

# Montana Consumer Counsel

## 5/17/18 STATUS OF CASES

NWE – [D2017.5.39](#)/D2016.7.52 – MPSC Review of Rates to Recover NWE’s Electricity Supply Costs/2017 Electricity Supply Tracker. NCA issued 5/18/17. Commission action to implement HB 193.

- This Docket will determine the cost tracking mechanism, if any, that NWE may use to recover electricity supply costs separate from general rate case reviews.

- Finds existing cost tracker expires 7/1/17, and PSC cannot reauthorize tracker under 69-8-210(1), but retains discretion to implement cost tracking under Chapter 3, Title 69.

Concludes that NWE may need an interim tracker on 7/1/17, and commission will implement one conditioned on NWE filing comprehensive electric supply revenue requirement case with permanent tracker proposal by 9/30/17, and filing an interim proposal by 6/2/17. Interim proposal must address several options: projected costs based on PowerSimm modeling; existing mechanism; any other proposal consistent with HB 193.

- NWE Motion for Reconsideration filed 5/30/17.

- Notice of Staff Action issued 6/7/17, clarifying that purpose of the discovery conference is to gather information to inform a future determination of an interim cost tracking mechanism and supply rate.

- NWE calculation of PowerSimm projected costs for purchased power and fuel filed 6/8/17.

- [MCC Comments](#) filed 6/20/17: in general, trackers violate the matching principle and only appropriate under certain circumstances; cost tracking should be allowed only after a full contested case procedure; approving interim rates requested by NWE would be appropriate and consistent with prior adjustments; NWE’s next electric rate case should be a full general rate case; continuation of supply cost tracker should be through a stand-alone contested case.

- Notice of Commission Action issued 7/7/17, consolidating D2017.5.39, D2016.7.52 and D2015.7.52, and requiring comments regarding minimum information filing requirements.

- NWE Power Costs and Credits Adjustment Mechanism Proposal filed 7/14/17. Proposes a PCCAM that sets normalized baseline and 90% pass through of difference with respect to certain actual costs.

- MCC Petition to Intervene filed 7/14/17.

- Notice of Proposal, Intervention Deadline, and Initial Procedural Schedule, issued 7/18/17.

- Notice of Commission Action issued 8/30/17, finding discovery process adequate to explore issues and declining to order submission of minimum filing requirements.

- Procedural Order No. 7563a issued 9/21/17.

- [MCC testimony of George Donkin](#) filed 11/27/17: recommends Commission consider terminating tracker because it is a single issue ratemaking tool that violates the matching

principle, and reduces management efficiency incentives; electricity supply costs do not meet traditional criteria for trackers, including management control and volatility; if tracker continued, certain categories should be excluded; Commission should consider drawbacks to proposed 90/10 sharing mechanism; if tracker is terminated, should be coordinated with base rate review in next general filing; recommends several cost categories that should be excluded if tracker is continued; discusses problem with 90/10 sharing of providing an incentive to overstate forecast period costs; logical inconsistency in attempting to provide management incentive if there is little management control over these costs, which is a traditional basis for tracking.

- Notice of Additional Issues issued 12/12/17: Directs parties to consider alternatives that incorporate risk-sharing features common to other utilities in the region, to be applied starting 7/1/17; include evaluation of categories included and excluded from PCCAM and interim treatment beginning 7/1/17, appropriate base costs associated with electricity supply, and a sharing mechanism that equitably apportions risk; consideration of impact of dropping certain cost categories as of 7/1/17; expresses interest in “parameters of risk associated with fixed-cost assets” and relationship between PCCAM costs and rate based assets’ operation; requests testimony on reasonable “deadbands” found in other state tracker mechanisms; requests testimony regarding relationship and timing between base costs established in this PCCAM proceeding with review in next general rate filing and ongoing updates; should any true-ups be annual or monthly; should NWE be allowed to engage in hedging if it bears associated risks.

- Notice of Staff Action issued 12/27/17, amending procedural schedule to accommodate additional issues. Hearing set 5/31/18.

- [MCC Additional Issues Testimony of George Donkin](#) filed 3/23/18: maintains primary recommendation to terminate tracker; notes this is equivalent of 100% deadband and provides stronger incentives; discusses deadband and earnings test adoption in nearby states; notes deadbands in general provide greater incentives than NWE’s sharing mechanism; recommends asymmetric deadbands to better match market price risks; short of termination, recommends asymmetric deadband \$4.25 M below and \$8.5 M above base supply costs, with +/- 100 basis points earnings test around allowed ROE and 50/50 sharing of eligible exceedances; regarding base supply costs discusses relationship of variable and fixed cost risks and actual generation of owned generation versus preapproval assumptions; suggests NWE could bear greater production risks by setting base levels at preapproval amounts; recommends base cost updates occur only in general rate cases; recommends continued rejection of hedging practices.

**NWE – [D2018.2.12](#) – Application to Increase Electric Rates**, filed 2/23/18.

-NWE filed a Motion to Bifurcate, regarding a general electric rate increase application expected to be filed by 9/30/18. NWE requests that revenue requirement issues be considered in a first phase, with customer class cost allocation and other issues following within 2 months after issuance of a revenue requirement determination. Issues in the first phase would include a consolidated revenue requirement for generation, distribution, and transmission. Several of these components are currently treated individually due to preapprovals of generation assets separate from transmission and distribution cost reviews. NWE states that tax reform and tracker mechanism dockets will affect its revenue requirement application and it needs the revenue requirement data to develop an allocated cost/rate design proposal. NWE enumerates other time consuming pending dockets, including FERC matters. NWE also states the allocated cost/rate design portion of the filing will be more complex than usual due to issues such as energy choice,

net metering and customer rate options and would like additional time to complete a stakeholder process. NWE finally states bifurcation would make it less burdensome for parties to participate.  
- Notice of Opportunity to Comment issued 3/14/18

**NWE – [D2017.6.49](#) – Establishing Minimum Information Requirements for Net Metering Study**, initiated by PSC 6/16/17. Pursuant to HB 219 which requires NWE to conduct a cost/benefit study by 4/1/18 for use in next rate case.

-Commission Notice identified eleven potential categories of benefits, five of costs, and eight questions that may be appropriate to address.

-[MCC Comments](#) filed 7/7/17: issues are highly technical and controversial; two week timeframe insufficient to define parameters of study; information requirements should not be prescriptive, or specify assumptions; important to recognize these are minimum requirements that do not prejudice consideration in subsequent proceedings.; Commission may ultimately order that a study be modified.

-Notice of Commission Action issued 8/9/17, determining NWE's net metering study must evaluate costs and benefits from both a utility system cost perspective and ratepayer impact perspective and specified 15 benefits and costs categories that must be quantified. The study must also address locational attributes.

-NWE Net Energy Metering Benefit-Cost Analysis filed 3/30/18. Prepared by Navigant Consulting, Inc. Calculates range of 25 year levelized net avoided costs under various scenarios regarding adoption rates and CO2 costs, with values based on the Utility Cost Test (UCT) ranging from \$0.035/kwh to \$0.046/kwh and values based on the Ratepayer Impact Measure being negative.

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

- This Docket determines the default tariff rates and terms that are available to qualifying facilities smaller than 3 MW.

- Based on 2015 Electricity Supply Resource Procurement Plan. Asserts current rates much too high, NWE has executed 5 agreements for 2-3 MW solar facilities, has 43 in interconnection queue, and another 75 in pre-application phase, for total of over 350 MW. NWE calculates 25-year term contract for each project would cost \$5.1M in excess of current avoided costs. Again, proposing rates based on contract lengths. Proposed average annual avoided cost rates reduced from range of \$0.05439-\$0.06609/kWh to \$0.03974-\$0.04366/kWh (solar at high end).

- Notice of Application and Intervention Deadline issued 5/13/16.

- NWE Motion for Emergency Suspension of QF-1 Tariff for new solar QF greater than 100 kW filed 5/17/16.

- Notice of Emergency Motion and Opportunity to Comment, issued 5/24/16.

- MCC Petition to Intervene, filed 6/6/16.

- [MCC Comments](#) in Support of NWE Emergency Suspension, filed 6/6/16: potential for long-term risk justifies the suspension, but Option 1(a) rates could still be offered.

- Hearing held 6/9/16 on Motion.

- Notice of Commission Action issued 6/16/16, granting motion, and authorizing NWE to execute contracts with solar QFs under 3 MW at default rates if they had submitted a signed purchase power agreement and executed an interconnection agreement.

- FLS Energy Motion for Rehearing filed 7/1/16.

- Notice of Commission Action denying rehearing issued 7/13/16.

- Motions for Reconsideration filed by FLS, Cypress, and MEIC.
- Order No. 7500, Order on Motion for Emergency Suspension, issued 7/25/16: disagrees with NWE's precise calculation of avoided costs, but agrees it has made prima facie case that current rates are excessive and there is good cause to implement narrow suspension to prevent irreparable harm to ratepayers; using prior method and 2015 resource plan results in levelized avoided cost of \$.04403/kWh vs. proposed \$.04040; commission will continue to adjudicate petitions to set rates, and may replace suspension with interim rates; reasonable to exempt from suspension QFs who have submitted a power purchase agreement and executed an interconnection agreement prior to 6/16/16.
- Notice of Staff Action issued 8/25/16, noticing denial of reconsideration by operation of law.
- Procedural Order No. 7500a issued 9/2/16.
- [MCC testimony of Jaime Stamatson](#) filed 10/14/16: generally agrees with NWE's methodology to calculate avoided cost rates based on hourly PowerSimm modeling, but explains that avoided cost when NWE is long with variable generation costs above market is market rather than 0; accepts NWE methodology for calculating avoided cost of capacity based on 85%exceedance; opposes NWE proposal to fix REC values based on CO2 assumptions in 2015 Plan; recommends a co-optimization study of hydros and thermals to calculate integration rates for wind and solar.
- Notice of Additional Issues issued 10/26/16: Maximum contract length (does current 25-year contract length impose undue forecast risk on customers, would shorter contract length be reasonable, reasonable to have certain time period in contract for fixed rates with indexed rates thereafter, what contract lengths are available in other states), and whether QF-1 schedule should contain specific performance standards.
- [MCC testimony of Jaime Stamatson](#) filed 11/9/16: consumers face substantial forecast risk with

25-year contracts; contracts should be limited to 5-7 years, with rates recalculated every three years; it may be reasonable to have fixed rate periods followed by indexed rates, depending on how implemented; discussion of contract lengths allowed in several other states; performance standards are not necessary due to existing incentives to perform.

- Hearing held 1/18/17.
- Pacific Northwest Solar Motion for Relief from Order No. 7500 filed 3/31/17. Requests determination that 1) NWE/PNW PPAs fully executed before issuance of Order (4) are not impacted regardless of status of interconnection, and 2) PNW had LEO for all 21 projects.
- Joint Petition of Pacific Northwest Solar and NWE for Limited Rehearing, or Limited Reconsideration of Order No. 7500 filed 7/19/17. Requests reopening record to receive additional evidence relevant to PNS's Motion for Relief relative to 4 projects, or reconsideration of that motion. Asserts that, prior to 6/16/16, NWE executed PPAs for the 4 projects. Although they had not been delivered, NWE notified PNS on the morning of 6/16 that they had been executed; asserts contract formed when consent is fully communicated.
- Final Order No. 7500c issued 7/21/17: a just and reasonable rate is one that leaves consumers indifferent; "proxy" method is appropriate to estimate AC for small QFs, i.e., energy and capacity costs associated with displaced generation; standard rates should be recalculated every 6 mos. based on wholesale electricity and gas prices; continues to use market-CCCT hybrid proxy method, calculated separately for high and low load hours; approves market price forecasts based on 4 years of forward prices and escalation rates from EIA; capacity costs calculated based on capital and O&M costs of natural gas peaker unit (\$116.75 KW-yr); adopts Southwest Power Pool method to calculate solar capacity values (6.1%); retains 5% capacity value for wind;

declines to adjust AC determination for carbon cost adder because future pricing highly uncertain and places ratepayers at risk; QFs to retain RECs; no evidence NWE violated Small Generator Interconnection requirements and delayed QF interconnections; purpose of PURPA is to encourage development of QFs by providing a market for energy and capacity and limiting payments to protect consumers; QFs need sufficient certainty and FERC does not prescribe contract lengths; describes contract length determinations in other states; Commission rules suggest long-term is minimally understood as 10 years; contract lengths of 25 years are unreasonably risky; contract length of 10 years sufficient to encourage development while minimizing risk to consumers; finds utility power sources should be treated consistently.

- Motions for Reconsideration filed 7/31/17 by NWE, FLS/CCR and PNWS, and 8/1/17 by Vote Solar/MEIC.

- NWE Motion for Clarification filed 10/20/17, requesting clarification regarding whether 4 projects which are subject of 7/19/17 Petition for Rehearing are excepted from QF-1 rate suspension.

- Order No. 7500d on Reconsideration issued 11/24/17: I) – Contract Length: agrees only testimony in record supported contract lengths of at least 15 years to obtain long-term financing; agrees long-term planning rule does not support 10 year QF contract lengths and does not apply to QFs; finds North Carolina Utility Commission has similar statutory scheme and adopted 15 year max contract length; 15 year contract length is reasonable and balances QF’s needs with risks to ratepayers; eliminates 5 year rate adjustment requirement; II) – Carbon Costs: notes PSC has not applied CO2 adjustment in QF-1 tariff since its inception in 1998, but has allowed QF retention of REC values; PSC has subsequently found that CO2 emission price forecast is built into electricity price forecast; no accurate way to forecast CO2 related price adder to serve as a proxy for increased marginal generating unit given a particular kind of carbon regulation; resource planning requirements will cause incorporation of emissions costs in avoided cost calculations; III) – Capacity Costs: 6.1% is reasonable capacity value for solar QFs and supported by record; IV) – LEO: 4 disputed PNWS projects did not meet bright line Legally Enforceable Obligation test due to lack of interconnection agreement; V) – Symmetry: maintains symmetry finding; NWE has supported plant acquisitions in a manner similar to the way the Commission forecasts avoided cost rates; non-discrimination requirements is a known and consistent issue; symmetry finding only applies prospectively; PSC will consider including terminal value in valuations, and will consider risk sharing agreement for that value.

***Vote Solar, MEIC and Cypress Creek Renewables v. PSC*** – BDV-17-0776 – **Petition for Judicial Review**, Eighth Judicial District, filed 12/13/17. Petition for Review of Order Nos. 7500c and d (QF-1). Asserts insufficient evidence to support 15-year contract term and satisfy obligation to enhance economic feasibility of QFs; failure to include avoided CO2 costs is inconsistent with prior actions; PSC erred in relying only on market prices prior to 2025 to determine avoided costs; PSC erred in not considering impact of 15-year term on avoided costs; PSC erred in setting 6.1% capacity value by ignoring need during summer months and not accounting for aggregate value with wind resources.

- MCC Motion to Intervene filed 1/19/18.

- Order granting MCC intervention issued 2/21/18.

- Order To Join Cases issued 5/3/18, consolidating DDV-2017-104 and DDV-2017-1022 into BDV-17-0776

- Order Vacating Scheduling Order issued 5/7/18.

**NWE v. PSC** – ADV 2017-1015 - **Petition for Judicial Review**, First Judicial District, filed 12/22/17. Petition for Review of Order No. 7500d (QF-1). Asserts lack of notice regarding symmetry issues and application to NWE and due process violation; asserts PSC created a rule of general applicability without following MAPA procedures, arbitrary and capricious based on evidence in record, findings conflict with resource planning statutes, PSC arbitrarily concludes that QF resources are similar to non-QF resources.

-Order Changing Venue issued 4/3/18. Venue transferred to Eighth Judicial District, Cascade County. New Docket No. DV 18-197 assigned.

- Consolidated with BDV-17-0776.

**MTSUN – [D2016.12.103](#) – Petition to Set Terms and Conditions for Qualifying Facility**, filed 12/23/16.

- Requests Commission set terms for 80 MW solar project near Billings. Asserts MTSUN has created a Legally Enforceable Obligation (LEO) pursuant to proffered Power Purchase Agreement, asserting that fully executed connection agreement cannot be a requirement. Proposed contract term is 25 years at levelized avoided cost (AC) rate of \$63.70/MWh. NWE offered rate was \$43.48/MWh.

- Notice of Petition and Intervention Deadline issued 1/12/17.

- MCC Petition to Intervene filed 1/23/17.

- Procedural Order No. 7535 issued 1/31/17.

- [MCC testimony of Jaime Stamatson](#) filed 3/17/17: MTSUN calculation of avoided energy cost used same proxy resource as NWE, but erred in altering the online date in manner inconsistent with resource plan and other costs used for fuel and carbon dioxide costs are stale; MTSUN's capacity contribution calculation erred in improperly using NWE's estimate (using yearly average in selected months) and in using average contributions assumed by other utilities that have different load profiles and hydro storage capabilities; a 25 year contract term is excessively risky to ratepayers and should be reduced; NWE has not performed studies on solar integration costs and Commission should hold ratepayers harmless against imprudently incurred integration costs.

- Hearing held 4/28/17.

- Final Order No. 7535a issued 7/21/17: updating gas costs reduces MTSUN's calculated AC to \$57.74; MTSUN's capacity contribution calculation is unreasonable and should be 6.1%, further reducing AC to \$37.55 based on MTSUN's calculation; MTSUN's proposed rates are not consistent with AC, so no LEO has been formed; rejects MTSUN's proxy method because it misstates projected online date of CCCT resource and is insensitive to changes to NWE's portfolio; Commission will continue to use Crazy Mountain method to project avoided energy costs; finds shortening contracts from 25 years and allowing retention of RECs a better approach to treat carbon costs; MTSUN has not established avoidance of transmission project costs; finds probability of integration costs but lack of reliable quantification; finds 10 year contract length just and reasonable and consistent with rules defining long term; notes utilities will have purchase obligation at end of 10 year term; requires symmetrical treatment for utility-owned resources; estimates AC rate of \$16.98/MWh in all hours, plus \$10.53 capacity rate in peak hours.

- MTSUN and NWE Motions for Reconsideration filed 7/31/17.

- Order No. 7535b issued 11/29/17: I) – LEO: PSC relies on bright line LEO test established in Whitehall Wind; NWE gave MTSUN several avoided cost calculations and MTSUN claimed

much higher rates; II) – Contract Length: agrees long-term planning rule does not support 10 year QF contract lengths and does not apply to QFs; references Order 7500d; 15 year contract length is reasonable and balances QF’s needs with risks to ratepayers; III) – Avoided Energy Cost Calculation: PSC is not required to use only information available to parties at time of Petition, but must use evidence developed in record; appropriate to use 3/17 market information to determine avoided cost; clarifies that Economically Optimal Portfolio (EOP) resources have not been preapproved and their costs are not to be used in calculating avoided costs; affirms avoided energy cost model; IV) – Carbon Adjustment: references Order 7500d – carbon emission price forecast is built into electricity price forecast; no accurate way to forecast a carbon emissions price adder to serve as a proxy for increased marginal generating unit given a particular kind of carbon regulation; V) – Avoided Capacity Cost Calculation: affirms use of AERO unit as a proxy resource because it is consistent with long standing practice and is more purely capacity related; record shows MTSUN would not contribute significant capacity during winter peak hours; record supports SPP method as most reasonable; VI) – Symmetry: incorporates findings from Order 7500d; VII) – Transmission Upgrade and Regulation Costs: NWE has not demonstrated what portion of incremental transmission costs would be attributable to MTSUN; integration costs were not proven in light of new reliability standards; PSC affirms final order.

***NWE vs. PSC*** – DDV 2017-1014 - **Petition for Judicial Review**, First Judicial District, filed 12/22/17. Petition for Review of Order No. 7535b (MTSUN). Asserts lack of notice regarding symmetry issues and application to NWE and due process violation; asserts PSC created a rule of general applicability without following MAPA procedures, arbitrary and capricious based on evidence in record, findings conflict with resource planning statutes, PSC arbitrarily concludes that QF resources are similar to non-QF resources.

- NWE Motion to Consolidate with DDV 2017-1015 filed 12/27/17.
- MTSUN/PSC Joint Motion to Consolidate with BDV-2017-1022 filed 2/6/18.
- Order consolidating into BDV-17-0776 issued 5/3/18.

***MTSUN, LLC vs. PSC and NWE*** – CDV 2017-1022 – **Complaint and Petition for Judicial Review**, First Judicial District, filed 12/27/17. Petition for Review of Order No. 7535b (MTSUN). Asserts LEO decision was based upon unlawful procedure; calculation of avoided energy cost was arbitrary and abuse of discretion; 15 year contract term lacks evidentiary basis; CO2 treatment was arbitrary and capricious; avoided capacity cost decision was not based on evidence; reliance on PowerSimm a due process violation; due process violated by biased forum.

- MCC Motion to Intervene filed 1/19/18.
- Order consolidating into BDV-17-0776 issued 5/3/18.

***NWE*** – [D2017.6.45](#) - **Petition of New Colony Wind to Set Terms and Conditions for QF**, filed 6/1/17. Request to set rates and conditions for 23 MW wind project at Martinsdale, developed by TransAlta Holdings. New Colony proposes \$44.34/MWh rate levelized over 25 years.

- Notice of Petition and Opportunity to Comment issued 6/30/17.
- MCC Petition to Intervene filed 7/17/17.
- Procedural Order No. 7560 issued 7/26/17.

- [MCC testimony of Jaime Stamatson](#) filed 9/7/17: supports MTSUN approved method to estimate avoided energy costs, using modeling of NWE's portfolio; avoided cost of capacity should reflect the actual project size and contract length; Commission should allow retention of Renewable Energy Credits (RECs) to account for future CO2 costs as in MTSUN order; shorter contract lengths mitigate forecast risk; any approved integration rates need to reflect needs for 23.1 MW windfarm located within zone 2 and actual contract length.
- Notice of Additional Issues issued 10/13/17, requesting 3<sup>rd</sup> party testimony or literature review with respect to 10 questions relating to contract length and federal and state statutory requirements regarding reasonable certainty of project returns and contract length to enhance economic feasibility. Testimony due 10/25/17.
- Hearing held 10/31/17.
- Final Order No. 7560a issued 12/26/17: New Colony has not established a Legally Enforceable Obligation (LEO); I) – LEO: affirms Whitehall Wind test; notes New Colony's proposed rates far exceeded determined avoided costs; II) – Contract Length: finds NWE witness Redinger most credible based on experience and independence; Redinger relates contract length primarily to debt ratios and believes equity returns are sufficient under current conditions if contracts are 15 years or more; adopts 15-year contract length; III) - Avoided Cost: New Colony deviates from current practice by disregarding Long-1 method and relying on Northwest Power and Conservation Council (NPCC) market forecast; continues practice of basing avoided cost in Long-1 situations (where NWE is long and variable generation costs are below market cost) on variable cost of NWE's highest cost resource; QF rates should not incentivize acquisitions that exacerbate long conditions; NPCC market forecast is too infrequently updated; notes little dispute regarding capacity costs; adopts capacity rate of \$7.99/Mwh applied to peak hours; cites MTSUN order regarding carbon costs; finds New Colony will keep rights to Renewable Energy Credits (RECs) for the project; IV) – Interconnection and Transmission Costs: NWE has not adequately supported interconnection upgrade cost offsets; PSC therefore assigns interconnection upgrade cost (est. \$3.4M) responsibility to NWE; NWE has not adequately supported transmission upgrade cost of \$2M, so PSC declines to impose costs on New Colony; V) Mid-C Adjustment: adopts separate values for short and long positions, based on five years of historical data; VI) Integration Costs: approves NWE's proposed charges; notes NWE remains responsible for imprudently incurred charges. Avoided cost rates: \$21.49/Mwh (off-peak), \$29.48/Mwh (on-peak).
- NWE Motion for Reconsideration filed 1/5/18, regarding interconnection upgrade costs.
- New Colony Motion for Reconsideration filed 1/8/18.
- Notice of Staff Action issued 1/19/18 waiving 20-day automatic denial provision.
- Reconsideration Order No. 7560b issued 4/4/18, denying motions for reconsideration: LEO – acknowledges states are required to implement FERC rules, but finds states are responsible for setting appropriate LEO test and New Colony failed requirement to offer a price consistent with avoided cost; CONTRACT LENGTH – finds a matter of weight of evidence and 3<sup>rd</sup> party witness with first-hand experience was more credible and supported 15 year term; LONG 1 ADJUSTMENT – affirms long-1 method finding it treats all resources equally with respect to acquiring future generation; CARBON COST – affirms decision, finding it consistent with other decisions in same time period and rejecting arguments based on extra record evidence; INTERCONNECTION COSTS – rejects post hearing modification of data response.



**NWE – [D2017.6.56](#) – Petition For Declaratory Ruling On Availability of Schedule QF-1 Rates**, filed 6/19/17.

- Requests ruling that three single turbine wind projects by 71 Ranch, DA Wind Investors and Oversight Resources are not eligible for QF-1 rates. All three project owners are the owners of Gordon Butte Wind, an existing 9.6 MW project near Martinsdale. A QF qualifies for default QF-1 rate if it does not exceed 3 MW. Turbines are 1.01 miles apart and 1.15 – 1.38 miles from Gordon Butte. FERC uses a One Mile Rule to determine eligibility for QF designation under the PURPA 80MW cap. NWE asserts that the Montana PSC eligibility rule described in Kenfield Wind is broader and considers “totality of circumstances.” Given joint ownership, timing of Power Purchase Agreements, common interconnection point and close locations, NWE seeks declaration that these are not individual projects and are not eligible for the QF-1 rate.
- Notice of Petition and Opportunity to Comment issued 7/6/17.
- Order No. 7574 issued 11/16/17, denying Petition for Declaratory Ruling. Projects are currently certified by FERC as separate 3 MW projects; NWE may challenge that certification at FERC, therefore declaratory relief is inappropriate.
- NWE Motion for Reconsideration filed 11/27/17.
- Notice of Staff Action issued 12/7/17, waiving 20 day automatic denial.
- Order No. 7574a on Reconsideration issued 3/20/18, affirming Order No. 7574.

**NWE – [D2017.8.65](#) – Petition for Waiver of Community Renewable Energy Project Purchase Obligation for 2016**, filed 8/18/17.

- Claims NWE took all reasonable steps to comply but was unable to procure its full 65.4 MW share of 75 MW CREP state mandate. NWE has procured 25.1 MW of CREP resources. NWE evaluated 11 projects responding to 2015 RFP and found none cost competitive and in compliance with cost cap. NWE issued another RFP in May 2016, but no project could be operational in 2016.
- NWE Motion to Consolidate with 2015 waiver request, D2016.4.33, filed 10/13/17.
- Notice of Petition and Intervention Deadline issued 10/25/17.
- Notice of Commission Action issued 10/25/17, consolidating with D2016.4.33.
- MCC Petition to Intervene filed 11/9/17.
- Procedural Order No. 7578 issued 11/29/17.
- Hearing held 4/4/18.

**NWE – [D2016.9.66](#) – Small Generator Interconnection Tariffs**, filed 1/26/18.

- NWE proposes tariffs regarding interconnection requirements for small non-QF generators, and clarifications to net metering rule tariff. Intended to provide a tariffed process for moving from interconnection requests to agreements. Also clarifies Net Metering Rule 16 and makes consistent with interconnection requirements.
- Notice of Application and Intervention Deadline issued 2/21/18.
- MCC Petition to Intervene filed 3/8/18.
- Notice of Opportunity to Comment, Respond, and Request Further Process issued 4/6/18.
- Notice of Staff Action issued 4/23/18 extending comment deadline to 5/30/18.

NWE – [D2017.7.57](#) – **February electric tracker**. Filed 1/16/18. Res. Commodity rate decrease to \$.066602kwh (0.13%) (\$.5 M annualized rev. req.)

NWE – [D2017.7.57](#) – **March electric tracker**. Filed 2/16/18. Res. Commodity rate increase to \$.067430kwh (1.24%) (\$5.0M annualized rev. req.)

NWE – [D2017.7.57](#) – **April electric tracker**. Filed 3/15/18. Res. Commodity rate decrease to \$.067083kwh (.51%) (\$2.1M annualized rev. req.)

NWE – [D2017.7.57](#) – **May electric tracker**. Filed 4/13/18. Res. Commodity rate decrease to \$.067040kwh (.06%) (\$.3M annualized rev. req.)

**NWE – [D2016.9.68](#) – General Gas Rate Increase.**

- This Docket determines the rate increase that will be allowed for NWE gas consumers, including production costs, and how an increase will be allocated to various customer classes.
- Motion to Bifurcate filed 9/6/16.
- Notice of Commission Action granting bifurcation issued 9/23/16.
- Application filed 9/30/16. Requests \$10,892,438 (8% overall) increase, consisting of \$7.4 million that is delivery service related and \$3.5 million that is production related.
- Notice of Application and Intervention Deadline issued 10/4/16.
- MCC Petition to Intervene filed 10/19/16.
- Procedural Order No. 7522a issued 12/14/16.
- [MCC testimony filed 2/2/17; Wilson](#) – recommends 9.0% ROE, 6.69% ROR, exclusion of income taxes from incremental revenues; Clark – recommends revenue increase of \$3,715,376, including \$4,958,419 for transmission, distribution & storage, proposes several adjustments to O&M and rate base, including accumulated provision for depreciation and reversing reallocation of Administrative and General (A&G) and Common to production facilities, also supports exclusion of incremental income tax; Donkin – discusses proper future ratemaking treatment of company production fields, proposes annual adjustments based on most recent rate order and % rate base declines from NPV analyses used to support acquisitions, also supports removal of A&G and Common allocations.
- NWE Motion to Extend Time for Filing Phase Two, filed 3/14/17. Requests extension to 5/31/17.
- NWE Withdrawal of Interim Requests, filed 3/14/17. Withdraws request for \$5.6 million interim increase, based on property tax changes and rate design changes.
- Notice of Commission Action issued 4/3/17, granting extension to 5/31/17 for Phase 2 filing.
- [MCC/NWE Stipulation](#) filed 5/5/17: \$6,553,813 (4.85%) revenue increase; 9.55% ROE; depreciation reserve adjusted for 5 years; MCC's rate making treatment for production applied for 10 years; A&G and Common Plant will not be allocated to Battle Creek, Devon and NFR assets.
- Phase I Hearing held 5/9-11/17.
- Phase 2, allocated cost of service and rate design, filed 5/31/17. Proposes residential increase of 7.11%, and \$8.25/mo. Service charge.
- [MCC/NWE/LCG Stipulation](#) filed 6/9/17, modifying 5/5 Stipulation to allow allocation of Administrative and General and Common costs to Production, but requiring a reduction of the first \$829,047 so allocated. Effective rate increase revised to \$5,724,765.

- Phase 2 Notice of Application and Intervention Deadline issued 6/27/17.
- Procedural Order No. 7522f issued 7/27/17.
- Final Order No. 7522g issued 8/15/17: approved stipulated NFR and Devon gas production true-ups; approves stipulated 9.55% ROE; approved stipulated 5 year depreciation reserve adjustment; states 2d stipulation took “nearly opposite” approach to 1<sup>st</sup> stipulation in allocating A&G costs to production; finds 2d stipulation does not explain the \$829,047 reduction; approves 2d stipulation allocation of A&G to production costs because production benefits from expenses; finds \$829,047 reduction unexplained and “unwarranted”; finds logic of annual stepdown proposal “internally inconsistent” in not capturing first year reductions; concludes first year revenue requirement should be reduced by 2017 stepdown from \$24,171,679 to \$22,772,140 before 2017-2018 reductions are applied; recognizes stipulation allows reset of revenue requirement at times of general rate filings but NWE will have burden of supporting future changes; requires annual step downs to occur on 1/1 of each year; rescinds findings in 2013 comments on 2012 procurement plan regarding acquisitions and notes that revised plan should be filed well in advance of any future procurements; directs parties to consider in Phase 2 whether the production assets revenue should be trued up to stair-stepped revenue requirement annually.
- [MCC testimony of George Donkin](#) filed 9/14/17: disagrees with NWE’s embedded cost of service study classifying and allocating costs entirely on basis of class design day demands, explaining annual volumes play equally important role; presents alternative ECOS study; includes interruptible volumes in study; for overall 2.56% increase proposes 1.75% core customer and utilities increase, 3-96% transportation rate increases; recommends any increases in service charge be limited to overall 2.56% increase.
- Notice of Additional Issue issued 9/20/17: whether production assets revenue should be trued up to the stair-stepped revenue requirement annually – to be addressed in rebuttal, discovery and at hearing.
- [MCC Cross-Answer Testimony of George Donkin](#) filed 10/20/17: applies criticism of NWE’s treatment of transmission capacity costs as design day and meters and services costs as customer equally related to LCG testimony; disagrees with classifying portion of distribution capacity costs as customer related; discusses rationale to allocate transmission pipeline and distribution mains to interruptible customers; recommends rejecting LCG’s revenue spread.
- NWE filing 11/22/17, to reduce production rate from \$.119229 to \$.112140, effective 1/1/18, pursuant to settlement approved in Order No. 7522g. \$.071/Dkt reduction.
- [Settlement of NWE/MCC/LCG and HRC](#) filed 11/27/17: specifies class revenue increases (residential and general service 2.25%); residential service charge of \$6.50/mo.; uniform company production rate of \$1.19229/Dkt, with annual adjustments as specified in Order No. 7522g.
- Hearing held 12/4/17.
- Final Order No. 7522h issued 2/28/18, approving Stipulation.

**NWE – [D2018.3.19](#) – Annual Natural Gas USB Tracker**, filed 3/30/18.

- Requests authority to decrease Universal System Benefits (USB) rate from \$.01493 to \$.014625 to collect \$4,213,284, including current budget of \$3,673,260.
- Notice of Application and Intervention Deadline issued 4/6/18.
- MCC Petition to Intervene filed 4/27/18.
- Interim Order No. 7597 issued 5/1/18, approving requested rate change on interim basis.

NWE – [D2017.7.58](#) – **February gas tracker**, filed 1/16/18. Gas increase from \$2.61 to \$2.63. Res. Rate from \$6.74 to \$6.76.

NWE – [D2017.7.58](#) – **March gas tracker**, filed 2/16/18. Gas decrease from \$2.63 to \$2.44. Res. Rate from \$6.76 to \$6.57.

NWE – [D2017.7.58](#) – **April gas tracker**, filed 3/15/18. Gas increase from \$2.44 to \$2.77. Res. Rate from \$6.57 to \$6.90.

NWE – [D2017.7.58](#) – **May gas tracker**, filed 4/13/18. Gas decrease from \$2.77 to \$2.51. Res. Rate from \$6.75 to \$6.49.

NWE – [D2017.11.86](#) - **Annual Tax Tracker**, filed 12/15/17.

- Requests net increase of \$3,992,040 (.33%) for the electric utility and net decrease of \$2,829,463 (1.98%) for the natural gas utility. Current increase of \$6,524,232 (electric) and \$269,020 (gas).
- Notice of Application and Intervention Deadline issued 12/22/17.
- MCC petition to Intervene filed 12/26/17.
- [MCC Comments](#) filed 1/12/18: A 12-CP allocation method is a direct way to allocate costs between retail and wholesale (FERC) customers, and is preferable to using a percentage split from a FERC determination that is more than 10 years old. NWE has not adequately supported the \$2.885 million difference in tax expense responsibility with respect to retail consumers.
- Hearing held 1/22/18.
- Final Order 7580a issued 1/29/18, approving 12-CP allocation method in this case as a direct allocation preferable to stale split method.
- NWE Motion for Reconsideration filed 2/9/18.
- [MCC Response](#) filed 2/20/18.

NWE – [D2018.4.24](#) – **Investigation of Federal Tax Reform Impacts**, filed 3/30/18. Proposes methodology to calculate and share benefits of the 2017 Tax Cuts and Jobs Act (TCJA). Calculates \$3.154 million cash flow reduction for gas utility, proposed to be entirely allocated to customers, and \$10.889 million for electric utility, proposed to be allocated 50% to customers and 50% as an allowable expenditure to remove hazard trees – for total of \$14.043 million. Method required in PSC Notice of Inquiry would alternatively result in \$21.996 million.

- Notice of Application and Intervention Deadline and Initial Discovery Deadline issued 4/20/18.
- MCC Petition to Intervene filed 5/7/18.

NWE – [D2018.4.28](#) – **Townsend Propane Supply Annual Tracker**, filed 4/30/18. Requests current cost increase from \$0.698/therm to \$0.910/therm in summer and \$0.0849/therm to \$1.107/therm for winter. Also requests collection of \$29,108 under-collection.

- Notice of Opportunity to Comment and For Further Process issued 5/7/18.

**Havre Pipeline Co.** – [D2016.7.58](#) – **Annual Rate Adjustment**, filed 7/29/15. Requests rate decrease from \$1.8082/Mcf to \$0.9256/Mcf (48.8%). Gas cost component change from \$1.6173/Mcf to \$0.7347/Mcf.

- MCC Petition to Intervene filed 9/6/16.
- Notice of Commission Action issued 9/27/16, consolidating with D2013.7.56 and D2015.9.70.

- Interim Order No. 7514 issued 9/27/16 approving requested rates on interim basis.
- Procedural Order No. 7514a issued 1/17/17.
- Notice of Staff Action issued 6/6/17, vacating remaining procedural schedule dates.
- Final Order No. 7514b issued 7/19/17, approving requested rates and making interim orders final, and requiring tariff updates to expressly state any limitations or unique aspects of farm tap service.
- Compliance filing submitted 8/18/17, proposing several Special Terms and Conditions.
- Notice of Proposal Intervention Deadline and Initial Procedural Schedule issued 9/1/17.
- MCC Petition to Intervene filed 9/29/17.
- Procedural Order No. 7514c issued 3/7/18. Hearing set 8/29/18.
- HPC testimony filed 4/13/18.

**MDU – [D2018.1.6](#) – Application for Approval of Corporate Reorganization**, filed 1/31/18. MDU Resources proposes to reorganize MDU and Great Plains Natural Gas Co., both currently divisions of MDU Resources, into a wholly-owned subsidiary of a new holding company. Issues will include consumer impacts of a reorganization and appropriate ringfencing protections regarding other corporate entities.

- Notice of Application and Intervention Deadline issued 2/6/18.
- MCC Petition to Intervene filed 2/28/18.

**MDU – [D2017.6.55](#) - February Electric Cost Tracker – Rate 58**. Filed 1/12/18. Decrease of .010¢/kwh secondary – total fuel and purchased power in tariff is \$0.02506/kwh.

**MDU – [D2017.6.55](#) - March Electric Cost Tracker – Rate 58**. Filed 2/16/18. Decrease of .003¢/kwh secondary – total fuel and purchased power in tariff is \$0.02503/kwh.

**MDU – [D2017.6.55](#) - April Electric Cost Tracker – Rate 58**. Filed 3/15/18. Increase of .080¢/kwh secondary – total fuel and purchased power in tariff is \$0.02583/kwh.

**MDU – [D2017.6.55](#) - May Electric Cost Tracker – Rate 58**. Filed 4/18/18. Decrease of .187¢/kwh secondary – total fuel and purchased power in tariff is \$0.02396/kwh.

**MDU – [D2017.9.79](#) - General Natural Gas Rate Increase**, filed 9/25/17.

- This Docket determines the rate increase that will be allowed for MDU gas consumers, and how an increase will be allocated to various customer classes.
- Requests \$2,820,168 (4.1%) overall increase, based on 9.9% ROE and 7.47% COC. Residential increase 5.5%. Requests 43% increase in Res. Service charge to \$.33/day. Proposes a System Safety and Integrity Program and surcharge, estimated at \$527,875 in 2018.
- Notice of Application and Intervention Deadline issued 9/28/17.
- MCC Petition to Intervene filed 10/18/17.
- Procedural Order No. 7573 issued 11/14/17.
- [MCC Testimony filed 2/6/18: Hill](#) – recommends 8.75% ROE and MDU proposed capital structure for overall 6.87% ROR; Garrett – proposes depreciation rate adjustments to several distribution and general accounts resulting in company-wide expense reduction of \$3.18 million; Smith - recommends several adjustments to rate base and expenses and discusses and calculates federal tax act adjustments, recommends \$513,000 increase; Donkin – recommends residential

increase should mirror system average increase and no increase in \$.23/day service charge. Also recommends no inclusion in rates of potential costs to abandon service to Saco-Bowdoin customers and rejection of System Safety Integrity Program (SSIP) cost tracking mechanism.

- Notice of Commission Action issued 2/6/18, modifying Procedural Order No. 7573 to allow supplemental tax-related testimony.
- MDU Supplemental Testimony filed 2/23/18. Revenue increase request revised to \$1,619,286, a reduction of \$1,199,845 (2.4%).
- [MCC Supplemental Testimony of Ralph Smith](#) filed 3/23/18: generally agrees with MDU's minor corrections to earlier tax impact calculations, recommends that plant-related excess deferred taxes be segregated into "protected" and "non-protected" categories, with the latter returned over 10 years or less.
- [MDU/MCC Stipulation](#) filed 4/24/18: \$975,000 increase based on 9.4% ROE, distribution revenue increase allocated based on equal percentage of total revenues, and a residential service charge of \$.26/day. Depreciation rates as recommended by MCC and MDU withdraws SSIP proposal without prejudice to filing in general rate case.
- Hearing held 4/26/18.

**MDU – [D2018.4.21](#) - Annual Conservation Program Tracking Adjustment**, filed 3/30/18. Net balance of \$134,915, which results in Conservation Tracking Adjustment (CTA) of \$.014/dkt, representing no change from current CTA.

- Notice of Application and Intervention Deadline issued 4/10/18.
- MCC Petition to Intervene filed 4/27/18.

**MDU – [D2017.9.70](#) - February Gas Cost Tracker**, filed 1/8/18. Decrease of \$.12/Dkt, res. and general service. Res. rate \$5.22/Dk.

**MDU – [D2017.9.70](#) - March Gas Cost Tracker**, filed 2/8/18. Increase of \$.32/Dkt, res. and general service. Res. rate \$5.54/Dk.

**MDU – [D2017.9.70](#) - April Gas Cost Tracker**, filed 3/8/18. Decrease of \$.53/Dkt, res. and general service. Res. rate \$5.01/Dk.

**MDU – [D2017.9.70](#) - May Gas Cost Tracker**, filed 4/6/18. Decrease of \$.38/Dkt, res. and general service. Res. rate \$4.68/Dk.

**MDU – [D2018.4.22](#) - Impacts of Tax Cuts and Jobs Act of 2017**, filed 4/2/18. Seeks to demonstrate electric rates are not producing authorized return even with tax expense reduction. Commission directed calculation results in \$2.7 million liability. Requests authorized rates remain in effect until rate case submitted by 9/30/18.

- Notice of Application and Intervention Deadline issued 5/8/18.

**EWM – [D2017.9.80](#) – Natural Gas General Rate Increase**, filed 9/29/17. Joint application of Energy West Montana and Cut Bank Gas for increases of \$1,526,960 and \$183,284, respectively; also proposes infrastructure cost recovery mechanism.

- This Docket determines the rate increase that will be allowed for EWM and Cut Bank Gas consumers, and how an increase will be allocated to various customer classes. Issues also include whether a separate infrastructure cost tracking mechanism should be approved.
- EWM proposes 12.3% residential (7.03% overall bill), 3.25% small general service and 0.69% large general service increases; CBG proposes 7.07% residential and 28.49% general service increases. Requests 10.75% ROE. Proposes increased residential service charge from \$7.25 to \$12.00 (EWM) and \$13.00 to \$17.00 (CBG).
- Notice of Application and Intervention Deadline issued 10/3/17.
- MCC Petition to Intervene filed 10/20/17.
- Procedural Order No. 7575 issued 11/20/17.
- Notice of Commission Action issued 1/22/18, modifying Procedural Order 7575 for supplemental tax issues.
- [MCC testimony filed 2/22/18: Hill](#) - Recommends 8.75% ROE, average capital structure of proxy group used to calculate ROE (49.43% equity/43.25% long-term debt/7.32% short-term debt) for overall 6.62% ROR for EWM and 6.42% for Cut Bank, demonstrates that SME Pipeline proposal would result in excessive returns; Schulz – recommends \$316,134 (1.35%) increase for EWM and \$109,367 (8.49%) increase for CBG, proposes several rate base and expense adjustments, including limiting rate basing of SME Pipeline to \$75,000 purchase price rather than \$4.9 million cost to SME, proposes adjustments to cost of enterprise planning software system that exceeded budget by more than 3x and has no demonstrated cost savings, adjusts working cash and regulatory expense amortization period; Donkin – recommends increase to residential class of 1.25x average increase granted, and no service charge increases, recommends rejecting Gas Infrastructure Reliability Clause tracking mechanism as unnecessary single-issue rate mechanism.
- EWM Supplemental Testimony regarding Tax Cuts and Jobs Act of 2017 filed 2/22/18, supporting a revised increase of \$1,361,817 for EWM and \$178,328 for CBG. EWM has protected excess deferred tax liability of \$2,611,725 and unprotected asset of \$561,386, and proposes to return both based on normalization rules as offset to the GIRC expenditures.
- Notice of Commission Action issued 3/7/18, identifying additional issue of EWM’s line extension policy.
- Revised Procedural Order No. 7575b issued 3/15.
- EWM Additional Issue Testimony filed 3/30/18: proposes no change to main extension policy of \$500 allowance for residential customers; proposes free extension policy for services – proposes first 100 feet free + \$5.50/foot beyond.
- [MCC Response Testimony of Ralph Smith](#) filed 4/6/18: recommends implementation of 21% tax rate, straight line depreciation of excess deferred taxes, rejection of GIRC offset proposal, amortization of deferred tax credit liabilities dating to 1/1/18.
- [MCC Additional Issue Testimony of George Donkin](#) filed 4/24/18: recommends rejecting suggestion that a tracker might be used to true-up line-extension costs on annual basis, reiterates that tracking is a single-issue mechanism and violates the matching principle, current mechanism allows customer contributions for incremental costs that are not recovered through sales revenue.
- Hearing held 5/9-10/18.

**EWM – [D2017.12.89](#) – Reconciliation of West Yellowstone No Interest Loan Program Surcharge**, filed 12/1/17.

- Issues in this docket are how to treat an over-collection of low income consumer support funds and whether to modify ongoing collections and programs.
- Reconciliation of difference between collections and disbursements for No-Interest Loan Program from 1997 to 2017 shows \$112,507 over collection. EWM proposes to convert program to a Universal System Benefit (USB) program to commit 1.12% of gross revenues to Energy Share, making a one-time contribution of half of the surplus and retaining the remainder to supplement current \$.0644/mcf surcharge for future payments.
- Notice of Application and Intervention Deadline issued 12/6/17.
- MCC Petition to Intervene filed 1/5/18.
- Procedural Order No. 7587 issued 1/24/18.
- [MCC testimony of Paul Schulz](#) filed 3/15/18: collected funds should be spent in West Yellowstone system; rate should be reduced to .42% statutory minimum; excess collections of \$3100 should be refunded over 12 months; \$109,764 remaining should be held in separate interest-bearing account and be used for future bill assistance and weatherization programs; EWMWY should immediately implement a low-income rate discount program modeled on GFG program.
- EWM Rebuttal Testimony filed 4/20/18.
- Notice of Staff Action issued 5/10/18, amending schedule. Hearing set 6/19/18.

**EWM – [D2017.3.17](#) – February gas tracker** filed 1/22/18. Res. rate increase to \$4.65/Mcf.

**EWM – [D2017.3.17](#) – March gas tracker** filed 2/27/18. Res. rate decrease to \$4.50/Mcf.

**EWM – [D2018.4.23](#) – April gas tracker** filed 3/27/18. Res. rate decrease to \$4.01/Mcf.

**EWM – [D2018.4.23](#) – May gas tracker** filed 4/23/18. Res. rate decrease to \$3.46/Mcf.

**Cut Bank Gas – [D2018.3.20](#) – Annual Gas Cost and USB Cost True-up**, filed 3/30/18.

- Requests recovery of \$11,757 gas cost under-collection and \$6,514 USB under-collection.
- Notice of Application and Intervention Deadline issued 4/6/18.
- MCC Petition to Intervene filed 4/27/18.

**ABACO Energy Services, Inc – [D2018.3.17](#)- Application to Establish Service Rates**, filed 3/16/18.

- Requests revenue requirement of \$572,281, including 40.65% ROE, or rate increase of 63% (Commercial) and 64% (residential).
- Notice of Application and Intervention Deadline issued 3/23/18.
- MCC Petition to Intervene filed 4/25/18.



**Avista – [D2017.9.71](#) - Application for Approval Of Merger**, filed 9/14/17.

- Issues in this docket are whether and under what conditions to approve the merger into a Canadian utility of a Northwest regional utility that owns generation facilities in Montana but has very few end use consumers in the state, and potential impacts on Colstrip closures.
- Requests approval of merger with Hydro One Limited, where Avista will become an indirect subsidiary. Avista has 32 customers in Montana, including 14 owned structures and 9 employees.
- Notice of Application and Intervention Deadline issued 9/27/17.
- MCC Petition to Intervene filed 10/18/17.
- Procedural Order No. 7577 issued 11/27/17.
- Notice of Additional Issues served 2/21/18. Requires Joint Applicant testimony regarding potential regulatory changes, including pending depreciation studies, and impacts on Montana-sited resources.
- Applicant Supplemental Testimony filed 4/18/18, addressing Idaho settlement agreement, depreciation end life of 12/27 and impact on Colstrip 3&4.
- Hearing set 5/17/18.

**Holmberg Water – [D2016.4.35](#) – Adoption of Standard Rate Tariff**, letter filed 4/21/16.

Request for approval of standard rate tariff following 4/20/16 sale of system; converting to meters with metered use at \$35/mo. plus \$1.00/1,000 gal. in excess of 10,000 gal., rising to \$40/mo. plus \$2.00/1,000 gal. over 10,000 gal. by 1/1/18.

- [MCC letter to PSC](#) 5/13/16, indicating desire for discovery and intent to participate.
- Notice of Commission Action issued 5/31/16, setting flat interim rates at \$30/mo., and \$20/mo. for condos.
- Procedural Order No. 7509 issued 9/22/16.
- [MCC testimony of Paul Schulz](#) filed 11/17/16: MCC has received over 60 letters from Holmberg consumers; a traditional revenue requirement would allow a comparison to see if standard rates are allowing windfall profits; explains why information provided is insufficient to assess revenue requirement; expenses in 2014 and 2015, prior to unauthorized sale of the utility, were relatively consistent at \$32-34,000; annual revenues at standard rates would be roughly in the range of \$88,934 to \$106,875; recommends current fixed rates remain until meters and associated software are operating, then changing the fixed charge from \$30 to \$25/mo. with a volumetric charge of \$.50/1000 gal over 10,000 gal/mo.
- Holmberg Motion for Issuance of Standard Rate or Opportunity to Submit Testimony filed 11/23/16. Asserts standard rate has already been determined reasonable by rule.
- Notice of Staff Action issued 12/7/16, allowing Holmberg response testimony.
- Holmberg testimony filed 1/13/17, including Motion to Recover Costs, seeking regulatory costs in addition to the standard rate.
- Interim Order No. 7509a issued 4/18/17: requires updated information on meter installation; Holmberg must provide customers one-month billing information before implementing metered rates; authorizes interim rates of \$35 plus \$1.50/1000 gal. over 10,000 gal.; MCC or Holmberg may request further evaluation of interim rates after 12/31/17.
- Holmberg Motion for Reconsideration filed 4/27/17.
- Notice of Commission Action issued 6/20/17, denying Holmberg Motion for Reconsideration.
- Holmberg Request for Further Evaluation of Rates, filed 1/31/18. Requests implementation of standard rates.

- [MCC Request for Further Evaluation of Rates](#) filed 1/31/18, requesting opportunity to conduct discovery and submit comments or testimony.
- Interim Order No. 7509b issued 3/30/18: authorizes standard metered rates of \$40/mo., plus \$2.00/1000 gallons over 10,000 gallons effective 5/1/18, expiring 5/31/19. Holmberg must indicate by 2/28/19 whether it will file request for extension of standard rate, a regular rate application, or application based on operating ratio methodology. Commission finds interim rates will protect customers “if there is an over-collection of revenues,” and that MCC was able to participate and represent interests of customers.
- Holmberg Motion for Reconsideration filed 4/9/18, requesting standard rate for three years from 5/1/18 to 5/1/21, and striking language that standard rate extension would only be considered in limited circumstances.

***Holmberg Village Water v. MPSC***, Cause No. ADV 2017-549 Mont. First Judicial District. **Petition for Judicial Review**, filed 7/18/17. Petition for Review of Order No. 7509a.  
-MCC Intervention granted 8/22/17.

**North Star PUD – [D2010.6.60](#) – Initial Rate Application for Water and Sewer**, filed 6/8/10, resubmitted 8/24/10. Helena Valley Subdivision. Requests flat rate of \$30/customer and misc. fees.

- Interim Order 7105 issued 8/31/10 approving initial rates.
  - Procedural Order No. 7105a issued 12/20/10. Hearing set 3/16/11.
  - NSA issued 1/28/11 suspending procedural schedule due to discovery problems.
  - Request to implement originally filed inclining rate structure (\$30 flat rate, \$5 per thousand gal. over 10,000/m0, \$10 over 30,000 gal./mo.) filed 6/9/2011, based on purported DEQ requirement for metered service and inclining rates in order to implement larger buildout.
  - Motion for interim rate approval of inclining rates filed 5/21/12.
  - Second Interim Order No. 7105b issued 6/5/12, approving \$5 charge in excess of 10,000 gallons, but not the third-tier rates.
  - Application for Implementation of Standard Rates, filed 6/4/14. Optional rules for small water and sewer utilities, adopted 2/18/14. North Star is currently charging rates pursuant to interim order 7105b. The standard sewer rate will be the same, the standard water rate is an increase from \$30 to \$40 for 10,000 gal., but decrease from \$5 to \$2 for every 1,000 gal., over. North Star asserts most customers will experience a bill decrease.
  - Approval of standard rates granted 10/31/14.
- Notice of Commission Action issued 10/30/17, authorizing temporary extension of standard rates and requiring rate request filing by 1/31/18.
- North Star request for continuation of standard rates filed 1/31/18.
  - Notice of Opportunity to Comment issued 2/8/18.
  - [MCC Comments](#) filed 2/28/18: objects to continuation of standard rates indefinitely past the three-year expiration date of 8/1/17; North Star has been operating pursuant to Commission-approved rates for seven years; opportunity for discovery and to present evidence is necessary.

**High Quality H2O – [D2018.3.13](#) – Application to Implement Standard Rates**, filed 3/1/18  
- Increased rate from \$25 to \$30 1/1/18. Requests \$35/mo. 7/1/18, \$40 on 1/1/19, and \$45 on 7/1/19.  
- Notice of Application and Intervention Deadline issued 3/14/18.

- MCC Petition to Intervene filed 4/4/18.

**Flathead Utility Co. – [D2017.3.19](#) – Adoption of Standard Rate**, filed 2/27/17.

- Notice of Intent to adopt standard water rates for Country Estates Subdivision, Kalispell, and for Hilltop Terrace, Columbia Falls, increasing rate from \$15 to \$40 for 281 customers.
- Notice of Application and Intervention Deadline issued 4/18/17.
- MCC Petition to Intervene filed 5/2/17.
- Procedural Order No. 7548 issued 6/23/17, establishing limited procedural process.
- Notice suspending procedural order issued 8/21/17, due to discovery non-responsiveness.
- Amended Procedural Order No. 7548a issued 3/22/18. Comments due 5/11/18.

**Petition of MCC – [N2017.9.76](#) – Petition to Amend ARM 38.5.2527 and 2528**, filed 9/25/17.

- Petition states that Standard Rate rules are harming ratepayers, not serving stated purpose, creating perverse incentives and violating statutory provisions; have increased rates, rather than reducing them; recognizes underlying concerns and proposes a simplified regulatory process and relying on consumer complaint process; simplified process establishes alternative minimum information filing requirements and an opportunity for review.
- Notice of Petition and Opportunity for Comment issued 10/2/17.
- [MCC Request for Hearing or Opportunity to Respond in Writing](#), filed 10/23/17.
- Hearing held 11/7/17.
- Notice of Commission Action issued 11/22/17, accepting Petition for rulemaking and initiating rulemaking proceedings, indicating intent to file with Secretary of State by 1/16/18. Agrees process should be refined, but disagrees standard rate rules should be removed in their entirety.
- Rulemaking Notice issued 1/16/18, including MCC proposal as well as second proposal that would maintain existing standard rates and add a second standard rate option.
- Hearing held 3/13/18.
- [Additional Comments of MCC](#) filed 3/23/18 urging replacing standard rates with initial rates and not adopting Option 2 without adopting several amendments.

**Commnet Wireless – [D2017.6.50](#) - Petition for Designation as Eligible Telecommunications Provider**, filed 6/6/17.

- Commnet requests designation as ETC to offer Lifeline Service to additional locations within the Northern Cheyenne Reservation. FCC provides funding to ETCs to provide service in rural and high cost areas.
- Notice of Petition and Intervention Deadline issued 6/15/17.
- Procedural Order No. 7566a issued 2/7/18.
- MCC Petition for Late Intervention filed 2/27/18, indicating no opposition to Petition.
- Hearing held 3/5/18.
- Notice of Commission Action issued 3/6/18, directing Commnet to respond to several issues pertaining to cost and revenue data.

**PSC – [N2018.3.15](#) – Legally Enforceable Obligation Rulemaking.** Notice of Proposed Adoption certified 3/6/18. Proposes new rule clarifying creation of a legally enforceable obligation (LEO) including executed power agreement consistent with avoided costs calculated within 14 days of tender, submission of a QF-signed interconnection agreement consistent with

utility's open access transmission tariff, and site control. New rules also specify required QF access to avoided cost modeling data.

-Hearing held 4/9/18.

**PSC – [N2017.10.82](#) – Investigation into High Cost Support and Lifeline Services**, initiated 11/9/17.

-Notice of Commission Action issued 11/9/17, initiating an investigation into “improving transparency, fostering accountability, and maintaining quality services for high cost support and lifeline services in Montana. Expresses concern that current guidelines are insufficient to oversee this \$100 million/yr. program. Poses several questions under three broad categories: what opportunities exist for Commission to more appropriately oversee ETC services in Montana; what opportunities exist for reforms to Montana law; what opportunities exist for reforming Federal policies?

-[MCC Comments](#) filed 1/31/18: notes high cost of service related to low housing density in Montana; urges continued support for FCC High Cost and Lifeline funds; recommends reporting requirements for assurance that funds are appropriately used, including broadband buildout milestones.

-Hearing held 4/6/18.