

Unofficial Draft Copy

As of: November 15, 2002 (10:54am)

LC9667

**** Bill No. ****

Introduced By *****

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

A Bill for an Act entitled: "An Act authorizing the competitive selection of standard-offer default supply services; and providing an immediate effective date."

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

NEW SECTION. **Section 1. Public utilities -- bidding out default supplier services -- commission rulemaking.** (1) Before June 30, 2007, the commission shall administer a bid process to select a standard-offer service default supplier or suppliers for the service territory of a public utility that has filed a transition plan.

(2) The commission shall establish the maximum duration of a standard-offer service contract after considering all of the relevant factors, including but not limited to:

- (a) market risks;
- (b) price stability; and
- (c) contract flexibility.

(3) Except as provided in subsection (5), the commission shall review the bid submissions from each standard-offer default supplier and select the standard-offer service default supplier or suppliers for that public utility's service territory on or before

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(4) Except as provided in subsection (5), the standard-offer service must be available starting July 1, 2007.

(5) The commission may, in the event that the commission does not receive any bids to provide standard-offer default supply service in the public utility's service territory or the commission determines that the bids it receives are inadequate or unacceptable, require the distribution services provider providing distribution services within the service territory of a public utility that has filed a transition plan to provide for default supply service.

(6) If the qualifying bid or bids for standard-offer default supply services, when combined with regulated rates of transmission and distribution and transition charges exceed, on average, the total rate for electricity immediately before the implementation of competitive standard-offer default supply service, the commission shall investigate and report to the legislature on whether the implementation of competitive standard-offer default supply service is in the public interest or whether other mechanisms to achieve the public interest and to adequately protect consumer interests need to be put into place.

(7) The commission shall adopt rules establishing:

(a) terms, conditions, and information needed, for bidding out standard-offer default supply services; and

(b) conditions under which an affiliate of public utility that has filed a transition plan may submit a bid to provide standard-offer default supply services.

NEW SECTION. **Section 2. {standard} Codification**

instruction. [Section 1] is intended to be codified as an integral part of Title 69, chapter 8, part 2, and the provisions of Title 69, chapter 8, part 2, apply to [section 1].

NEW SECTION. **Section 3. {standard} Effective date.** [This act] is effective on passage and approval.

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{Name : Todd M. Everts
Title : LEA
Agency : LSD
Phone : 444-3747
E-Mail : teverts@mt.gov}