

**Unofficial Draft Copy**

As of: November 15, 2002 (10:52am)

LC9003

\*\*\*\* Bill No. \*\*\*\*

Introduced By \*\*\*\*\*

By Request of the Transition Advisory Committee on Electric  
Utility Industry Restructuring

A Bill for an Act entitled: "An Act requiring a public utility that has filed a transition plan to offer its customers the opportunity to purchase a separately marketed product composed of electricity from alternative renewable energy resources; establishing a goal that 7% of a public utility's electricity supply for retail sales in the state be accounted for by alternative renewable energy resources by January 1, 2005; directing the transition advisory committee to review the electricity supply goal for alternative renewable energy and report to the legislature; amending section 69-8-210, MCA; and providing an effective date."

Be it enacted by the Legislature of the State of Montana:

**Section 1.** Section 69-8-210, MCA, is amended to read:

**"69-8-210. Public utilities -- electricity supply.** (1) On the effective date of a commission order implementing a public utility's transition plan pursuant to 69-8-202, the public utility shall remove its generation assets from the rate base.

(2) During the transition period, the commission may establish cost-based prices for electricity supply service for customers that do not have a choice of electricity supply service

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or that have not yet chosen an electricity supplier.

(3) If the transition period is extended, then the customers' distribution services provider shall:

(a) extend any cost-based contract with the distribution services provider's affiliate supplier for a term of not more than 3 years; or

(b) purchase electricity from the market; and

(c) use a mechanism that recovers electricity supply costs in rates to ensure that those costs are fully recovered.

(4) If a public utility intends to be an electricity supplier through an unregulated division, then the public utility must be licensed as an electricity supplier pursuant to 69-8-404.

(5) A public utility shall offer its customers an opportunity to purchase a separately marketed product composed of power from alternative renewable energy resources as defined in 90-4-104. This product may be priced differently from the cost-based electricity product authorized in this section.

(a) By January 1, 2004, 3.5% of the public utility's electricity supply for retail electricity sales in the state may be accounted for by alternative renewable energy resources; and

(b) by January 1, 2005, 7% of the public utility's electricity supply for retail electricity sales in the state may be accounted for by alternative renewable energy resources.

(6) The transition advisory committee shall review the electricity supply goal for alternative renewable energy resources provided for in subsection (5) and report its findings and recommendations to the 58th legislature and the 59th legislature."

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{*Internal References to 69-8-210:*  
*69-8-201\** }

NEW SECTION. **Section 2. {standard} Effective date.** [This  
act] is effective July 1, 2002.

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