

SENATE JOINT RESOLUTION NO. 19

Introduced: 02/16/83

Referred to Committee on Business & Industry; 02/16/83

Hearing: 3/17/83

Report: 03/17/83, Do Pass

2nd Reading: 03/19/83

3rd Reading: 03/22/83

Transmitted to House: 3/22/83

Referred to Committee on Business & industry: 02/23/83

Hearing: 3/29/83

2nd Reading: 04/12/83, Be Not Concurred In  
Bill Killed.

*Senate* JOINT RESOLUTION NO. *19*  
INTRODUCED BY *Thomas J. Hummer, Robert C. Hallgren, George J. Van Valkenburg, Beck, Allen, Keadle*  
A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF  
REPRESENTATIVES OF THE STATE OF MONTANA REQUESTING AN  
INTERIM STUDY TO REVIEW FACTORS AFFECTING THE POWER RATES  
PAID BY THE VARIOUS CLASSES OF UTILITY USERS.

WHEREAS, the Montana Public Service Commission was  
established by statute to regulate public utilities; and

WHEREAS, the Montana Consumer Counsel was established  
by statute to represent the consumer; and

WHEREAS, the nature of regulatory activity and the  
needs of the State have changed dramatically since the  
establishment of these entities; and

WHEREAS, Montana has recently suffered the permanent  
loss of over 4,000 industry jobs; and

WHEREAS, the Montana economy is severely depressed and  
cannot afford the further loss of additional industries and  
jobs; and

WHEREAS, electrical power is an important factor of  
industrial production; and

WHEREAS, the Montana Public Service Commission's April  
21, 1982, order (#4714d) will increase electrical rates over  
40% to some industrial users; and

WHEREAS, this same order increased the rates for some  
irrigators over 63%; and

WHEREAS, the Pacific Northwest Electric Power and  
Conservation Planning Council has requested that the Montana  
Legislature study the recommendations of the Council;

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE  
OF REPRESENTATIVES OF THE STATE OF MONTANA:

(1) That an appropriate interim committee be appointed  
to study the setting of rates among classes of utility  
users.

(2) That the President of the Senate appoint four  
members of the Senate and the Speaker of the House appoint  
four members of the House, on an equally bipartisan basis,  
to serve on the committee.

(3) That the interim study include but not be limited  
to an examination of:

(a) the proper role of the Montana Legislature in  
oversseeing the work of the Montana Public Service Commission  
in setting different rates among classes of utility users;

(b) the extent to which factors other than actual  
costs should be used to set rates among different classes of  
customers;

(c) the extent to which conservation has been and  
should be a factor in determining different rates among and

1 within classes;

2 (d) the proper relationship, if any, between marginal  
3 cost accounting and average cost accounting in determining  
4 revenue requirements by class of customer;

5 (e) the proper balance, if any, between inverted rates  
6 and flat rates in setting utility prices to the customer;

7 (f) the competitive position of Montana's utility  
8 rates and costing procedures for these rates and the costs  
9 in relation to the rates and costs in other similarly  
10 situated states;

11 (g) the proper role of the Montana Consumer Counsel in  
12 representing all classes of utility users;

13 (h) the short-term and long-term economic impacts that  
14 utility costing methods and rates have had and will have on  
15 the economy of the state; and

16 (i) the staffing and funding needs of the Montana  
17 Public Service Commission in order to deal with the complex  
18 issues involved.

19 (4) That the interim study committee actively  
20 cooperate with the Pacific Northwest Electric Power and  
21 Conservation Planning Council and other appropriate public  
22 and private institutions involved in economic planning and  
23 research.

24 (5) That the interim committee prepare and submit to  
25 the 49th Legislature a comprehensive report of its findings,

1 together with its recommendations, if any, for legislation  
2 necessary to implement such findings.

-End-

Approved by Committee  
on Business and Industry

*Senate* JOINT RESOLUTION NO. *19*  
INTRODUCED BY *Thomas J. Hume, Robert C. Hallgren, George J. J. Van Valkenburg, Rick Allen, Rodger*

A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA REQUESTING AN INTERIM STUDY TO REVIEW FACTORS AFFECTING THE POWER RATES PAID BY THE VARIOUS CLASSES OF UTILITY USERS.

WHEREAS, the Montana Public Service Commission was established by statute to regulate public utilities; and

WHEREAS, the Montana Consumer Counsel was established by statute to represent the consumer; and

WHEREAS, the nature of regulatory activity and the needs of the State have changed dramatically since the establishment of these entities; and

WHEREAS, Montana has recently suffered the permanent loss of over 4,000 industry jobs; and

WHEREAS, the Montana economy is severely depressed and cannot afford the further loss of additional industries and jobs; and

WHEREAS, electrical power is an important factor of industrial production; and

WHEREAS, the Montana Public Service Commission's April 21, 1982, order (#4714d) will increase electrical rates over 40% to some industrial users; and

WHEREAS, this same order increased the rates for some irrigators over 63%; and

WHEREAS, the Pacific Northwest Electric Power and Conservation Planning Council has requested that the Montana Legislature study the recommendations of the Council;

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(a) the proper role of the Montana Legislature in overseeing the work of the Montana Public Service Commission in setting different rates among classes of utility users;

(b) the extent to which factors other than actual costs should be used to set rates among different classes of customers;

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1 within classes;

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2 necessary to implement such findings.

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1 *Senate* JOINT RESOLUTION NO. *19*  
2 INTRODUCED BY *Thomas Munson, Roland C. Valley*  
3 *George J. Van Valkenburg, Rick H. O'Leary, Kadea*  
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