SENATE BILL NO. 305

INTRODUCED BY R. MANNING

BY REQUEST OF THE PUBLIC SERVICE COMMISSION

IN THE SENATE

January 27, 1983 Introduced and referred to the Committee on Business and Industry. Pebruary 15, 1983 Committee recommend bill do pass as amended. Report adopted. Statement of Intent attached. February 16, 1983 Bill printed and placed on members' desks. Pebruary 17, 1983 Second reading, do pass. February 18, 1983 Correctly engrossed. February 19, 1983 Third reading, passed. Ayes, 46; Noes, 1. Transmitted to House. IN THE HOUSE March 1, 1983 Introduced and referred to Committee on Business and Industry. March 19, 1983 Committee recommend bill be concurred in. Report adopted. March 22, 1983 Second reading, concurred in. Third reading, concurred in. March 23, 1983

IN THE SENATE

March 24, 1983

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Returned to Senate. Sent to enrolling.

Reported correctly enrolled.

LC 1304/01

east BILL NO. 305 1 INTRODUCED BY Z 2 BY REQUEST OF THE PUBLIC SERVICE COMMISSION 3

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE LAW 5 RELATING TO UTILITY RATE SCHEDULE CHANGES; ALLOWING A 6 UTILITY TO WAIVE THE 9-MONTH AUTOMATIC EFFECTIVE DATE OF A 7 RATE SCHEDULE CHANGE; AND ALLOWING THE PUBLIC SERVICE 8 9 COMMISSION TO DETERMINE THE INTEREST RATE TO BE PAID ON EXCESS REVENUES COLLECTED UNDER A RATE SCHEDULE SUBSEQUENTLY 10 REDUCED BY THE PUBLIC SERVICE COMMISSION: AMENDING SECTION 11 69-3-302. MCA.= 12

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14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: Section 1. Section 69-3-302, MCA, is amended to read: 15 "69-3-302. Changes in schedules. (1) No change shall 16 be made in any schedule, including schedules of joint rates, 17 except as approved by the commission or upon the passage of 18 19 9 months. If the 9-month time period expires prior to commission approval of a scheduler a utility may waive the 20 21 time period.

(2) Notwithstanding any provision of this title to the
contrary and notwithstanding the existence of and
authorization for the office of consumer counsel, the rates,
tolls, or charges set forth in any schedule filed with the

1 1 commission pursuant to 69-3-301 shall become effective and 2 be lawful rates, tolls, or charges for the utility service 3 rendered 9 wonths after the date upon which the schedule was 4 filed under the rules of practice and procedure for filing 5 as adopted by the commission or upon commission approval; 6 whichever shall occur first, unless the utility waives the 7 . 9-ponth time period. However, if the rates, tolls, or charges become effective because of the passage of 9 months* 8 time, the revenues collected thereunder shall be subject to 9 10 rebate, plus interest at the rate of 108 -- per-year a rate · 11 determined by the commission by rule, to the extent that the 12 rates, tolls, or charges ultimately approved by the 13 commission in its final decision produce revenues which are 14 less than those collected under the filed schedules."

-End-

-2- INTRODUCED BILL SR 305 SB 0305/02

Approved by Committee on Business and Industry

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-End-

48th Legislature

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STATEMENT OF INTENT

SENATE BILL 305

4 A statement of intent is required for this bill because 5 it gives the Public Service Commission rulemaking authority. 6 Section 1 provides for elimination of the statutorily prescribed 10% annual interest rate, and grants the 7 8 Commission discretion to determine an annual interest rate 9 to be assessed on a utility's revenues that are subject to 10 rebate. In adopting rules relating to the determination of 11 the interest rate, the Commission might, for example, consider such factors as the size of the utility involved. 12 the number of consumers served by the utility, the utility's 13 cost of capital, the amount of the revenues subject to 14 15 rebate and the length of the time period in which revenues were overcollected. Rules drawn should reflect the manner in 16 17 which the Commission would consider the factors to arrive at 19 an appropriate rate of interest under the circumstances. The rules may also address a procedure for waiving the 19

20 nine month automatic schedule effective date, and a21 procedure for rebating amounts to consumers where necessary.

S8 305

SECOND READING

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SB 305

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2/16 SB 0305/02

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SB 305

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