

SENATE JOINT RESOLUTION NO. 27

INTRODUCED BY KOLSTAD, NORMAN, BLAYLOCK, HAZELBAKER,
E. SMITH, J. JACOBSON, MANLEY, DOVER, GOODOVER, LEE,
STEPHENS, HAGER, P. RYAN, MAZUREK, TURNAGE, HEALY,
STIMATE, GRAHAM, R. MANNING, GALT, BOYLAN, QUILICI,
FAGG, MARKS, MENAHAN, FABREGA, ANDREASON, VINCENT,
KITSELMAN, PAVLOVICH, KESSLER, DUSSAULT, IVERSON,
D. O'HARA, C. SMITH, D. MANNING, KEEDY, KANDUCH,
DAILY, S. BROWN, McCALLUM, NELSON, CONROY, KEATING,
ROBBINS, WALLIN, MEYER, D. BROWN, ELLERD, LORY,
ROUSH, HAFERMAN, CONOVER, THOMAS, ABRAMS

IN THE SENATE

March 14, 1981	Introduced and referred to Committee on Business and Industry.
March 24, 1981	Committee recommend bill do pass as amended. Report adopted.
March 25, 1981	Bill printed and placed on members' desks.
March 26, 1981	Second reading, pass con- sideration.
March 27, 1981	Second reading, do pass.
March 28, 1981	Correctly engrossed. Third reading, passed. Ayes, 47; Noes, 1. Transmitted to House.

IN THE HOUSE

March 30, 1981	Introduced and referred to Committee on Business and Industry.
March 31, 1981	Committee recommend bill be concurrred in as amended. Report adopted.
April 7, 1981	Motion pass consideration.

April 10, 1981

Second reading, concurred in.

On motion rules suspended and bill placed on third reading this day.

Third reading, concurred in as amended. Ayes, 89; Noes, 5.

IN THE SENATE

April 11, 1981

Returned from House with amendments.

April 15, 1981

Second reading, amendments concurred in.

April 16, 1981

Third reading, amendments concurred in. Ayes, 43; Noes, 4. Sent to enrolling.

Reported correctly enrolled.

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Senate JOINT RESOLUTION NO. *27* *Conroy*

INTRODUCED BY *Senator Norman Blaylock* *Hall*

Andrew Vincent *Kitzelmann* *Mark Neuman* *Rege*

JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA REQUESTING AN

INTERIM STUDY OF THE CURRENT AND ONGOING PUBLIC UTILITY PROCEDURES AND PRACTICES OF THE PUBLIC SERVICE COMMISSION TO

DETERMINE THE IMPACT THEREOF ON BOTH CONSUMERS AND UTILITIES AND REQUIRING A REPORT OF THE FINDINGS OF THE STUDY TO THE

LEGISLATURE.

WHEREAS, the Public Service Commission in its regulation of public utilities performs a legislative function since the setting of public utility rates is a quasi-legislative act, which should be guided where appropriate by informed legislative oversight; and

WHEREAS, the Legislature is further involved in utility regulation because, under the Montana Constitution, a Legislative Consumer Committee and the Montana Consumer Counsel operate on behalf of the Legislature to ensure that consumers are fully represented in Public Service Commission proceedings; and

WHEREAS, public utilities providing essential utility service in the State of Montana have presented to this Legislature proposed legislation and evidence which tend to

1 indicate that earned returns have consistently fallen short

2 of the levels determined by the Commission to be just and

3 reasonable, with the result that the financial viability and

4 ability of these industries to attract capital may be

5 impaired with resulting detriment to the quality of utility

6 service; and

7 WHEREAS, the Commission has frequently sought increased

8 funding in order to more effectively carry out its

9 ratemaking and regulatory responsibilities; and

10 WHEREAS, the Legislature in regular session does not

11 have the time or the staff to conduct an intensive study of

12 complex issues such as ratemaking procedures and results and

13 adequacy of Commission appropriations and staff, it is

14 essential that the Montana Legislature by interim committee

15 study and investigate the Montana public utility regulatory

16 system and consider proposals for the improvement thereof.

17 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE

18 OF REPRESENTATIVES OF THE STATE OF MONTANA:

19 That an appropriate interim committee be assigned to

20 study the Montana public utility regulatory system and the

21 results produced by that system to determine:

22 (1) whether or not current regulatory procedures

23 produce avoidable regulatory lag and whether or not

24 proposals for alternative procedures have merit;

25

1 (2) whether or not public utilities operating in
2 Montana have in recent years received from the Commission a
3 genuine opportunity to earn the reasonable cost of
4 conducting their business in an inflationary environment and
5 a genuine opportunity to earn the returns determined by the
6 Commission to be just and reasonable;

7 (3) whether or not alternative methods, policies, and
8 procedures might be employed to produce a more equitable
9 balancing of the interests of consumers and utilities; and

10 (4) whether the funding and staffing of Commission
11 operations have in the past been adequate to achieve prompt
12 equitable regulatory decisions.

13 BE IT FURTHER RESOLVED, that the committee report the
14 findings of the study to the 48th Legislature and, if
15 necessary, draft legislation to implement its
16 recommendations.

-End-

Approved by Committee
on Business and Industry

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Counsel operate on behalf of the Legislature to ensure that
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proceedings; and
WHEREAS, public utilities providing essential utility
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Legislature proposed legislation and evidence which tend to
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study and investigate the Montana public utility regulatory

1 system and consider proposals for the improvement thereof.
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 3 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE
 4 OF REPRESENTATIVES OF THE STATE OF MONTANA:

5 That ~~an appropriate interim committee~~ THE LEGISLATIVE
 6 AUDIT COMMITTEE IN CONJUNCTION WITH ITS PERFORMANCE AUDIT TO
 7 BE PERFORMED IN THE 1981-1983 INTERIM, be assigned to study
 8 the Montana public utility regulatory system and the results
 9 produced by that system to determine:

10 (1) whether or not current regulatory procedures
 11 produce avoidable regulatory lag and whether or not
 12 proposals for alternative procedures have merit;

13 (2) whether or not public utilities operating in
 14 Montana have in recent years received from the Commission a
 15 genuine opportunity to earn the reasonable cost of
 16 conducting their business in an inflationary environment and
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 18 Commission to be just and reasonable;

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10 (1) whether or not current regulatory procedures
 11 produce RESULT IN avoidable regulatory lag and whether or
 12 not proposals for alternative REGULATORY procedures have
 13 merit;

14 (2) whether or not public utilities operating in
 15 Montana ~~have in recent years received~~ ARE RECEIVING from the
 16 Commission a genuine opportunity to earn the reasonable cost
 17 of conducting their business in an inflationary environment
 18 and a genuine opportunity to earn the returns determined by
 19 the Commission to be just and reasonable;

20 (3) whether or not alternative methods, policies, and
 21 REGULATORY procedures might be employed to produce a more
 22 equitable balancing of the interests of consumers and
 23 utilities; and

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 25 operations ~~have in the past been~~ ARE adequate to achieve

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-End-

March 31, 1981

HOUSE BUSINESS AND INDUSTRY COMMITTEE amendments to SENATE
JOINT RESOLUTION 27 in the third reading copy are as follows:

1. Page 3, line 11.

Following: line 10

Strike: "produce"

Insert: "result in"

2. Page 3, line 12.

Following: "alternative"

Insert: "regulatory"

3. Page 3, line 14.

Following: "Montana"

Strike: "have in recent years received"

Insert: "are receiving"

4. Page 3, line 19.

Following: "and"

Insert: "regulatory"

5. Page 3, line 23.

Following: "operations"

Strike: "have in the past been"

Insert: "are"