

MINUTES  
of the  
LEGISLATIVE CONSUMER COMMITTEE  
June 8, 2017  
State Capitol, Room 137, Helena, MT

COMMITTEE MEMBERS PRESENT

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Representative Mike Cuffe – Chair  
Senator Jennifer Fielder  
Senator Sue Malek  
Representative Andrea Olsen

MONTANA CONSUMER COUNSEL STAFF PRESENT

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

VISITORS PRESENT

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No visitors were present.

CALL TO ORDER

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Chairman Cuffe called the meeting to order at 1:00 p.m. with introductions from both the Montana Consumer Counsel Staff and Committee members.

MINUTES OF PREVIOUS MEETINGS

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MOTION: Senator Fielder moved for adoption of the September 26, 2016, meeting Minutes.

VOTE: The motion passed unanimously.

## FUNCTION AND FINANCE OF THE MONTANA CONSUMER COUNSEL

At the request of the Chair, Robert (Bob) Nelson presented a summary on the function of the Montana Consumer Counsel (MCC).

Chairman Cuffe also provided the Committee with an outline of its duties and responsibilities making specific mention of the Montana Code Annotated items relating to the Legislative Consumer Committee.

## MCC'S ACTIVITIES DURING LEGISLATIVE SESSION

Bob Nelson, in response to a request from Representative Olsen for an overview of MCC's activities during session, stated that the MCC testified in support of three bills: 1) HB 193 - Revise utility electric cost recovery; 2) HB 189 - Eliminate certain automatic utility rate adjustments; and 3) HB 475 - Requiring certain utilities to file general rate cases. Of those three bills only, HB 193 passed. Bob Nelson also advised that the MCC reviewed approximately 40 other bills, monitoring several actively. He also noted that four study bills, resolutions and bills that passed would cause some activity during the interim. MCC will monitor and participate in these activities, which include: the interim study of natural gas customer choice; the procurement plan review; study of renewable energy credits; and the interim study of utility decoupling.

Chairman Cuffe outlined the Montana Consumer Counsel's budget process and some issues that arose during session. In his outline, the Chair noted several items. The agency submits its budget to the Legislative Consumer Committee for approval prior to submitting to the Office of Budget and Program Planning (OBPP). Included in the agency's budget is a contingency fund for unexpected large cases, and the Legislature last session reduced the contingency fund from \$250,000 per year to \$300,000 biennial. The agency is funded through a tax levied on regulated utilities, which is collected and administered by the Department of Revenue. The formula for collecting these funds over the years changed and allowed the fund to grow slightly, which the subcommittee incorrectly interpreted as the Consumer Counsel growing the fund. The budget was set as one-time only funding or zero-based funding.

Senator Fielder requested clarification that the budget that was approved by the legislature determines what the tax rate is on the regulated utilities, as referenced in Article XIII Section 2 of the Constitution, to which Bob Nelson responded that her understanding was correct. Bob explained that the fund balance over the past ten years had started growing, but this did not give the agency any additional appropriation authority. It was determined that fund balance growth was due to the calculations that the Department of Revenue, which controls and administers the fund, had changed a couple of times over the years. The Department of Revenue agreed with the agency on how the calculations should occur, so it is expected this will be corrected within the next cycle and bring the fund balance down.

Chairman Cuffe requested that the information provided to the appropriations subcommittee during session from the Department of Revenue be provided to the Committee at the next meeting,

and that time be set aside during that meeting to go over the funding of the office of the Consumer Counsel.

## FUNDAMENTALS OF PUBLIC UTILITY REGULATION

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Paul Schulz presented a broad overview on the fundamentals of public utility regulation. This presentation included a handout to acquaint the Committee with the terms and activities of the MCC. Paul's overview covered: a) Public Utility Regulation; b) The fundamentals and objectives of what regulation is intended to do; c) Rate Case Procedural Process-Prior to Hearing; d) Procedural Process-Hearing and Forward; d) Utility Rate Setting Process; e) Revenue Requirement; f) Class Cost of Service Allocation; g) Rate Design; and h) PSC Decision.

A 10-minute recess was taken.

## AQUATIC INVASIVE SPECIES FUNDING

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Chairman Cuffe presented a brief update on the funding for the Aquatic Invasive Species Program. In response to the Chair's request for clarification on how this funding would be recovered from the utilities, Bob stated that that any additional fees imposed on the utilities for the Aquatic Invasive Species Program would be recovered in the same manner other expense and revenue changes are recovered. These expenses would be included in a utility's rate case.

## STATUS OF CASES

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Bob Nelson highlighted the case developments that have occurred since the Committee's meeting in September.

The first dockets discussed related to NorthWestern Energy (NWE).

### **NWE – D2016.1.8 –PPL Hydroelectric Facilities Compliance Filing.**

This docket relates to the hydro acquisitions. NWE filed a revenue requirement increase to reflect the removal of the Kerr facilities when they were transferred to the Tribes. Issues included how much of the Operating and Maintenance (O & M) and Administrative and General (A & G) costs should be removed. MCC disagreed with NWE's request. The Commission issued an order that agreed with MCC's position.

Bob also noted that the Public Service Commission (PSC) had established a new docket to receive NWE's 2016 Annual Report, which was filed in April 2017. NWE indicated when filing its 2016 Annual Report that it was not going to file a general rate case until 2018.

Bob provided some background on qualifying facilities (QF) under the Public Utility Regulatory Policies Act (PURPA), noting that if a resource qualifies as a QF it can provide power and the utility company is required to purchase that power at its avoided cost. On a regular basis, the Commission sets a standard offer tariff for QFs that are 3 megawatts and under.

**NWE – D2016.5.39 – Application for Approval of QF-1 Tariff**, filed 5/3/16.

Bob explained that this docket is NWE's attempt to update the standard offer tariff because the Commission had not reset the rates for a few years. NWE claimed, at the time of filing this case, that it had executed five agreements for small solar facilities and that it had 43 more in the interconnection queue, with an additional 75 more in the preapplication phase for over 350 megawatts. There was a concern that the reason for this flood of interest was the outdated QF rates, and a rush by the QFs to get in under the old rates before the rates were lowered. NWE filed a motion for an emergency suspension of the old QF-1 rate, which MCC supported. MCC filed testimony, generally agreeing with NWE's methodology for calculating the rates.

Bob noted another case in which one of the QF developers had filed a complaint with the Federal Energy Regulatory Commission (FERC), asserting that the Commission had misapplied the PURPA provisions and had illegally suspended the QF tariff. FERC agreed with the complainant that the Commission could not impose the standards that it had for determining whether these facilities had a legally enforceable obligation (LEO). FERC declined to initiate an enforcement action as it has no jurisdiction over a state commission without a court order.

Bob further noted that Pacific Northwest Solar filed a motion for relief from the emergency suspension order, which is still pending along with the Commission's determination on the appropriate QF-1 rate.

Bob noted that QFs larger than 3 megawatts and up to 80 megawatts can also negotiate an avoided cost rate with the utility companies under Montana's own PURPA laws. If an agreement cannot be reached between the parties, the QF can file a complaint and petition the Commission to determine an avoided cost rate. The following cases relate to those kinds of circumstances.

**Crazy Mountain Wind – D2016.7.56 – Petition to Set Terms and Conditions**, filed 7/20/16.

Crazy Mountain Wind filed a petition for the Commission to set terms and conditions. The company requested a rate close to \$50 per Megawatt hour (MWh). The Commission issued a final order reducing the rate to \$42/MWh. Crazy Mountain filed a motion for the Commission to reconsider the final order. The Commission asked for briefing on several issues related to the motion for reconsideration and in its order on reconsideration reaffirmed the final order with one small modification. Subsequently, Crazy Mountain filed a petition for judicial review in the 1<sup>st</sup> Judicial District Court, asserting that it had formed a LEO and complained about certain aspects of the Commission's order. A decision is still pending from district court.

**MTSUN – D2016.12.103 – Petition to Set Terms and Conditions for a QF**, filed 12/23/16.

Bob noted that this docket is another QF application for the Commission to set an avoided cost rate. MTSUN is an 80-megawatt solar project. The Company is seeking a rate of \$63.70/MWh. NWE offered \$43.48/MWh. MCC filed testimony pointing out errors in MTSUN's request for the \$63.70/MWh. A hearing was held in April with a final order pending.

**NWE – D2015.3.27 – Petition for CREP Purchase Obligation Waiver for 2014, and for Declaratory Ruling Regarding Administrative Penalty**, filed 3/25/15.

In reviewing this docket, Bob noted that NWE is required to have a portion of its renewable resources coming from community renewable projects. NWE has failed to procure about 20 megawatts of its targeted 44 megawatts. The Commission issued an order granting the waiver because NWE had not been able to comply for reasons beyond its control. NWE also filed, as part of the case, a request for a declaratory ruling regarding applicable penalties, which the Commission declined to issue. NWE filed a motion for reconsideration, which was denied through the Commission's failure to act on the motion.

**NWE – D2016.4.33 – Petition for CREP Purchase Obligation Waiver for 2015, and for Declaratory Ruling Regarding Administrative Penalty**, filed 12/20/16.

Bob noted that this docket related to the waiver of the CREP purchase obligation for 2015. No action was taken on this docket for a while due to Senate Bill 32, which sought to eliminate that CREP requirement. While the bill did pass, it was vetoed by Governor Bullock. Subsequently, a notice of the petition and intervention deadline was issued. MCC intervened in the case.

**NWE – D2017.3.21 – Petition for Certification of Eligible Renewable Resource**, filed 3/23/17.

In reviewing this docket, Bob noted that the petition for the certification of Greenfield Wind Project as an eligible renewable resource was granted by the Commission.

Before presenting the next docket, Bob provided a brief background on resource procurement plans: 1) plans are filed every two years; 2) the Commission was not intended to approve resources as a part of these plans; 3) plans are future studies and modeling exercises that allow the company to get input from interested parties on the planning process; and 4) requests regarding specific resources are filed in separate dockets.

**NWE – N2015.11.91 – December 2015 Electricity Supply Resource Procurement Plan**, filed 3/31/16.

Bob noted that MCC had filed testimony of Jamie Stamatson in this case, which indicated concerns about the company's planning process and identified areas of needed improvement. The Commission agreed with some of the concerns expressed by the MCC and other parties, and in its comments on the procurement plan indicated that, had the company brought in a request for preapproval of the identified resources based on the analysis that was done in the 2015 plan, it would not be found to be in the best interest of the public. The Commission encouraged NWE to perform a more rigorous stakeholder process, and complete a system optimization study with its entire fleet.

**NWE – D2017.5.39 – MPSC Review of Rates to Recover NWE's Electricity Supply Costs**. Initiated 5/18/17. Commission action to implement HB 193.

In reviewing this docket, Bob noted that it concerns a review of rates to recover NWE's electricity supply costs and is the Commission's effort to implement House Bill 193, which made the electricity supply cost tracker discretionary rather than mandatory. As part of the notice initiating the docket, the Commission stated that the existing cost tracker would expire July 1, 2017, and that it could not reauthorize a new tracker under the mandatory tracker statute, but that

it had discretion to implement a cost tracker under the regular provisions for Commission supervision of the utilities under Chapter 3. The Commission concluded that NWE may need an interim tracker on July 1, 2017, and that it would implement one conditioned on NWE filing a comprehensive electric supply revenue requirement case with a permanent tracker proposal by September 30, 2017, as well as filing an interim proposal by June 2, 2017. Subsequently, NWE filed a motion for reconsideration, as well as a letter stating that it could not comply with the June 2, 2017, interim proposal deadline. NWE also advised that the analysis the Commission had asked the company to conduct, based on its power supply costs (PowerSimm modeling), would not be available before June 9, 2017. In the meantime, the Commission scheduled a discovery conference for June 9, 2017. The Commission also requested comments on what should be done with the interim tracker to be filed by June 14, 2017.

Bob referenced NWE's monthly electric cost trackers, noting that the rates vary based on changing market purchases or production and loads.

Before describing the next docket, Bob explained that utilities separate their expenses into fixed costs, and commodity costs. The fixed costs are treated in a general rate filing. Commodity related costs are treated in trackers, which are flowed through on an annual basis. There is an annual review of the monthly trackers for both electric and gas for most of the major utilities. The rates for commodities are changed monthly as an interim action, subject to annual review.

**NWE – D2016.7.52 – 2017 Electricity Supply Tracker, filed 5/31/17.**

Bob noted that this docket is NWE's 2017 Electricity Supply Cost Tracker, which contains an \$11 million net under collection for the tracker period that ends on June 30<sup>th</sup>, 2017. Bob further noted that at the same time there was a decrease in NWE's projected cost for the upcoming year. The net of those changes is roughly a zero percent increase resulting in no change in rates. MCC will be reviewing NWE's claim of an \$11 million under collection.

The next several items presented related to NWE's gas utility.

**NWE – D2016.9.68 – General Gas Rate Increase.**

In reviewing this docket, Bob noted that the Commission had granted NWE's request that the docket be divided into two phases. Phase I dealt only with the revenue requirement. Phase II will look at the class cost allocations and rate design.

Phase I - NWE requested a \$10.9 million increase. MCC filed testimony that the increase should not be more than \$3.7 million. In May of 2017, MCC entered into a stipulation with NWE that agreed to a \$6.6 million increase, based on a 9.55-percent return on equity. Bob highlighted the following items in the stipulation: 1) a depreciation reserve adjustment that will last for 5 years; 2) an agreement to accept rate making treatment for gas production properties for the next 10 years, which will result in some automatic declines in cost for that production component of the rates; and 3) an agreement that administrative and general and common plant costs would not be allocated to several of the production facilities that NWE had acquired recently, which would reduce rates with respect to residential customers. The Commission held a hearing on the stipulation. Phase I of the docket is still in the briefing phase, which may result in further modifications in the stipulation.

Phase II of this case was filed May 31, 2017. MCC is analyzing the filing and conducting discovery. The Commission has not issued a procedural schedule yet.

**NWE – D2016.11.88 – Petition for Accounting Order Authorizing Deferral of the Expense-Related Portion of Costs Associated with Phasing in Natural Gas Transmission Integrity Verification Program**, filed 11/18/16.

Bob noted that the requested accounting order authorizes deferred accounting treatment for pipeline related expenses that NWE will incur to comply with the Pipeline and Hazardous Materials and Safety Administration (PHMSA) rules, which are federal regulations relating to pipeline safety. NWE estimated expenditures of \$4.2 million. MCC filed a stipulation with NWE, in which both parties agreed that the amount that NWE would potentially carry forward as part of the accounting order would be approximately \$3.1 million instead of \$4.2 million. The Commission issued an order in March approving the stipulation and accounting order.

Bob provided some background on universal system benefits (USB) expenses. He noted USB programs are required by statute and are charged to all ratepayers to provide what is deemed to be universal system benefits; low-income support programs that include bill assistance, and weatherization, and that on the electric side, USB provides support for renewables and programs to engage in market transformation for energy efficiency.

**NWE – D2017.3.25 – Natural Gas USB Annual Tracker**, filed 3/31/17.

Bob noted that in this case NWE filed for a request to increase its natural gas USB rates from about 13 cents a dekatherm to about 15 cents to fund programs of approximately \$3.8 million for the gas utility for the 2017 program year. A hearing is set for September 2017.

MCC intervened and is in the process of reviewing NWE's request.

Bob referenced NWE's monthly gas cost trackers, noting that the rates are trending slightly upwards.

**NWE – D2016.7.53 – 2017 Natural Gas Tracker**, filed 5/31/17. For 12-month period ending 6/30/17, and projected period ending 6/30/18.

Bob noted that NWE is projecting increases in gas costs in this filing. NWE has a net deferred balance of \$19. The \$19 over-collection is driven by requests from NWE for a \$2.8 million under-collection that is offset by a prior over-collection of \$2.8 million. Bob also noted that another component included in the filing is the gas transportation adjustment clause (GTAC), which has an under-collected balance of about \$0.118 million. The net effect of this filing represents an increase in the average bill of 7.12%. MCC will review the filing.

**Havre Pipeline Co. – N2014.11.92/D2015.3.32 – PSC Request for Service Quality Information**, initiated 11/14/14.

Bob noted that Havre Pipeline company is a subsidiary of NorthWestern Energy. He also mentioned that this docket was the result of the Commission receiving several complaints from Havre pipeline customers about its quality of service. Presenting a brief background of the complaint, Bob stated that these customers are known as farm tap customers, with some of the customers served off distribution lines, and others served off gathering lines. As the production declines the pressure drops, causing freeze-offs and other problems, which resulted in this

customer complaint filing. Havre pipeline has taken the position that it did not undertake to provide continuous service to these customers and that they will have to find other arrangements as the production drops off. MCC filed testimony that the farm tap service is a public utility service under the law, and that Havre Pipeline has an obligation to provide reasonably adequate service to these customers. The Commission issued an order that agreed with MCC's position and required Havre Pipeline to provide reasonably adequate service.

***HPC v. MPSC and MCC, Complaint***, filed 4/12/16, 17<sup>th</sup> Judicial District Court.

Havre Pipeline filed a petition for review with the district court on the preceding order, asserting that the Commission has no jurisdiction over gathering lines. The Commission and MCC filed a motion to dismiss Havre Pipeline's petition for review based on collateral estoppel. The Commission had asserted jurisdiction in a prior order. The court granted the motion for dismissal stating that the complaint was barred by collateral estoppel.

**Havre Pipeline Co. – D2016.7.58 – Annual Rate Adjustment**, filed 7/29/15.

Bob noted that this is Havre Pipeline's request for an annual rate adjustment, and that there are a couple of rate adjustment that are still pending that have been consolidated into this docket. A procedural order has been issued.

**Townsend Propane – D2017.4.36 – Application for Propane Rate Adjustment**, filed 4/28/17.

Bob noted that is an application by Townsend Propane for a propane rate adjustment. He also noted that NWE owns the propane system in Townsend. MCC has intervened in and will be reviewing the case.

**NWE – D2016.12.97 - Annual Tax Tracker**, filed 12/20/16.

Bob noted that NWE files tax trackers under the state statute, annually. NWE has requested a rate increase of almost \$21 million for the electric and gas utility, with the MCC having a short time frame of a couple of weeks to review the case prior to hearing. The Commission held a hearing, but did not issue an order, technically not approving it, but allowing the rate increase to go into effect.

The next several items discussed related to Montana-Dakota Utilities (MDU).

Bob referenced MDU's monthly electric cost trackers noting slight monthly fluctuations in rates. Bob also briefly reviewed MDU's Conservation Program Tracking Mechanism and Conservation Program Annual Tracker filings, noting that MCC is in the process of reviewing those dockets.

Bob then referenced MDU's natural gas cost trackers, which also fluctuate from month to month.

**MDU – D2016.12.96 – Application for Automatic Tracking Adjustment for State and Local Taxes**, filed 12/1/16.

Bob noted that this is the first time that MDU has filed a request for a state and local tax tracker (property tax tracker). MCC opposed some recovery of the costs MDU requested. MDU modified its request, agreeing with MCC's concerns. The Commission issued an order approving the modifications and approving some further reductions that MCC did not include in



its stipulation. MDU filed a motion for reconsideration, with respect to those further reductions. The Commission has granted MDU's motion for reconsideration.

The next several items presented related to Energy West Montana (EWM), which is the utility that provides gas service, primarily in Great Falls and a couple of other small communities, such as Cascade and West Yellowstone.

**EWM – D2016.11.91 - Joint Application for Approval of Acquisition of Gas Natural, Inc. by First Reserve Energy Infrastructure Fund II, LP.** Filed 11/23/16.

Bob noted that EWM requested approval for reorganization and acquisition of its parent corporation by another corporation, First Reserve Energy Infrastructure. MCC had issues with the reorganization and engaged in formulating ring-fencing provisions, which are consumer protections related to subsidiary financing, primarily to protect the utility from the activities of the non-utility subsidiaries. MCC entered into a settlement with the company that established further regulatory provisions. The Commission held a hearing, with a decision still pending.

**EWM – D2016.11.89 – Annual USB Tracker,** filed 11/14/16.

Bob noted that MCC had reviewed the docket, but found no issues with the filing. The Commission required a program review of EWM's 2017 filing, which the company recently filed. MCC will review that filing.

**EWM – D2016.9.74 – Annual Gas Cost Tracker,** filed 9/26/16.

Bob noted that MCC had reviewed the filing but did not find any issues. The Commission issued a final order in April approving the requested rates. Bob also mentioned that EWM's annual gas cost tracker for this year was filed a few days ago.

Bob referenced EWM's monthly gas cost trackers.

The next couple of dockets presented related to Cut Bank Gas. Energy West Montana is the parent company of Cut Bank Gas.

Bob referenced Cut Bank Gas' annual cost trackers, noting that MCC did not take a position on the tracker for 2015, but that it did intervene in the tracker for 2016 and will be reviewing the filing.

The next couple of dockets presented related to Miller Oil, which is a propane system in Culbertson, Montana.

**Miller Oil – D2016.1.13 – Annual Tracker,** filed 5/1/17.

Bob noted that MCC had intervened and will be reviewing the filing.

**Miller Oil – D2016.9.76 – General Rate Increase,** filed 9/30/16.

Bob noted MCC had entered into a stipulation with Miller Oil that would result in a revenue requirement of \$321,000. The Commission held a hearing today on the settlement agreement.

**Shoshone Condominium Hotel Owners Assoc. v. ABACO Energy Services, LLC**, Complaint of Shoshone – D2013.9.71. Complaint filed 9/30/13

Bob noted that the Shoshone Condominium Hotel Owners filed a complaint about the service they receive in Big Sky from ABACO. Bob also noted that the MCC supported Shoshone's position that the Commission has jurisdiction to conduct a review of its complaint. Ultimately, the Commission agreed that it does have this jurisdiction. ABACO filed a petition for judicial review, which is pending.

The next several items presented related to small water utilities. Before presenting these dockets, Bob gave some background on small water companies. The Commission has adopted a standard offer tariff, or standard rate rules. The Commission's rules authorizing a standard rate concerned the MCC, due to potential for excessive rates, and the lack of opportunity to review these filings.

**Holmberg Water – D2016.4.35 – Adoption of Standard Rate Tariff**, letter filed 4/21/16.

Bob noted that the MCC requested an opportunity to review these rates and filed testimony of Paul Schulz. The MCC received complaint letters and emails from over 60 customers, which was a significant portion of that utility's ratepayers. Paul's testimony recommended that the current fixed rates remain in effect until the meters are operating, and then changing the fixed charge from \$30 to \$25, with a volumetric charge. The Commission issued an interim order in April requiring some additional information. The Commission authorized interim rates of \$35 rather than \$40, plus \$1.50 rather than \$2 for the incremental consumption, indicating that either the Consumer Counsel or the utility could request further evaluation of those interim rates after more information is available in December. Holmberg has since filed a motion for reconsideration of that order. MCC filed a response to Holmberg's motion, to which Holmberg filed a reply. The Commission's order on the motion for reconsideration is still pending.

**Wettington Water – N2015.10.82 - Application for Standard Charges**, filed 10/19/15.

Proposal to adopt standard tariff rate of \$50/mo.

Bob noted that MCC filed testimony objecting to the adoption of the standard tariff rates. The Commission agreed there was not enough information to support the \$50 rate and finalized a \$42.50 rate.

**Circle H Water, Inc. – D2016.9.70 – Intention to Adopt Standard Rate**, filed 9/12/16.

Bob noted that MCC had filed testimony indicating that Circle H Water had not supplied sufficient information to assess what the traditional revenue requirement would be, and stated that an operating ratio analysis, which is an alternative way of getting at a revenue requirement, would have resulted in a rate of roughly \$40 rather than the standard rate of \$50. MCC recommended that the Commission should set a rate no higher than \$42.50 and that the Commission could reexamine Circle H Water's request for adoption of the standard rate tariff when more operating information is available.

**Fox Hill Utilities – D2016.11.92 – Request to Adopt Standard Rates**, filed 11/28/16.

Bob noted that Fox Hill, at the time it filed for the standard rate, was in the process of acquiring the utility. Bob explained that this was one of MCC's concerns in the implementation of the standard rate rule, in that it might permit profit from the rule rather than the utility operations and

cause increased consumer costs. Ultimately, the docket was closed with the applicant acknowledging that it was not the proper party to file the request.

**TML Construction – D2017.1.5 – Adoption of Standard Rate and Sale and Transfer of Fox Hill Estates Water and Sewer**, filed 1/10/17.

Noting the connection to the previously discussed docket, Bob noted that TML Construction requested approval of a standard rate of \$50 for water and \$30 for sewer. Bob further noted that MCC filed testimony, indicating disagreement with the requested rate.

**Flathead Utility Co. – D2017.3.19 – Adoption of Standard Rate**, filed 2/27/17.

Bob noted that Flathead Utility is filing under the standard water rates, increasing the rate from \$15 to \$40 for its customers. MCC has intervened and is in the process of analyzing the filing.

**Qwest – D2016.8.64 – Petition for Waiver of Directory Rules**, filed 8/12/16

Bob noted that Qwest petitioned for a waiver of directory rules so that it would not have to provide directories to every customer as they previously had been required to do. MCC intervened in the case and filed comments, asking the Commission to impose certain conditions. In the final order, the Commission largely agreed with MCC's comments.

Representative Olsen suggested that Qwest should consider putting the notification of the availability of paper directories on the return segment of the bill so that customers will see it when they are returning payment.

## FINANCIAL REPORT

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Bob noted his report is a snapshot of where the agency's budget stands relative to the state accounting system, with the caveat that there are some categories of expenditures that run a couple months behind in payments and some that run a month or more ahead. The report presented to the Committee had a run date of June 1. Bob indicated that he had no concerns on the budget at this point and that the snapshot indicated the agency would end the year with a surplus in both personal services and operating expenses.

CONTRACTED SERVICES

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Bob presented his request for authorization to hire J.W. Wilson and Associates as consultants in NorthWestern's annual gas cost tracker and annual electric cost tracker:

The following motion was made:

MOTION: Senator Malek moved to approve the request of the Montana Consumer Counsel to retain the consulting firm J.W. Wilson and Associates in NorthWestern's annual gas cost tracker and annual electric cost tracker.

VOTE: The motion passed unanimously.

PAY PLAN

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Bob presented a request to apply the general state pay plan increases approved for other state employees to the Consumer Counsel Staff.

MOTION: Senator Malek moved the following pay adjustment for all Consumer Counsel staff:

Effective on the first day of the first complete pay period that includes February 15, 2018, the base salary of each employee be increased by 1%.  
Effective on the first day of the pay period that includes February 15, 2019, the base salary of each employee be increased 1%.

VOTE: The motion passed unanimously.

SELECTION OF CHAIR

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This item was deferred to the next meeting.

PUBLIC COMMENT

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There was no public comment.

NEXT MEETING

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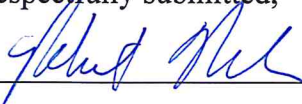
The date for the next meeting is to be set at a later time.

ADJOURNMENT


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There being no further business before the Committee, Senator Fielder moved that the meeting be adjourned and the motion was unanimously passed.

Respectfully submitted,

  
\_\_\_\_\_, Robert Nelson, Consumer Counsel

Accepted by the Committee this 19th day of October 2017,

  
\_\_\_\_\_, Chairman.

