

HOUSE BILL NO. 868

2/18 Introduced
2/18 Referred to Business & Labor
2/18 Fiscal Note Requested
2/22 Hearing
2/22 Adverse Committee Report
2/23 Fiscal Note Received
2/23 Bill Killed

1 HOUSE BILL NO. 868
2 INTRODUCED BY Kados

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING CERTAIN
5 PUBLIC UTILITIES TO SUBMIT A PLAN TO THE PUBLIC SERVICE
6 COMMISSION PROJECTING ENERGY DEMANDS, AVAILABLE RESOURCES TO
7 MEET THE DEMANDS, THE PROJECTED ECONOMIC COSTS OF THE
8 RESOURCES, AND THE BEST COMBINATION OF SOURCES OF SUPPLY TO
9 MEET THESE DEMANDS OR THE BEST METHODS TO REDUCE THEM;
10 REQUIRING PUBLIC SERVICE COMMISSION EVALUATION OF THE PLAN;
11 AMENDING SECTION 69-3-103, MCA."

12
13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

14 Section 1. Section 69-3-103, MCA, is amended to read:
15 "69-3-103. General powers and rulemaking authority of
16 commission. (1) In addition to the modes of procedure
17 hereinafter prescribed in particular cases and classes of
18 cases, said commission shall have power to prescribe rules
19 of procedure and to do all things necessary and convenient
20 in the exercise of the powers conferred by this chapter upon
21 the commission; provided that nothing in this chapter shall
22 be construed as vesting judicial powers on said commission
23 or as denying to any person, firm, association, corporation,
24 municipality, county, town, or village the right to test in
25 a court of competent jurisdiction the legality or

1 reasonableness of any fixed order made by the commission in
2 the exercise of its duties or powers.

- 3 (2) The commission shall have the power to:
4 (a) adopt reasonable and proper rules relative to all
5 inspections, tests, audits, and investigations;
6 (b) adopt and publish reasonable and proper rules to
7 govern its proceedings; and
8 (c) regulate the mode and manner of all investigations
9 and hearings of public utilities and other parties before
10 it.

11 (3) The commission may adopt reasonable rules
12 specifying information required and methodologies and
13 formulas to be used by a public utility in order to meet the
14 plan requirements under [section 2]."

15 NEW SECTION. Section 2. Plan -- submission --
16 requirements. (1) A public utility that supplies electricity
17 or natural gas in this state and has an annual gross utility
18 revenue of \$30,000,000 or more shall, on or before July 1 of
19 every even-numbered year, submit a plan to the commission
20 describing the anticipated change in its supply of these
21 resources and the demands made on its system by its
22 customers. The plan must contain:

- 23 (a) a 2-, 5-, 10-, and 20-year forecast of annual
24 requirements for energy, demands for energy, peak loads, and
25 reserves;



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1 (b) a detailed description of the specific resources
2 that the public utility intends to use to meet each of its
3 forecasted peak loads and requirements for energy;

4 (c) an explanation of the projected economic costs of
5 those resources to its customers;

6 (d) a determination of the best combination of sources
7 of supply to meet any increased demands or the best methods
8 to reduce such demands; and

9 (e) documentation substantiating that, under existing
10 technology and appropriate policies, the combination of
11 resources or sources of supply selected by the public
12 utility is the least expensive combination available to meet
13 the forecasted requirements.

14 (2) The commission may by rule prescribe specific
15 information required and methodologies and formulas to be
16 used by the public utility in preparing the plan.
17 Information submitted by the public utility under the
18 long-range plan requirements in Title 75, chapter 20, part
19 5, may be submitted to the commission in partial fulfillment
20 of the plan requirements under this section.

21 (3) The plan filed by the public utility carries no
22 presumption of correctness, and provisions within the plan
23 may not be considered binding in any rate case determination
24 under part 3 or 4 of this chapter.

25 (4) All prudent and reasonable expenditures made by

1 the utility to develop the plan must be recovered from rates
2 charged to the utility's customers.

3 NEW SECTION. Section 3. Public hearing on plan --
4 commission determinations. (1) The commission shall convene
5 a public hearing on the adequacy of the plan required under
6 [section 2] not less than 60 days or more than 90 days from
7 the date on which the utility files its plan. Notice of the
8 time and place of the hearing must be given to the utility
9 and the general public at least 10 days in advance. At the
10 hearing, any interested person may make comments to the
11 commission regarding the contents and adequacy of the plan.

12 (2) After the hearing, the commission shall determine
13 whether:

14 (a) the public utility's forecast requirements are
15 based on substantially accurate data and an adequate method
16 of forecasting;

17 (b) the plan identifies and takes into account any
18 present and projected reductions in the demand for energy
19 that may result from conservation measures, including load
20 management, in the industrial, commercial, residential, and
21 energy producing sectors of the area being served; and

22 (c) the utility's plan shows an adequate consideration
23 of the following possible measures and sources of supply:

24 (i) conservation, including load management;

25 (ii) pooling of power;

1 (iii) purchases of power from neighboring states or
2 countries;

3 (iv) facilities that operate on solar or geothermal
4 energy or wind; and

5 (v) facilities that operate on the principle of
6 cogeneration or hydrogeneration.

7 (3) Within 105 days after a public utility has filed
8 its plan, the commission shall issue an order accepting the
9 plan as filed or specifying any portions of the plan that it
10 considers to be inadequate.

11 NEW SECTION. Section 4. Codification instruction.
12 Sections 2 and 3 are intended to be codified as an integral
13 part of Title 69, chapter 3, and the provisions of Title 69,
14 chapter 3, apply to sections 2 and 3.

-End-

STATE OF MONTANA
FISCAL NOTE

REQUEST NO. FNN 468-85

Form BD-15

In compliance with a written request received February 18, 19 85, there is hereby submitted a Fiscal Note for H.B. 868 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA). Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION:

An act requiring certain public utilities to submit a plan to the public service commission projecting energy demands and available resources to meet the demands.

ASSUMPTIONS:

- 1) Only large investor owned energy utilities will be reviewed.
- 2) Five additional major hearings are required in FY 1987.
- 3) Additional staff and operating expenses will be required to meet the additional workload.

FISCAL IMPACT:

	<u>FY 86</u>	<u>FY 87</u>
Personal Services	\$ <u>65,981</u>	\$ <u>65,981</u>
Operations	7,415	32,785
Capital	<u>9,030</u>	<u>-0-</u>
	\$ <u>82,426</u>	\$ <u>98,766</u>
General Fund	\$ 82,426	\$ 98,766

AFFECT ON COUNTY OR OTHER LOCAL REVENUE OR EXPENDITURES:

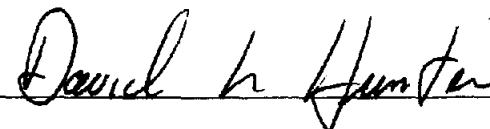
None

LONG-RANGE EFFECTS:

None

TECHNICAL NOTE:

None



BUDGET DIRECTOR
Office of Budget and Program Planning

Date: Feb 23, 1985
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