Service (page 7)
- 16:48:49 2019.11.089 – NorthWestern Energy – Annual Tax Tracker
- 16:49:31 Rep. Dunwell asked Bob to elaborate on some of the comments that the MCC had submitted regarding NorthWestern Energy's annual tax tracker docket
- 16:49:37 Bob Nelson responded by giving an overview of the comments filed by the MCC
- 16:50:51 Chair Malek inquired as to whether the gas rates are changing every month.
- 16:50:58 Bob Nelson responded that the with respect to the gas trackers the rates do change every month.
- 16:51:18 Chair Malek inquired as to how often the electricity rates change.
- 16:51:19 Bob Nelson responded that the commodity cost portion that is reflected in the PCCAM is changed on an annual basis.
- 16:51:49 Chair Malek stated she had heard that the legislature did away with trackers in 2017 and then reinstated them in 2019.
- 16:52:05 Bob Nelson gave a brief background into the legislative intent regarding the tracker changes.
- 16:54:32 Chair Malek noted that she appreciated the Consumer Counsel's position on the trackers.

16:55:19 Bob Nelson noted that there is a fundamental overarching regulatory principal called the matching principal, where in order to calculate rates you need to look at all costs, revenues and all volumes in the same frame. Trackers undermine that matching principal.

16:55:46 2019.11.089 MDU Application for Deferred Accounting Treatment (page 8)

16:56:30 2018.09.057 – MDU – Application to Discontinue Natural Gas Service to Saco/Bowdoin

16:57:00 2019.09.069 – MDU – Annual Tax Tracker

16:57:10 2019.06.031 - Energy West – Annual Gas Cost Tracker

16:57:33 2019.06.032 – Energy West – Annual USB Tracker

16:57:47 2019.10.081 – Energy West and Cut Bank Company – Application for Automatic Tax Tracking

16:59:17 2019.12.102 – Energy West – Application for Variance from Order No. 7575c

17:00:13 2019.03.013 – Williams Water – Application for Purchase and Sale

17:00:32 2019.10.079 – CenturyLink – Petition to Amend ARM 38.5.3302 and 3371(7)

17:01:05 2019.06.039 – Citizens Telecommunications Co. – Joint Application to Transfer Control of Citizens from Frontier Communications Corp. to Northwest Fiber, LLC

17:02:21 2019.12.104 – Three Rivers Communications - Conditional Notice of Relinquishment of Designation of Eligible Telecommunications Carrier and Request for Study Area Waiver

17:02:46 2019.12.108 – PSC initiated Investigation into HB267 Determination of Opt-Out Programs for Advanced Metering Devices

17:03:19 Chair Malek inquired whether smart meters would become available in Montana
17:03:28 Bob Nelson responded that he expected smart meters would be rolled out in Montana

PUBLIC COMMENT

17:04:02 Makenna Sellers – Northern Plains Resource Council

FINANCIAL REPORT

17:06:00 Bob Nelson reviewed the current budget report (dated 01-09-20), which showed a snapshot of where the agency stands at the current time, noting that he did not have any concerns or unusual items to report on the budget at this point in time.

CONTRACTED SERVICES

17:07:00 Bob requested authorization from the committee to retain the services of the following

Docket 2019.12.101 – NorthWestern Notice of Intent to file an application for Pre-Approval of a Capacity Resource Addition:

David Dismukes, Acadian Consulting;
Larkin and Associates (Revenue Requirement); and
John Coyle (Legal)

Docket 2019.11.093 – NorthWestern Energy – Information Regarding a Competitive Solicitation

David Dismukes, Acadian Consulting

17:10:24 MOTION: Representative Dunwell moved to approve retention of the consultants and outside counsel as requested by the Consumer Counsel.

VOTE: The motion passed unanimously on a voice vote

NEXT MEETING

17:10:40 The date for next meeting is to be set later.

ADJOURNMENT

17:12:06 There being no further business before the Committee the meeting was adjourned by the Chair.