

Montana Consumer Counsel

9/16/2020 STATUS OF CASES

NWE – [2019.12.101](#) – Application for Approval of Capacity Resource Addition.

- Notice of Intent to File an Application for Pre-Approval of a Capacity Resource Acquisition, filed 12/10/19. NWE states it plans to file by 1/31/20 an Application for Commission preapproval to acquire Puget Sound Energy's (PSE) 25% (185 MW) share of Colstrip 4 for \$1. The purchase agreement provides that NWE will sell 90 MW of power to PSE for approximately 5 years, and that NWE will also purchase a portion of PSE's interest in the Colstrip Project Transmission System. PSE will maintain its existing pro rata responsibility for environmental and pension liabilities existing prior to closing of transaction as well as existing pro rata share of decommissioning costs.
- Application filed 2/5/20. NWE asserts a critical capacity deficiency. NWE requests approval to purchase and ratebase 185 MW of CU4 from Puget Sound Energy for \$1.00; sell 90 MW back to Puget for approximately 5 years; include a "Test Period Revenue Requirement" for 95 MW in rates, offset by a reduction to the Power Cost and Credits Adjustment Mechanism (PCCAM); establish a reserve fund for post-closure environmental, remediation and decommissioning costs; make a compliance filing in 5 years to reflect additional revenue requirement for 90 MW and reduction in PCCAM rates. NWE calculates 95MW revenue requirement of \$7.4 million, with revenues and PCCAM savings of \$11.2 million. NWE asserts no customer bill impacts. Sales agreement states Puget will retain responsibility for its presale share of environmental compliance, remediation and decommissioning costs. Conditions precedent to closing include a Transmission Acquisition Agreement with Puget regarding interest in 500 kV line.
- Notice of Application and Intervention Deadline issued 2/12/20.
- Notice of Opportunity for Intervenor Comment issued 2/19/20. Commission requests comments regarding whether NWE's Application complies with minimum filing requirements.
- MCC Petition to Intervene filed 3/3/20.
- MCC Comments regarding adequacy of application filed 3/6/20: Application fails to satisfy filing requirement rules because the testimony and exhibits are conclusory and shift burden of fact-finding to intervenors, there is insufficient information to compare the proposed resource to alternatives, and it lacks a complete description of each aspect of the resource.
- Notice of Commission Action issued 3/23/20 finding application deficient and allowing NWE the opportunity to supplement. The application is deficient in two broad areas: 1) does not adequately demonstrate expected annual revenue requirements compared to alternatives, nor adequately describe the acquisition, nor consider public interest issues required by rules, 2) evaluation using PowerSimm did not provide inputs nor consider plausible alternative assumptions regarding resource costs, capabilities and future conditions. Commission provides 30 days to respond to the stated deficiencies, but commits to a typical procedural schedule

whether or not NWE chooses to file supplement. Discovery is suspended pending issuance of procedural order.

- NWE Motion for Reconsideration of NCA filed 4/3/20. NWE asserts that the Commission prejudged the application and: adopted a new policy disfavoring opportunity resources; rejected NWE's reserve fund proposal through single issue ratemaking; suggested correcting deficiencies by committing to a C4 retirement date.
- NWE Notice of Right of First Refusal and Intent to Supplement Application filed 4/10/20, stating that Talen is exercising its right of first refusal regarding Puget's C4 sale and that NWE will amend its application to reflect the potential acquisition of 92.5 MW.
- Procedural Order No. 7717b issued 4/22/20. Hearing set 10/19/20.
- NWE Supplement to Application filed 4/24/20. Application is amended to request for approval to acquire "at least 92.5 megawatts" from Puget for \$0.50 and up to 185 MW, directly serving consumers with 47.5 MW and selling 45 MW back to Puget for approximately 5 years.
- Order No. 7717c issued 5/15/20, rescinding NCA finding application deficient, finding Application complies with statutory and administrative rule requirements, and granting request to issue procedural order contemplating resolution by 12/31/20.
- NWE Corrected Testimony and Exhibits filed 7/2/20.
- Notice of Commission Action issued 7/16/20 rescinding Procedural Order 7717a, suspending deadlines and directing staff in consultation with parties to reestablish a procedural schedule after NWE has submitted a revised buy-sell agreement and supplemental testimony if necessary.
- NWE Second Supplement to Application filed 8/19/20, amending application to acquire 92.5 MW, selling back 45 MW to Puget for five years, include the revenue requirement of 47.5 MW in rates offset by a reduction to the Power Cost and Credits Adjustment Mechanism, establish a Reserve Fund with PPA net proceeds and 90% of PCCAM savings, and make a compliance filing in five years for revenue requirement associated with remaining 45 MW.
- Procedural Order No. 7717i issued 8/26/20. Hearing set 12/14/20.

NWE – [2020.08.091](#) – Annual Power Costs and Credits Adjustment Mechanism, filed 9/1/20. This is the annual filing in which NWE tracks its electric supply power costs and true-ups variations from base. NWE calculates a deferred account balance of \$4,534,335 to be amortized over 12 months. Replacement of larger prior balance produces a typical residential bill reduction of 2.54%.

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, i.e., smaller than 3 MW). 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
- Oral argument held 9/7/18.

- Order Vacating and Modifying Order Nos. 7500c and 7500d issued 4/2/19. District Court finds that: the PSC arbitrarily cut QF rates and contract lengths with the stated purpose of making renewables economically unfeasible and eliminating competition; PSC failed to provide notice of symmetry issue; PSC failed to consider costs of resources NWE plans to acquire in 2019; PSC decision to eliminate CO2 costs was arbitrary; PSC lacked substantial evidence to determine that 15 year contracts are sufficient to enhance economic feasibility of QFs.
 - Vote Solar Motion to Alter or Amend Judgment filed 4/18/19. Vote Solar asserts that ordering language does not reflect all components of the Commission decision found to be arbitrary.
 - NWE/PSC/MCC Motion to Stay Pending Appeal filed 4/18/19.
 - Order Granting Motion to Alter or Amend issued 6/17/19.
 - Order Denying Motion to Stay issued 6/17/19, finding the only harm to Defendants would be “time and resources to complete the project they started years ago,” and considerable potential harm to Plaintiffs.
 - Findings of Fact and Conclusions of Law for the Symmetry Finding in MTSUN Order No. 7535b, issued 6/18/19. District Court finds the PSC did not provide required notice of the symmetry issue prior to hearing; PSC did not afford opportunity to present or respond to evidence at hearing; PSC failed to follow its own precedent without reasoned explanation; PSC does not have authority to apply QF contract length requirements to utility owned resources; lack of evidence to limit MTSUN contract to 15 years; lack of evidence to depart from prior adoption of carbon pricing. Court finds that an Internal Combustion Engine unit was an appropriate capacity cost proxy; remands to PSC with instructions to issue new order in line with Court’s findings within 30 days.
- DA 19-0223** – NWE Notice of Appeal filed 4/11/19.
- NWE Notice of Appeal filed 6/24/19, from Final MTSun Order entered 6/18/19.
 - NWE Motion to Stay Findings of Fact and Conclusions of Law for the MTSun Order No. 7535b Pending Appeal filed 6/24/19.
 - NWE Motion for Stay in Supreme Court filed 6/25/19.
 - Order No. 7500e issued 7/8/19 in Docket No. D2016.5.39, directing NWE to make a compliance filing consistent with the District Court’s findings within 30 days; further directing NWE to include language that any resulting contract is null and void if District Court Order is overturned or modified in any way by the Supreme Court on appeal.
 - Order No. 7535c issued 7/17/19 in D2016.12.103 incorporating District Court directives, ordering capacity rates of \$14.07/MWh; further directing NWE to include language that any resulting contract is null and void if District Court Order is overturned or modified in any way by the Supreme Court on appeal.
 - Stay issued by Supreme Court in DA 19-0233 pending resolution of appeal.
 - Supreme Court decision issued 8/24/20 (4-3), affirming District Court and remanding to PSC. Discusses history and purpose of PURPA; notes rates must allow small QFs to be viable, citing Whitehall Wind; discusses PSC avoided cost methodologies and states that the proxy method relies on the utility’s next planned resource addition to set both energy and capacity costs; discusses history of PSC inclusion of carbon adders and contract lengths; was critical that PSC used a combined cycle turbine to calculate avoided energy cost when the internal combustion units would be available 6 years earlier; in discussing standard of review, discounts deference to agency if record evidence supports decision, stating that the PSC decision was “not predicated on the underlying record”; ignores point that QFs can retain carbon values through RECs, because PSC did not rely on that; states that PSC has “regularly” included carbon costs since 2012 and

cites Hydros order finding that carbon costs are not zero; record evidence does not support PSC's changed conclusion; uncertainty is inherent in PURPA rates, so can't set carbon costs at zero simply because they are speculative; excluding carbon costs solely for solar QFs is discriminatory; PSC made no effort to distinguish this case from Crazy Mountain; avoided energy and capacity costs must essentially be sourced from the same period, so same resource; PSC conclusion that an internal combustion engine is primarily a capacity resource and not energy is arbitrary because it does produce energy; it is unreasonable to assume that NWE is adding capacity resources simply for capacity; finds that subsections (b) and (d) of the Southwest Power Pool (SPP) planning criteria are "different methods" to aggregate data to determine capacity contribution and PSC erred by applying them together; finds PSC cannot adopt a new capacity methodology "simply to circumvent PURPA's objective" to encourage QFs; finds that "FERC provides that long-term contracts allow for any overestimations and underestimations of avoided costs to balance out" so no one is affected by market uncertainty; finds record did not support conclusion that 15 year contracts are feasible and that NWE resources enjoy contracts of at least 25 years; contract lengths must be considered in conjunction with rates to encourage development; leaves stay in place and remands to PSC for consideration of the opinion when setting QF-1 standard offer rates in future proceedings.

- Petition for Rehearing filed by PSC 9/8/20 seeking correction of "overlooked material facts and controlling law": 1) some of the opinion's PURPA conclusions concerned implementation, or methodology, issues which are preempted; avoided capacity cost analysis overlooked plain language of the SPP Planning Criteria in requiring two necessary steps be viewed as options and the fact that the PSC used the SPP Excel worksheet to calculate the value rather than calculating it itself; the proxy method analysis overlooked material facts in determining that it was error to distinguish between avoided energy and capacity costs; the carbon analysis was incorrect, violates FERC precedent, and reached the symmetry issue which was not on appeal.

- Joint Petition for Rehearing filed by NWE and MCC 9/8/20 because Court overlooked a material fact in misapplying the Southwest Power Pool method and also seeking corrections regarding carbon adder, contract length and avoided cost; SPP method does not establish two separate methods to aggregate capacity data, but two steps that must be applied together, thus Court should reverse its determination that PSC misapplied the method; Court misapplied a FERC decision to conclude that carbon costs are a necessary component of avoided costs – FERC said that states may include carbon costs if they are real costs incurred by the utility; Court was incorrect in believing that carbon cost exclusion only applied to solar QFs; Court contradicted itself in requiring avoided costs based on current data but require comparison to rates set 6-8 years ago; Court may correct these findings without disturbing its finding that the Commission failed to distinguish this case from Crazy Mountain Wind and that record did not support decision; Court misapplied a FERC decision relating to calculation of long term avoided cost rates in concluding that it applied to contract length and incorrectly stated that NWE's own resources enjoy long term contracts; Court can correct these errors and retain its decision that Commission's decision was not based on record evidence; Court incorrectly portrays role of PURPA in encouraging QF development – it is the nondiscriminatory access to markets and not the rate that is the focus; Court should correct language that portrays calculation of the avoided cost rate as the means of enhancing QF development.

NWE – [2019.10.076](#) – Petition of CED Wheatland County Wind, LLC, to Set Terms and Conditions, filed 10/4/19. Wheatland is a proposed 73 MW wind Qualifying Facility project in

Wheatland County petitioning the Commission to set terms and conditions. Wheatland seeks 25 year contract for payment of \$43.23/MWh Around the Clock for energy and \$2.22/MWh for capacity in all hours and entitlement to carbon adder of \$6.27/MWh beginning 1/1/28.

- Notice of Petition and Opportunity to Intervene issued 10/10/19.
- MCC Petition to Intervene filed 10/24/19.
- Procedural Order No. 7702 issued 10/31/19. Hearing set 2/10/20.
- NWE Intervenor testimony filed 12/23/19: Proposes avoided energy cost of \$15.86/MWh, avoided capacity cost of \$10.70/MWh for on-peak production, integration costs of (\$12.43)/MWh, and interconnection network upgrade costs of \$(159.91)/MWh, for total avoided cost of \$(156.48)/MWh off-peak and \$(145.78)/MWh on-peak. Asserts that new 230 kV line costing \$237 million would be required for interconnection.
- MCC Testimony of Jaime Stamatson filed 12/23/19: supports hourly version of PowerSimm to calculate avoided costs; accepts Wheatland's assumed avoided capacity cost value of \$176.40/kw-year; recommends Wheatland retain all renewable energy credits (RECs) to account for environmental benefits in lieu of assumed carbon dioxide values; explains that 15 year contract would minimize ratepayer risk and is reasonable for QFs; supports using NWE's Open Access Transmission Tariff (OATT) to calculate ancillary service costs.
- Hearing held 2/10-11/20.
- Final Order No. 7702b issued 4/22/20: The price terms proposed by CED were substantially higher than any recent avoided cost determinations, were not consistent with NWE's avoided costs, and no LEO was established; Commission lists several factors that may have contributed to the divergence; NWE failed to adequately address questions related to PowerSimm dispatching resources out of merit so it cannot be relied upon to develop avoided costs in this case; similarly rejects CED's proposed proxy for calculating avoided cost, so neither party has met a burden of proof; determines a reciprocating internal combustion engine (RICE unit) should be used to determine avoided costs; avoided energy cost is \$24.18/MWh; adopts 5% capacity factor resulting in \$11.04MWh capacity payment in on-peak hours; rejects carbon cost adder as unsupported and speculative; QF is responsible for project network upgrade costs; NWE's Open Access Transmission Tariff (OATT) should be used to calculate ancillary service costs; adopts 15 year contract length.
- CED Request for Reconsideration filed 5/1/20.
- NWE Motion for Reconsideration filed 5/4/20, regarding uncompensated curtailment provisions.
- Notice of Staff Action issued 5/13/20, waiving 20 day automatic denial rule.
- Order No. 7702c on Reconsideration issued 7/13/20: Reaffirms finding that no LEO was established, but finds that "affirmative determination" of NWE's avoided cost at time of contract tender would be reasonable; affirms use of proxy method in this case; estimates CED's avoided cost request in September 2019 was 42% higher than costs and affirms finding of no LEO; CED's use of PowerSimm results suffer from same criticism it levels at NWE's use of those results; reaffirms use of proxy method as most supported in record; reverses recognition of light and heavy load hours and sets energy costs solely on fuel and variable O&M costs of the proxy; substitutes buildout of DGGs for a standard internal combustion engine and adopts CED's gas price forecast; calculates avoided energy cost of \$24.99/MWh for 15 year contract; affirms 5% capacity contribution; reaffirms carbon cost treatment and interconnection cost findings; reaffirms 15 year contract length.

CED Wheatland Wind v. PSC, - ADV-2020-1292 - **Complaint and Petition for Judicial Review**, First Judicial District, filed 8/11/20. Petition for review of Order Nos. 7702b and c, claiming that they set unreasonable and unlawful terms and conditions for the QF contract between CED Wheatland and NWE. CED argues that the PSC's five most recent QF orders exhibit "wild swings" in methodology explained by a predetermined goal of precluding QF development.

- MPSC Motion for More Definite Statement filed 9/2/20.

- NWE Motion to Dismiss filed 9/2/20.

NWE – [2019.09.067](#) – Petition of CED Pondera Wind, LLC, and Teton County Wind, LLC, to Set Terms and Conditions, filed 9/16/19. Pondera is a proposed 20 MW wind Qualifying Facility project in Teton County petitioning the Commission to set terms and conditions for a power purchase agreement with NWE. Pondera seeks 25 year contract for payment of \$46.68/MWh Around the Clock for energy and \$3.40/MWh for capacity in all hours, and entitlement to carbon adder of \$6.27/MWh.

- Notice of Petition and Opportunity to Intervene issued 9/24/19.

- MCC Petition to Intervene filed 10/8/19.

- Procedural Order No. 7699 issued 10/11/19. Hearing set 1/22/20.

- NWE Motion for Reconsideration of Procedural Order filed 10/21/19.

- Revised Procedural Order No. 7699a issued 10/23/19.

- NWE Intervenor testimony filed 11/22/19: Proposes avoided energy cost of \$15.90/MWh for Pondera and \$15.47 MWh for Teton, avoided capacity cost of \$12.91/MWh for Pondera and \$14.47/MWh for Teton for on-peak production, integration costs of (\$14.59)/MWh for Pondera and \$(19.48)/MWh for Teton, and interconnection network upgrade costs of \$(8.60)/MWh for Pondera and \$(8.51)/MWh for Teton, for total avoided cost of \$(7.29)/MWh off-peak and \$5.63/MWh on-peak for Pondera and \$(12.52)/MWh off-peak and \$1.95/MWh on-peak for Teton.

- MCC Testimony of Jaime Stamatson filed 11/22/19: supports hourly version of PowerSimm to calculate avoided costs; accepts Pondera's and Teton's assumed avoided capacity cost value of \$176.40/kw-year; recommends Pondera and Teton retain all renewable energy credits (RECs) to account for environmental benefits in lieu of assumed carbon dioxide values; explains that 15 year contract would minimize ratepayer risk and is reasonable for QFs; supports using NWE's Open Access Transmission Tariff (OATT) to calculate ancillary service costs.

- Hearing held 1/22-24/20.

- Final Order No. 7699c issued 3/23/20: The price terms proposed by CED were roughly double any recent avoided cost determinations, were not consistent with NWE's avoided costs, and no LEO was established; Commission lists several factors that may have contributed to the divergence; NWE failed to adequately address questions related to PowerSimm dispatching resources out of merit so it cannot be relied upon to develop avoided costs in this case; similarly rejects CED's proposed proxy for calculating avoided cost, so neither party has met a burden of proof; determines a reciprocating internal combustion engine (RICE unit) should be used to determine avoided costs; avoided energy cost is \$24.18/MWh; adopts 5% capacity factor resulting in \$11.42/MWh capacity payment in on-peak hours; rejects carbon cost adder as unsupported and speculative; QF is responsible for project network upgrade costs, less avoided network costs associated with NWE's next avoidable resource; NWE's Open Access

Transmission Tariff (OATT) should be used to calculate ancillary service costs; adopts 15 year contract length.

- CED Motion for Reconsideration filed 4/2/20: regarding most findings.
- NWE Motion for Reconsideration filed 4/2/20: requests clarification of how the \$11.42/MWh on-peak capacity calculation was developed and why it is the same for both projects; \$1.5 million interconnection costs should not be reduced by \$75,000; uncompensated curtailment provisions should not be limited to instances where CED contributed to the emergency.
- Notice of Staff Action issued 4/20/20, waiving 20 day automatic denial rule.
- Order No. 7699d on Reconsideration issued 7/20/20: CED did not form an LEO because prices did not reflect avoided costs; record does not support energy costs calculated with PowerSimm as demonstrated in CED's own advocacy; on reconsideration sets energy costs solely based on O&M costs of the proxy resource and adopts CED's gas price forecast; affirms 5% capacity contribution; affirms rejection of CO2 adder; agrees that ancillary charges should be reduced by ancillary service costs avoided by a proxy resource; affirms 15 year contract term.

CED Teton County Wind v. PSC, - DDV – 2020-1367 - **Complaint and Petition for Judicial Review**, First Judicial District, filed 8/18/20. Petition for review of Order Nos. 7699c and d, claiming that they set unreasonable and unlawful terms and conditions for the QF contract between CED Teton/Pondera and NWE. CED argues that the PSC's five most recent QF orders exhibit "wild swings" in methodology explained by a predetermined goal of precluding QF development.

- MPSC Motion for More Definite Statement filed 9/3/20.
- NWE Motion to Dismiss filed 9/8/20.

NWE – [2020.05.064](#) – Investigation into Impacts of COVID-19 on NWE's FCRM.

- PSC issued Notice of Opportunity on 5/29/20 to Comment on its investigation of COVID-19 impacts on the recently approved decoupling mechanism scheduled to begin 7/1/20. Commission requests comments on several topics, including need for adjustments to implementation date and length of the pilot period.
- NWE Motion to Suspend July 1, 2020 Implementation of FCRM filed 6/5/20. NWE seeks to suspend implementation until after a final decision in this investigation docket, due to uncertainty regarding the pilot.
- MCC Comments filed 7/6/20: economic disruptions of COVID have shifted risks to ratepayers; COVID-related impacts are likely to last several years; Commission should terminate decoupling experiment; if not terminated, should indefinitely postpone until COVID impacts are proven to have abated, and should implement a hard cap and reinstitute weather normalization.
- Order No. 7742 issued 8/19/20, finding it prudent to collect additional information to monitor the impacts of the pandemic on the FCRM pilot, specifying that information to be filed 2/14/21, and concluding this docket should remain open pending a decision on appropriateness of moving forward with the pilot on 7/1/21.

NWE – [2020.03.034](#) – Application to Revise Tariff Schedule No. EGPS-1, filed 6/17/20. This filing results from a settlement in D2018.02.012 and proposes to reduce the rate for Electric Green Power Service from \$2.00 to \$1.25 per 100 kWh block. NWE uses the revenues to purchase renewable energy credits (RECs) and to promote the program.

- Notice of Application and Opportunity to Comment issued 6/22/20.

- Order No. 7739 issued 7/28/20, approving requested tariff changes.

NWE – [2019.08.052](#) – 2019 Electricity Supply Resource Procurement Plan, filed 8/20/19.

- Notice of Electricity Supply Procurement Plan, Opportunity to Comment, and Public Meetings issued 10/25/19.

- Notice of Staff Action extending comment deadline to 1/6/20 issued 12/20/19.

- MCC Comments filed 1/6/20: notes distinction between planning and actual resource acquisition; NWE has not adequately supported abandoning markets in favor of such large capacity additions; Plan does not address full potential of interregional load and resource diversity; recognizes plant closures but not plant construction; issues regarding acquisition of additional Colstrip 4 capacity were not addressed; the variable energy resource study should be updated to assess ancillary service needs and costs; 16% planning reserve target seems excessive; share concerns expressed regarding unnecessary modeling limitations, gas pipeline costs and rate of Demand Side resource acquisition.

- MPSC Comments issued 7/1/20: agrees that Pacific Northwest likely resource inadequate in next few years without resource development; agrees with premise that NWE should take steps to ensure that “controlled capacity and energy resources” are adequate; supports plan for competitive solicitations but finds aspects of such solicitations not adequately explained; does not adequately define short and long term capacity; 16% reserve margin is premature because NWE doesn’t intend to achieve it prior to next plan; plan is deficient in not allowing for direct purchase of market-based capacity resources; encourages NWE to account for technological change and market transformation; more transparency required in capacity assignments to wind and solar; deficient in not including a scenario of lower cost curve for wind and solar with higher gas costs; deficient in not evaluating higher gas cost scenario at all; Plan erred in not considering gas transportation costs; appears to be a discrepancy in the modeling for pumped hydro and lithium ion storage; Plan does not adequately analyze impacts of EIM; lack of analysis of transmission investments and access to expanded markets is significant omission; concerns and deficiencies are substantial enough to call into question the adequacy, accuracy and value of the 2019 Plan.

NWE – [2020.07.078](#) – Petition for Certification of Eligible Renewable Resources and CREPs, filed 7/30/20.

NWE requests that the PSC certify as eligible renewable resources and community renewable energy projects (CREPs) several upgrades to three individual units at Ryan Dam and one unit at Hauser Dam. Proposed capacity additions are 1.5 MW for Ryan units and .6 MW for Hauser, for a total of 5.1 MW to be credited to NWE’s total CREP obligation.

- Notice of Petition and Opportunity to Comment issued 8/2/20.

NWE – [2019.07.040](#) - Annual Gas Cost Tracker, filed 6/2/20. In this filing, NWE seeks to true up and finalize its monthly trackers for the year ending 6/30/20, and projects supply rates for year ending 6/30/21. Projected gas supply rate is \$2.70/dkt, versus \$2.34/dkt for prior period. Proposes a net prior period under-collection of \$205,948. Proposes residential rate increase from \$5.92 to \$6.59/dkt.

- Notice of Application and Intervention Deadline issued 6/22/20.

- Interim Order No. 7734 issued 7/1/20. Approving requested rates on interim basis.

- MCC Petition to Intervene filed 7/17/20.

NWE – [2020.07.083](#) – **August gas tracker**, filed 7/21/20. Gas decrease from \$2.70 to \$2.61. Res. Rate from \$6.58 to \$6.50.

NWE – [2020.07.083](#) – **September gas tracker**, filed 8/14/20. Gas increase from \$2.61 to \$2.89. Res. Rate from \$6.50 to \$6.77.

NWE – [2020.03.041](#) - **Natural Gas Universal System Benefits Charge Rate Adjustment**, filed 3/31/20. In this annual filing, NWE seeks to adjust its USB rate to reflect an over collection in 2019 of \$859,074 and over-collection from 2018 of \$63,929, as well as a 2020 budget of \$3,592,352. Proposed residential rate decreases from \$.120071/dkt to \$.09092/dkt.

- Notice of Application and Intervention Deadline issued 4/3/20.
- MCC Petition to Intervene filed 4/17/20.
- Interim Order No. 7723 issued 4/29, approving requested changes on interim basis.
- Procedural Order No. 7723a issued 5/7/20.
- Final Order No. 7723b issued 6/30/20, approving requested rates.

NWE – [2020.05.066](#) – **Petition for Accounting Order**, filed 5/29/20. In this filing, NWE seeks authority to defer costs associated with the COVID-19 pandemic. Specifically, it requests authority to track incremental bad debt cost and authority to expense pension costs over a five-year period to facilitate additional cash funding in 2020. Notes Governor’s 3/30/20 directive prohibiting disconnections for non-payment.

- Notice of Application and Opportunity to Comment or Request Further Process issued 6/8/20.
- MCC Request for Further Process filed 6/18/20, requesting opportunity to conduct discovery and proposing comment deadline of 7/24/20.
- MCC Comments Opposing Petition filed 7/31/20: NWE’s interests must be weighed against ratepayers’; reported uncollectibles increase does not meet 5% of net income bright line test for deferrals; if deferrals are allowed any recovery should be offset by cost savings; pension funding is not beyond management control; markets have already turned around; deferrals should be denied.
- MCC Request for Oral Argument filed 8/19/20.
- Notice of Commission Action Setting Oral Argument issued 9/8/20.
- Oral Argument held 9/10/20.

NWE – [2019.11.089](#) – **Annual Tax Tracker**, filed 12/18/19. This filing represents NWE’s annual state and local tax expense adjustment. NWE proposes a net electric expense reduction of \$24,106,277 and gas reduction of \$914,395.

- Notice of Application, Intervention Deadline, Procedural Schedule and Public Hearing, issued 12/20/19. Comments and hearing requests due 1/13/20.
- MCC Petition to Intervene filed 12/30/19.
- MCC Comments filed 1/13/20, opposing proposal to collect 100% of property taxes related to Dave Gates Generating Station from retail customers.
- Notice of Commission Action issued 1/14/20, setting hearing for 1/21/20.
- Notice Vacating and Resetting Hearing issued 1/16/20.
- NWE Motion to Suspend Procedural Schedule and Vacate Hearing filed 1/27/20. NWE states it has discovered a discrepancy and will make an amended filing.
- Notice of Staff Action vacating hearing issued 1/29/20.

- Amended Application filed 2/28/20. Revised net effect of \$8,575,150 decrease for electric and \$1,182,893 decrease for gas.
- Second Notice of Application, Intervention Deadline, Procedural Schedule and Public Hearing issued 3/2/20.
- MCC Comments filed 3/19/20: Opposing NWE's request to collect 100% of taxes associated with Dave Gates from retail customers.
- Notice of Public Hearing issued 4/1/20, setting hearing 4/9/20.
- Notice of Staff Action Vacating Public Hearing, Setting Briefing Schedule, and Establishing Evidentiary Record issued 4/8/20. Final Brief submitted 5/6/20.
- Final Order No. 7705a issued 7/9/20: because allocation of property taxes for the rest of NWE's supply fleet have not been addressed, NWE's proposed treatment is most consistent; agrees with NWE that a direct allocation in this tracker would result in a double recovery; revenue credit will credit the 2018 FERC tax amounts, but will not grow thereafter so in future filings, NWE must address proper allocation.

NWE – [2020.04.043](#) – Annual Townsend Propane Supply Rate Adjustment, filed 4/30/20. In this application, NWE seeks to update its propane supply costs and true-up actual expenses for the period 6/1/19 through 5/31/20. Proposes cost decrease from \$9.38/dkt to \$7.51/dkt in summer and \$11.41/dkt to \$9.13/dkt in winter. Proposes under-collected recovery charge of \$.06/dkt.

- Interim Order No. 7726 issued 5/27/20. Approving requested rates on interim basis.
- Notice of Opportunity to Comment issued 7/2/20.
- MCC request for further process filed 7/20/20, seeking opportunity to conduct discovery.
- Procedural Order No. 7726a issued 9/8/20.

Havre Pipeline Co. – [2020.07.088](#) – Annual Rate Adjustment, filed 7/31/20. HPC requests rate increase from \$0.8628/Mcf to \$0.9475/Mcf.

- Notice of Application and Intervention Deadline issued 9/9/20.
- MCC Petition to Intervene filed 9/11/20.

MDU – [2019.11.086](#) – Application for Deferred Accounting Treatment, filed 11/1/19. MDU requests deferred accounting treatment of costs related to retirement of Lewis & Clark 1, Heskett 1, and Heskett 2 coal-fired power plants in March 2021 and 2022. MDU has concluded these units are not economically viable in the MISO market, and estimates total deferred costs of approximately \$16 million which it proposes to amortize over 15 years.

- Notice of Application and Intervention Deadline issued 11/15/19.
- MCC Petition to Intervene filed 12/13/19.
- Procedural Order No. 7711 issued 1/10/20.
- Final Order No. 7711a issued 6/18/20, approving accounting order subject to future determinations on ratemaking treatment of expenses.

MDU – [2020.06.075](#) – Annual Purchased Power Tracking Adjustment, filed 6/17/20.

In this annual filing, MDU trues-up its tracked electricity supply costs for the May 2019 through April 2020 period. The filing claims a \$118,653 over-collection from Primary customers and a \$668,313 over-collection from Secondary. Net effect of tracker would be .164 cent decrease to primary and .149 cent decrease to secondary customers. Total fuel and purchased power in tariff is \$0.01980/kwh for secondary.

- Notice of Application and Intervention Deadline issued 6/24/20.
- Interim Order No. 7735 issued 7/1/20. Approving requested rates on interim basis.
- MCC Petition to Intervene filed 7/10/20.
- Procedural Order No. 7735a issued 7/23/20.

MDU – [2020.06.075](#) - Annual Electric Cost Tracker – Rate 58. Filed 6/17/20. Decrease of \$.00149 secondary – total fuel and purchased power in tariff is \$0.01980/kwh.

MDU – [2020.06.075](#) - August Electric Cost Tracker – Rate 58. Filed 7/15/20. Decrease of \$.00058 secondary – total fuel and purchased power in tariff is \$0.01922/kwh.

MDU – [2020.06.075](#) - September Electric Cost Tracker – Rate 58. Filed 8/17/20. Increase of \$.00049 secondary – total fuel and purchased power in tariff is \$0.01971/kwh.

MDU – [2020.06.076](#) - General Natural Gas Rate Application, filed 6/22/20. MDU requests an \$8,559,529 (13.42%, or roughly 32% in non-gas costs, 43.8% non- gas costs for residential) overall increase in natural gas utility revenues with increases of 19.81% for Residential and 3.76% for Firm General classes. MDU requests a 10.2% return on equity (ROE). Proposes residential service charge increase to \$11.55/month (45.2%).

- Notice of Application and Intervention Deadline issued 7/1/20.
- MCC Petition to Intervene filed 7/17/20.
- Procedural Order No. 7741 issued 8/17/20. Hearing set 2/2/21.

MDU – [2020.09.095](#) - Annual Gas Cost Tracker, filed 9/8/20. In this annual tracker filing, MDU seeks a residential and firm general customer increase of \$0.374/dkt, consisting of a \$.587/dkt increase in current gas cost and \$.241 decrease in the unreflected cost component. Total residential rate of \$4.57/dkt.

MDU – [2020.03.042](#) - Annual Gas Conservation Program Tracker, filed 3/31/20.

- Requests recovery of expenditures incurred between 3/1/19 and 2/29/20. MDU requests no change in current rate of \$.014/dkt.
- Notice of Application and Intervention Deadline issued 4/2/20.
- MCC Petition to Intervene filed 4/24/20.
- Procedural Order No. 7724 issued 4/30/20.
- Final Order No. 7724a issued 6/18/20, approving requested rate.

MDU – [2019.09.064](#) August Gas Cost Tracker, filed 8/7/20. Decrease of \$.234/Dkt, res. and general service. Res. rate \$4.20/Dk.

MDU – [2020.05.055](#) - Application for Accounting Order to Track and Defer Financial Effects of COVID-19, filed 5/8/20. MDU requests authorization to track, defer, and record incremental COVID-19-related expenses as a regulatory asset. Examples include bad debt, operational expenses, PPE, technology for remote operation, training, legal and regulatory, revenue impacts and undetermined. Cites Governor’s 3/30 order prohibiting utility disconnections, extended through 5/24, as well as unusual expense incurrence.

- Notice of Application and Opportunity to Comment or Request Further Process issued 6/8/20. Comments due 7/3/20.
- MCC Request for Further Process filed 6/18/20, requesting opportunity to conduct discovery and proposing comment deadline of 7/24/20.

EWM – [2020.07.084](#) – Application to Recover GIRC Investments, filed 7/10/20. EWM seeks authority to increase rates to recover investments made in 2019 pursuant to its Gas Infrastructure Replacement Clause (GIRC). The GIRC was subsequently terminated pursuant to stipulation after EWM implemented a property tax tracker. EWM proposes a \$.23 increase in the monthly customer charge (or 1.72% revenue increase) for residential customers.

- Notice of Application and Intervention Deadline issued 8/20/20.
- MCC Petition to Intervene filed 9/4/20.

EWM – [2020.06.068](#) - Annual USB Tracker Application, filed 6/1/20. This is EWM’s annual tracker for USB programs in Great Falls, Cascade and West Yellowstone. Great Falls/Cascade overcollected balance for year ended 3/31/20 is \$189,988 and projected balance at 3/31/21 of \$136,218. West Yellowstone over-collected balance for year ended 3/31/20 is \$124,011 and projected balance at 3/31/21 of \$53,631. EWM proposes to reduce Great Falls rates from \$.0523/mcf to \$.0353/mcf and increase West Yellowstone from \$.0539 to \$.06/mcf to collect statutory .42% minimum.

- Notice of Application and Intervention Deadline issued 6/5/20.
- MCC Petition to Intervene filed 7/10/20.
- Procedural Order No. 7743 issued 8/26/20. Hearing set 1/25/21.

EWM – [2020.06.069](#) - Annual Gas Cost Tracker, filed 6/1/20. In this filing, EWM seeks to true up and finalize its monthly trackers for the year ending 3/31/20. It reflects an over-collection of \$887,651 and over-refund of \$381,184 from prior year amortization, for a net refund of \$506,467. Proposes residential rate of \$3.69/mcf.

- Notice of Application and Intervention Deadline issued 6/17/20.
- MCC Petition to Intervene filed 6/30/20.

EWM – [2019.03.017](#) – July gas tracker filed 6/23/20. Res. rate decrease to \$3.68/Mcf.

EWM – [2019.03.017](#) – August gas tracker filed 7/23/20. Res. rate increase to \$3.70/Mcf.

EWM – [2019.03.017](#) – September gas tracker filed 8/26/20. Res. rate increase to \$4.22/Mcf.

Cut Bank Gas – [2020.03.040](#) - Annual Gas and USB Cost Tracker, filed 8/28/20. In this application, Cut Bank Gas seeks to true up its gas and Universal System Benefits costs for 2019. CBG requests a \$.2498/Mcf decrease for gas costs and \$.01738/Mcf increase for USB expenditures, for a net decrease of \$.24225/Mcf.

Miller Oil – [2019.02.007](#) – Annual Propane Cost Tracker, filed 6/8/20. Miller seeks recovery of under-collected costs of \$12,290 for the year ending 12/31/19.

- Notice of Application and Intervention Deadline issued 7/22/20.
- MCC Petition to Intervene filed 7/31/20.
- Procedural Order No. 7740 issued 8/12/20.

ABACO Energy Services – [2020.07.082](#) - Application to Establish Service Rates, filed 7/16/20. ABACO seeks authority to establish service rates and terms and conditions for propane service at Big Sky Montana Mountain Village. ABACO seeks to set rates consistent with 2007 agreement with Boyne USA, Inc. Requested rates are \$1.3179/gal. for Residential and \$1.1733/gal. for Commercial, plus a \$7.50/month Residential fixed charge.

- Notice of Application and Intervention Deadline issued 8/12/20.
- MCC Petition to Intervene filed 8/31/20.

North Star Development – [2010.06.060](#) – Application for Water and Sewer Rate Increase, filed 1/23/19. This application results from the Commission’s notification that North Star must file for replacement of its standard rates previously approved. North Star requests an \$8600 (3.6%) increase, raising monthly water and sewer rates to \$41.00 and \$30.55, respectively.

- Notice of Application and Intervention Deadline issued 1/30/19.
- MCC Petition to Intervene filed 2/20/19.
- North Star amended application filed 3/25/19 based on an engineering report requesting monthly water and sewer rates of \$124.02 and \$76.89, respectively.
- Notice of Commission Action issued 4/24/19, finding North Star’s Application fails to satisfy minimum filing requirements because it does not report cost of net utility plant in service; allows 30 days to refile and suggests considering operating ratio method.
- Notice of Staff Action issued 5/17/19 extending refile deadline to 6/22/19.
- North Star Supplementation of Application filed 6/21/19. North Star seeks to amend its annual reports for 2014–2017, and revises its rate increase request to \$1,732,369, increasing flat rates for water from \$40/mo. to \$297.70/mo., and sewer rates from \$30.00/mo. to \$189.76/ mo., for total rate of \$487.46/month.
- Notice of Application and Intervention Deadline issued 7/24/19.
- Procedural Order No. 7105d issued 8/21/19.
- MCC Testimony of Paul Schulz filed 11/13/19: recommends overall revenue requirement of \$231,873, resulting in combined water and wastewater rate of \$49.72/month, plus \$2/1000 gallons over 10,000; removes management fee for partner no longer with North Star; adjusts rate case expense to original estimate based on imprudence of expenditures; opposes “unregulated” charge for use over 20,000 gallons; supports \$1.2 million original cost rate base with \$123,678 deduction for hay field not used for service; proposes 10 year amortization for Aqua Flo \$195,000 prepayment; explains why taxes should not be allowed for pass-through entities; recommends 2% equity capital structure and 9.8% ROE.
- Hearing held 1/29-30/20.
- Final Order No. 7105f issued 9/8/20: rebuttable presumption that utility investment was recovered through lot sales need not be applied in this case; provides general discussion of ratemaking principles and formulas; evidence indicates substantial portion of initial investment was recovered through lot sales and gross plant is now \$1,211,762; 55.79 acre hay ground included in rate base as it was required by DEQ permitting; approves \$26,497 depreciation expense based on non-land portion of plant; adopts 23% equity capital structure and 9.8% return on equity; affirms practice of disallowing income tax recovery for pass-through entities; rate case expense was increased 3 times from \$30,000 to \$85,000+; rate case expense was not prudently incurred and is set at \$30,000; rate case expense should be amortized over rate application time

periods which is 5 years in this case; amortizes Aqua Flo \$195,000 payment over 40 years; accepts volumetric rate of \$2/1000 gallons over 10,000; orders revenue requirement of \$232,201; rates of \$55.93/mo. + \$2/1000 gallons over 10,000.

North Star Development – [2020.09.94](#) – Investigation of Rules, Practices, and Adequacy of Service, initiated 9/1/20.

- Order No. 7744 issued 9/1/20: Emergency Order to Show Cause; recites complaints and Commission understanding of service issues; concludes that Commission has insufficient facts to determine if water shut-off on 8/30 was the result of unavoidable accident or emergency sufficient to excuse service failure; orders 9/11/20 hearing to determine whether service failure and water restrictions violate 69-3-210, whether penalties are warranted, and appropriate actions.
- Order No. 7744a issued 9/8/20, requiring filing of witness information and books and records in possession of North Star relating to several specified questions pertaining to the investigation.
- Hearing held 9/11/20.

Fox Hills Utilities – [2019.11.087](#) – Application for Initial Rates, filed 12/18/19.

Fox Hills requests that its standard rates be made permanent, although its analysis using the Operating Ratio suggests that a \$5.24/month increase could be justified.

- Notice of Application and Intervention Deadline issued 2/21/20.
- MCC Petition to Intervene filed 3/4/20.
- Procedural Order No. 7718 issued 3/11/20
- Final Order No. 7718a issued 6/18/20, approving request to maintain current water and sewer rates of \$50/month and \$30/month, respectively.

Holmberg Village – [2020.02.020](#) – Operating Ratio Application, filed 2/24/20.

- Holmberg has been operating with interim standard rates since 2016 and is required to submit this rate application. Holmberg requests that current rates be made permanent, but suggests that a rate increase would be necessary if a formal hearing is held on the application.
- Notice of Staff Action issued 3/23/20, rejecting the application for deviating from minimum filing requirements.
- Holmberg Motion for Reconsideration filed 4/23/20.
- Notice of Staff Action issued 5/6/20, waiving 20 day automatic denial rule.
- Order No. 7737 on reconsideration issued 7/20/20: operating ratio methodology requires expenses and revenues be drawn directly from annual reports and prohibits split-year filings; deviations from annual reports should be the exception and must be supported by a request to amend the report; reconsideration denied except that Holmberg is not required to amend prior annual reports unless necessary to support application.

Circle H Water – [2020.07.081](#) – Operating Ratio Application, filed 8/31/20.

- Circle H has been operating with interim standard rates for three years and is required to submit this rate application. Circle H requests that rates be increased in phases with an initial increase from \$50 to \$67.56/mo. for 12 months and then to \$85.12/mo., for a total 70% increase.
- Notice of Application and Intervention Deadline issued 9/8/20.