

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.

1 *Senate* JOINT RESOLUTION NO. *19*
 2 INTRODUCED BY *Thomas M. Hummer, Ronald C. Hallgren*
 3 *George J. Janssen, Van Valkenburg Beck, Allen H. Keadle*

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

8
 9 WHEREAS, the Montana Public Service Commission was
 10 established by statute to regulate public utilities; and

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

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

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

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

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

23 WHEREAS, the Montana Public Service Commission's April
 24 21, 1982, order (#4714d) will increase electrical rates over
 25 40% to some industrial users; and

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

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

6
 7 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE
 8 OF REPRESENTATIVES OF THE STATE OF MONTANA:

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

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

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

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

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

24 (c) the extent to which conservation has been and
 25 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. Hummer, Robert C. Hallyn*
George J. Janssen, Va. Volkharding, Rick Atchley, Gordon

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-End-

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 3 *George Juaw*, *Van Valkenburg*, *Rock*, *Atty*, *Kedoo*

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