

1 *House* BILL NO. *750*
 2 INTRODUCED BY *Vincent Meloy*

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 4 A BILL FOR AN ACT ENTITLED: "AN ACT APPROPRIATING \$25,000
 5 TO THE CONSUMER COUNSEL AND THE PUBLIC SERVICE COMMISSION TO
 6 INSTITUTE REVISED ENERGY RATE STRUCTURES."

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 8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

9 Section 1. Public service commission -- expanded
 10 studies of energy rates. To complement the work of the
 11 consumer counsel in his ongoing study of utility rate
 12 structures and demand characteristics the public service
 13 commission shall:

14 (1) conduct a 1-year analysis of the operations of the
 15 major energy utility companies to determine their real costs
 16 of providing electric power and natural gas to all customer
 17 classes;

18 (2) determine whether the existing rate schedules
 19 accurately charge just and reasonable rates to customers
 20 according to their responsibility for electric service costs
 21 incurred for their benefit including the long-run marginal
 22 cost and cost of service; and

23 (3) recommend at the conclusion of this study an
 24 electric utility rate schedule which more accurately
 25 reflects true costs of service and which supports the

1 conservation of delectable energy sources.

2 Section 2. Rates to be revised after study. (1) Upon
 3 the completion of this study, the public service commission
 4 is directed to establish rates based on the findings of the
 5 study including the costs of service, the long-run
 6 incremental costs (marginal costs) of the energy supplied,
 7 and other provision in the best interests of the citizens of
 8 Montana.

9 (2) These rates may be adjusted to encourage
 10 conservation in each customer class and the use of renewable
 11 energy resources such as solar, wind, and biomass conversion
 12 by both customers and utilities.

13 Section 3. Appropriation. There is appropriated from
 14 the general fund for the biennium ending June 30, 1979, the
 15 sum of \$25,000 to the public service commission to carry out
 16 the purposes of this act.

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