

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.
February 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.
February 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.
March 23, 1983	Third reading, concurred in.

IN THE SENATE

March 24, 1983

Returned to Senate. Sent to
enrolling.

Reported correctly enrolled.

1 *Senate* BILL NO. 305
2 INTRODUCED BY Richard E. Manning
3 BY REQUEST OF THE PUBLIC SERVICE COMMISSION
4

5 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE LAW
6 RELATING TO UTILITY RATE SCHEDULE CHANGES; ALLOWING A
7 UTILITY TO WAIVE THE 9-MONTH AUTOMATIC EFFECTIVE DATE OF A
8 RATE SCHEDULE CHANGE; AND ALLOWING THE PUBLIC SERVICE
9 COMMISSION TO DETERMINE THE INTEREST RATE TO BE PAID ON
10 EXCESS REVENUES COLLECTED UNDER A RATE SCHEDULE SUBSEQUENTLY
11 REDUCED BY THE PUBLIC SERVICE COMMISSION; AMENDING SECTION
12 69-3-302, MCA."
13

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

15 Section 1. Section 69-3-302, MCA, is amended to read:

16 "69-3-302. Changes in schedules. (1) No change shall
17 be made in any schedule, including schedules of joint rates,
18 except as approved by the commission or upon the passage of
19 9 months. If the 9-month time period expires prior to
20 commission approval of a schedule, a utility may waive the
21 time period.

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

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 months 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-month time period. However, if the rates, tolls, or
8 charges become effective because of the passage of 9 months'
9 time, the revenues collected thereunder shall be subject to
10 rebate, plus interest at the rate of 10% 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-

Approved by Committee
on Business and Industry

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(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

commission pursuant to 69-3-301 shall become effective and be lawful rates, tolls, or charges for the utility service rendered 9 months after the date upon which the schedule was filed under the rules of practice and procedure for filing as adopted by the commission or upon commission approval, whichever shall occur first, ~~unless the utility waives the 9-month time period.~~ However, if the rates, tolls, or charges become effective because of the passage of 9 months' time, the revenues collected thereunder shall be subject to rebate, plus interest at ~~the rate of 10% per year~~ a PER ANNUM rate ~~determined by the commission by rule,~~ to the extent that the rates, tolls, or charges ultimately approved by the commission in its final decision produce revenues which are less than those collected under the filed schedules. ~~IN THE CASE OF AN INVESTOR-OWNED UTILITY THE INTEREST RATE SET BY THE COMMISSION MAY NOT EXCEED THE COST OF EQUITY CAPITAL AS LAST DETERMINED BY THE COMMISSION.~~

~~(3) THE COMMISSION MAY PRESCRIBE RULES NECESSARY TO EFFECTIVELY ADMINISTER THIS SECTION."~~

-End-

1 STATEMENT OF INTENT

2 SENATE BILL 305

3

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
7 prescribed 10% annual interest rate, and grants the
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,
12 consider such factors as the size of the utility involved,
13 the number of consumers served by the utility, the utility's
14 cost of capital, the amount of the revenues subject to
15 rebate and the length of the time period in which revenues
16 were overcollected. Rules drawn should reflect the manner in
17 which the Commission would consider the factors to arrive at
18 an appropriate rate of interest under the circumstances.

19 The rules may also address a procedure for waiving the
20 nine month automatic schedule effective date, and a
21 procedure for rebating amounts to consumers where necessary.

SECOND READING

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REFERENCE BILL

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