

HOUSE BILL NO. 680

INTRODUCED BY REAM

IN THE HOUSE

MARCH 12, 1993	INTRODUCED AND REFERRED TO COMMITTEE ON BUSINESS & ECONOMIC DEVELOPMENT.
	FIRST READING.
	ON MOTION, REREFERRED TO COMMITTEE ON TAXATION.
MARCH 19, 1993	COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
MARCH 22, 1993	PRINTING REPORT.
MARCH 27, 1993	SECOND READING, DO PASS.
MARCH 29, 1993	ENGROSSING REPORT.
MARCH 30, 1993	THIRD READING, PASSED. AYES, 80; NOES, 20.
MARCH 31, 1993	TRANSMITTED TO SENATE.

IN THE SENATE

APRIL 1, 1993	INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION.
	FIRST READING.
APRIL 8, 1993	COMMITTEE RECOMMEND BILL BE CONCURRED IN AS AMENDED. REPORT ADOPTED.
APRIL 12, 1993	SECOND READING, CONCURRED IN.
APRIL 13, 1993	THIRD READING, CONCURRED IN. AYES, 46; NOES, 3.
	RETURNED TO HOUSE WITH AMENDMENTS.

IN THE HOUSE

APRIL 15, 1993	SECOND READING, AMENDMENTS CONCURRED IN.
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APRIL 16, 1993

THIRD READING, AMENDMENTS  
CONCURRED IN.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 House BILL NO. 680  
 2 INTRODUCED BY Ream  
 3  
 4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING THAT THE  
 5 REIMBURSEMENT FOR INTEREST RATE DIFFERENTIALS FOR LOW  
 6 INTEREST ENERGY LOANS AND INSTALLATIONS PROVIDED BY PUBLIC  
 7 UTILITIES THAT PROVIDE ELECTRICITY OR NATURAL GAS BE  
 8 FINANCED FROM A UTILITY RATE BASE RATHER THAN BY A TAX  
 9 CREDIT; ELIMINATING THE PROVISION OF LOW INTEREST ENERGY  
 10 LOANS BY FINANCIAL INSTITUTIONS; AMENDING SECTIONS 15-32-107  
 11 AND 69-3-305, MCA; AND PROVIDING A DELAYED EFFECTIVE DATE."  
 12

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

14 **Section 1.** Section 15-32-107, MCA, is amended to read:

15 "15-32-107. Loans by utilities and financial  
 16 institutions -- tax credit for interest differential for  
 17 pre-1994 loans. (1) A-public-utility--providing--electricity  
 18 or--natural--gas--may--install--or--pay--for--the--installation--of  
 19 energy-conservation-materials-or-recognized-nonfossil--forms  
 20 of--energy-generation-systems-in-a-dwelling--The-utility-may  
 21 agree-with-the-occupant-of-the-dwelling--that--the--occupant  
 22 shall-reimburse-the-utility-for-its-expenditure-in-periodic  
 23 installment-payments-added-to-the--occupant's--regular--bill  
 24 for--electricity--or--natural--gas--The-utility-may-charge  
 25 interest-not-exceeding-the-equivalent-of-7%--per-year-on--the

1 declining--balance--of-the-sum-advanced-for-the-installation  
 2 of-energy-conservation-materials--and--recognized--nonfossil  
 3 forms-of-energy-generation-systems;  
 4 (2)--A--financial--institution,--as-defined-in-32-6-103,7  
 5 may-offer-and-make-loans-at-an-interest-rate-not-less-than-2  
 6 percentage-points-below--the--discount--rate--on--90-day  
 7 commercial--paper--in--effect-at-the-federal-reserve-bank-in  
 8 the-ninth-federal-reserve-district;  
 9 (3) Except as provided in subsection (6) (4), a public  
 10 utility or a financial institution lending money that lent  
 11 money or made qualifying installations under this section as  
 12 it read prior to January 1, 1994, may compute the difference  
 13 between interest it actually receives on such the  
 14 transactions and the interest which that would have been  
 15 received at the prevailing average interest rate for home  
 16 improvement loans, as prescribed in rules made by the public  
 17 service commission. The utility may apply the difference so  
 18 computed as a credit against its tax liability for the  
 19 electrical energy producer's license tax under 15-51-101 or  
 20 for the corporation license tax under chapter 31, part 1.  
 21 The public service commission shall regulate rates in such a  
 22 manner that a utility making loans under this section may  
 23 not make a profit as the result of this section. The  
 24 financial institution may apply the difference so computed  
 25 as a credit against its tax liability for the corporation

license tax under chapter 31, part 1.

~~{4}~~(2) A utility may not claim a tax credit under this section exceeding \$750,000 in any tax year. A financial institution may not claim a tax credit under this section exceeding \$2,000 in any tax year.

~~{5}~~(3) The public service commission may make rules to implement this section as it ~~shall apply~~ applies to public utilities only.

~~{6}~~(4) A public utility whose purchases of or investments in conservation are placed in the rate base as provided in Title 69, chapter 3, part 7, may not receive a tax credit under subsection ~~{3}~~ (1)."

**Section 2.** Section 69-3-305, MCA, is amended to read:

**"69-3-305. Deviations from scheduled rates, tolls, and charges.** (1) A public utility may not:

(a) charge, demand, collect, or receive a greater or less compensation for a utility service performed by it within the state or for any service in connection with a utility service than is specified in the printed schedules, including schedules of joint rates, that may at the time be in force;

(b) demand, collect, or receive a rate, toll, or charge not specified in the schedules; or

(c) grant a rebate, concession, or special privilege to a consumer or user that, directly or indirectly, ~~shall~~ has

or may have the effect of changing the rates, tolls, charges, or payments.

(2) The rates, tolls, and charges named in the printed schedules are the lawful rates, tolls, and charges until the rates, tolls, and charges are changed, as provided in this chapter.

(3) The commission may order refunds or credits of rates, tolls, or charges collected in violation of this section and may order payment of interest at a reasonable rate on the refunded amount.

(4) The provisions of this section do not prohibit the sharing of profits or revenues with customers in conjunction with an alternative form of regulation approved under 69-3-809.

~~(5) (a) Additionally,~~---a A provider of regulated telecommunications service may offer, for a limited period of time, either rebates or reductions or waivers of installation charges in conjunction with promotions, market trials, or other sales-related activities that are common business practices. Promotional pricing of services that remain fully tariffed requires advance approval of the commission. No A promotional offering may not combine monopoly services with competitive services.

(b) A public utility providing electricity or natural gas may offer subsidized loans to install energy

1 conservation and nonfossil forms of energy generation  
2 systems in dwellings.

3 (c) The commission may define the appropriate scope of  
4 promotions, rebates, and market trials, and subsidized  
5 loans, either by rule or in response to complaints. The  
6 commission may determine whether a particular sales activity  
7 or subsidized loan program under this subsection is unfairly  
8 discriminatory or is not cost-effective. Costs and expenses  
9 incurred or revenue foregone with respect to sales  
10 activities and subsidized loan programs that the commission  
11 determines are unfairly discriminatory or not cost-effective  
12 are the responsibility of the provider's shareholders in  
13 rates set by the commission.

14 ~~(5)~~(6) A public utility violating the provisions of  
15 this section is subject to the penalty prescribed in  
16 69-3-206. This, however, does not have the effect of  
17 suspending, rescinding, invalidating, or in any way  
18 affecting existing contracts."

19 NEW SECTION. **Section 3.** Effective date. [This act] is  
20 effective January 1, 1994.

-End-

## STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0680, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act providing that the reimbursement for interest rate differentials for low interest energy loans and installations provided by public utilities that provide electricity or natural gas be financed from a utility rate base rather than by a tax credit; eliminating the provision of low interest energy loans by financial institutions; and providing a delayed effective date.

ASSUMPTIONS:

1. Electrical energy producers' license tax (EEPLT) collections are \$3,994,000 in FY94 and \$4,021,000 in FY95 (ROC).
2. Total amount of the interest differential credit for EEPLT are \$294,000 in FY94 and \$295,000 in FY95 (LFA).
3. Approximately 47.65% of the annual total amount of the interest differential credit for EEPLT is claimed in the first two quarters of the a fiscal year (MDOR).
4. Corporation license tax collections are \$64,850,000 in FY94 and \$66,804,000 in FY95 (ROC).
5. The FY95 interest differential credit for corporation license tax purposes is estimated to be \$60,000 (MDOR).
6. For corporation license tax purposes, the proposed legislation would not affect collections until FY95 (MDOR).
7. 100% of electrical energy producers' license tax collections are deposited into the general fund.
8. Corporation license tax collections for FY94 and FY95 (from corporations other than financial institutions) are distributed as follows: 61% to the general fund; 28.5% to the school equalization account; and 10.5% to the long range building program.
9. No financial institutions will claim the credit during FY94 or FY95 (MDOR).
10. The Public Service Commission would need to repeal ARM sections 38.6.102 and 38.6.103.

FISCAL IMPACT:Expenditures:

The Public Service Commission would need to publish two pages of rules twice for a cost of \$280 in FY94.

Revenues:

	FY '94			FY '95		
	Current Law	Proposed Law	Difference	Current Law	Proposed Law	Difference
Electrical Energy Prod Lic Tax	\$3,994,000	\$4,148,000	\$154,000	\$4,021,000	\$4,316,000	\$295,000
<u>Corporation License Tax</u>	<u>64,850,000</u>	<u>64,850,000</u>	<u>0</u>	<u>66,804,000</u>	<u>66,864,000</u>	<u>60,000</u>
Total	\$68,844,000	\$68,998,000	\$154,000	\$70,825,000	\$71,180,000	\$355,000

(over)

David Lewis 3-16-93  
DAVID LEWIS, BUDGET DIRECTOR DATE  
Office of Budget and Program Planning

Bob Ream 3/17/93  
BOB REAM, PRIMARY SPONSOR DATE

Fiscal Note for HB0680, as introduced.

HB680

FISCAL IMPACT: (Continued)

Fund Distribution:

	<u>FY '94</u>			<u>FY '95</u>		
	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>
General Fund	\$43,553,000	\$43,707,000	\$154,000	\$44,771,000	\$45,103,000	\$332,000
School Equalization	18,482,000	18,482,000	0	19,039,000	19,056,000	17,000
<u>Longe Range Building</u>	<u>6,809,000</u>	<u>6,809,000</u>	<u>0</u>	<u>7,014,000</u>	<u>7,021,000</u>	<u>6,000</u>
Total	\$68,844,000	\$68,998,000	\$154,000	\$70,824,000	\$71,180,000	\$355,000

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

Ratepayers, rather than taxpayers, would pay for the financing costs of conservation investments made by borrowers.

APPROVED BY COMM. ON BUSINESS  
AND ECONOMIC DEVELOPMENT

HOUSE BILL NO. 680

INTRODUCED BY REAM

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING THAT THE REIMBURSEMENT FOR INTEREST RATE DIFFERENTIALS FOR LOW INTEREST ENERGY LOANS AND INSTALLATIONS PROVIDED BY PUBLIC UTILITIES THAT PROVIDE ELECTRICITY OR NATURAL GAS BE FINANCED FROM A UTILITY RATE BASE RATHER THAN BY A TAX CREDIT; ELIMINATING THE PROVISION OF LOW INTEREST ENERGY LOANS BY FINANCIAL INSTITUTIONS; AMENDING SECTIONS 15-32-107 AND 69-3-305, MCA; AND PROVIDING A DELAYED EFFECTIVE DATE."

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

**Section 1.** Section 15-32-107, MCA, is amended to read:

"15-32-107. Loans by utilities and financial institutions -- tax credit for interest differential for pre-1994 loans MADE PRIOR TO JULY 1, 1995. (1) A--public utility--providing-electricity-or-natural-gas-may-install-or pay-for-the-installation-of-energy-conservation-materials-or recognized-nonfossil-forms-of-energy-generation-systems-in-a dwelling--The-utility-may-agree-with--the--occupant--of--the dwelling--that--the-occupant-shall-reimburse-the-utility-for its-expenditure-in-periodic-installment--payments--added--to the--occupant's-regular-bill-for-electricity-or-natural-gas--The-utility-may-charge-interest-not-exceeding-the-equivalent

of-7%-per-year-on-the-declining-balance-of-the-sum--advanced for--the--installation--of-energy-conservation-materials-and recognized-nonfossil-forms-of-energy-generation-systems.

(2)--A-financial-institution, as--defined--in--32-6-103, may offer and make loans at an interest rate not less than 2 percentage--points--below--the--discount--rate--on--90-day commercial-paper-in-effect-at-the-federal--reserve--bank--in the-ninth-federal-reserve-district.

(3) Except as provided in subsection (6) (4), a public utility or a financial institution lending money that lent money or made qualifying installations under this section as it read prior to January JULY 1, 1994 1995, may compute the difference between interest it actually receives on such the transactions and the interest which that would have been received at the prevailing average interest rate for home improvement loans, as prescribed in rules made by the public service commission. The utility may apply the difference so computed as a credit against its tax liability for the electrical energy producer's license tax under 15-51-101 or for the corporation license tax under chapter 31, part 1. The public service commission shall regulate rates in such a manner that a utility making loans under this section may not make a profit as the result of this section. The financial institution may apply the difference so computed as a credit against its tax liability for the corporation



license tax under chapter 31, part 1.

~~†4†~~(2) A utility may not claim a tax credit under this section exceeding \$750,000 in any tax year. A financial institution may not claim a tax credit under this section exceeding \$2,000 in any tax year.

~~†5†~~(3) The public service commission may make rules to implement this section as it ~~shall apply~~ applies to public utilities only.

~~†6†~~(4) A public utility whose purchases of or investments in conservation are placed in the rate base as provided in Title 69, chapter 3, part 7, may not receive a tax credit under subsection ~~†3†~~ (1)."

**Section 2.** Section 69-3-305, MCA, is amended to read:

"69-3-305. Deviations from scheduled rates, tolls, and charges. (1) A public utility may not:

(a) charge, demand, collect, or receive a greater or less compensation for a utility service performed by it within the state or for any service in connection with a utility service than is specified in the printed schedules, including schedules of joint rates, that may at the time be in force;

(b) demand, collect, or receive a rate, toll, or charge not specified in the schedules; or

(c) grant a rebate, concession, or special privilege to a consumer or user that, directly or indirectly, ~~shall~~ has

or may have the effect of changing the rates, tolls, charges, or payments.

(2) The rates, tolls, and charges named in the printed schedules are the lawful rates, tolls, and charges until the rates, tolls, and charges are changed, as provided in this chapter.

(3) The commission may order refunds or credits of rates, tolls, or charges collected in violation of this section and may order payment of interest at a reasonable rate on the refunded amount.

(4) The provisions of this section do not prohibit the sharing of profits or revenues with customers in conjunction with an alternative form of regulation approved under 69-3-809.

~~(5) (a) Additionally,--a~~ A provider of regulated telecommunications service may offer, for a limited period of time, either rebates or reductions or waivers of installation charges in conjunction with promotions, market trials, or other sales-related activities that are common business practices. Promotional pricing of services that remain fully tariffed requires advance approval of the commission. No A promotional offering may not combine monopoly services with competitive services.

(b) A public utility providing electricity or natural gas may offer subsidized loans to install energy

conservation and nonfossil forms of energy generation systems in dwellings.

(c) The commission may define the appropriate scope of promotions, rebates, and market trials, and subsidized loans, either by rule or in response to complaints. The commission may determine whether a particular sales activity or subsidized loan program under this subsection is unfairly discriminatory or is not cost-effective. Costs and expenses incurred or revenue foregone with respect to sales activities and subsidized loan programs that the commission determines are unfairly discriminatory or not cost-effective are the responsibility of the provider's shareholders in rates set by the commission.

(5)(6) A public utility violating the provisions of this section is subject to the penalty prescribed in 69-3-206. This, however, does not have the effect of suspending, rescinding, invalidating, or in any way affecting existing contracts."

**NEW SECTION. Section 3. Effective date.** [This act] is effective January JULY 1, 1994 1995.

-End-

HOUSE BILL NO. 680

INTRODUCED BY REAM

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING THAT THE REIMBURSEMENT FOR INTEREST RATE DIFFERENTIALS FOR LOW INTEREST ENERGY LOANS AND INSTALLATIONS PROVIDED BY PUBLIC UTILITIES THAT PROVIDE ELECTRICITY OR NATURAL GAS BE FINANCED FROM A UTILITY RATE BASE RATHER THAN BY A TAX CREDIT; ELIMINATING THE PROVISION OF LOW INTEREST ENERGY LOANS BY FINANCIAL INSTITUTIONS; AMENDING SECTIONS 15-32-107 AND 69-3-305, MCA; AND PROVIDING A DELAYED EFFECTIVE DATE."

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

**Section 1.** Section 15-32-107, MCA, is amended to read:

"15-32-107. Loans by utilities and financial institutions -- tax credit for interest differential for pre-1994 loans MADE PRIOR TO JULY 1, 1995. (1) A--public utility--providing-electricity-or-natural-gas-may-install-or pay-for-the-installation-of-energy-conservation-materials-or recognized-nonfossil-forms-of-energy-generation-systems-in-a dwelling. The utility may agree with the occupant of the dwelling that the occupant shall reimburse the utility for its expenditure in periodic installment payments added to the occupant's regular bill for electricity or natural gas. The utility may charge interest not exceeding the equivalent

of 7% per year on the declining balance of the sum advanced for the installation of energy conservation materials and recognized nonfossil forms of energy generation systems.

(2) A financial institution, as defined in 32-6-103, may offer and make loans at an interest rate not less than 2 percentage points below the discount rate on 90-day commercial paper in effect at the federal reserve bank in the ninth federal reserve district.

(3) Except as provided in subsection (6) (4), a public utility or a financial institution lending money that lent money or made qualifying installations under this section as it read prior to January JULY 1, 1994 1995, may compute the difference between interest it actually receives on such the transactions and the interest which that would have been received at the prevailing average interest rate for home improvement loans, as prescribed in rules made by the public service commission. The utility may apply the difference so computed as a credit against its tax liability for the electrical energy producer's license tax under 15-51-101 or for the corporation license tax under chapter 31, part 1. The public service commission shall regulate rates in such a manner that a utility making loans under this section may not make a profit as the result of this section. The financial institution may apply the difference so computed as a credit against its tax liability for the corporation

1 license tax under chapter 31, part 1.

2 ~~†4†~~(2) A utility may not claim a tax credit under this  
3 section exceeding \$750,000 in any tax year. A financial  
4 institution may not claim a tax credit under this section  
5 exceeding \$2,000 in any tax year.

6 ~~†5†~~(3) The public service commission may make rules to  
7 implement this section as it ~~shall apply~~ applies to public  
8 utilities only.

9 ~~†6†~~(4) A public utility whose purchases of or  
10 investments in conservation are placed in the rate base as  
11 provided in Title 69, chapter 3, part 7, may not receive a  
12 tax credit under subsection ~~†3†~~ (1)."

13 **Section 2.** Section 69-3-305, MCA, is amended to read:

14 "69-3-305. Deviations from scheduled rates, tolls, and  
15 charges. (1) A public utility may not:

16 (a) charge, demand, collect, or receive a greater or  
17 less compensation for a utility service performed by it  
18 within the state or for any service in connection with a  
19 utility service than is specified in the printed schedules,  
20 including schedules of joint rates, that may at the time be  
21 in force;

22 (b) demand, collect, or receive a rate, toll, or charge  
23 not specified in the schedules; or

24 (c) grant a rebate, concession, or special privilege to  
25 a consumer or user that, directly or indirectly, ~~shall~~ has

1 or may have the effect of changing the rates, tolls,  
2 charges, or payments.

3 (2) The rates, tolls, and charges named in the printed  
4 schedules are the lawful rates, tolls, and charges until the  
5 rates, tolls, and charges are changed, as provided in this  
6 chapter.

7 (3) The commission may order refunds or credits of  
8 rates, tolls, or charges collected in violation of this  
9 section and may order payment of interest at a reasonable  
10 rate on the refunded amount.

11 (4) The provisions of this section do not prohibit the  
12 sharing of profits or revenues with customers in conjunction  
13 with an alternative form of regulation approved under  
14 69-3-809.

15 ~~(5) (a) Additionally,~~ a A provider of regulated  
16 telecommunications service may offer, for a limited period  
17 of time, either rebates or reductions or waivers of  
18 installation charges in conjunction with promotions, market  
19 trials, or other sales-related activities that are common  
20 business practices. Promotional pricing of services that  
21 remain fully tariffed requires advance approval of the  
22 commission. No A promotional offering may not combine  
23 monopoly services with competitive services.

24 (b) A public utility providing electricity or natural  
25 gas may offer subsidized loans to install energy

conservation and nonfossil forms of energy generation systems in dwellings.

(c) The commission may define the appropriate scope of promotions, rebates, and market trials, and subsidized loans, either by rule or in response to complaints. The commission may determine whether a particular sales activity or subsidized loan program under this subsection is unfairly discriminatory or is not cost-effective. Costs and expenses incurred or revenue foregone with respect to sales activities and subsidized loan programs that the commission determines are unfairly discriminatory or not cost-effective are the responsibility of the provider's shareholders in rates set by the commission.

(5)(6) A public utility violating the provisions of this section is subject to the penalty prescribed in 69-3-206. This, however, does not have the effect of suspending, rescinding, invalidating, or in any way affecting existing contracts."

NEW SECTION. Section 3. Effective date. [This act] is effective January JULY 1, 1994 1995.

-End-

SENATE STANDING COMMITTEE REPORT

Page 1 of 1  
April 8, 1993

MR. PRESIDENT:

We, your committee on Taxation having had under consideration House Bill No. 680 (first reading copy -- white), respectfully report that House Bill No. 680 be amended as follows and as so amended be concurred in.

Signed: 

Senator Mike Halligan, Chair

That such amendments read:

1. Title, line 9.

Following: "CREDIT;"

Insert: "PROVIDING THAT GRANTS FOR INSTALLATIONS PROVIDED BY  
PUBLIC UTILITIES BE INCLUDED IN A UTILITY RATE BASE;"

2. Page 4, line 25.

Following: "offer"

Insert: "grants and"

3. Page 5, line 4.

Following: "and"

Insert: "grants and"

4. Page 5, line 7.

Following: "or"

Insert: "grant or"

5. Page 5, line 10.

Following: "and"

Insert: "grant and"

-END-

SENATE

HB680

791244SC.Sma

M- Amd. Coord.  
M Sec. of Senate

Doherty  
Senator Carrying Bill

HOUSE BILL NO. 680

INTRODUCED BY REAM

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the-occupant's-regular-bill-for-electricity-or-natural--gas. The-utility-may-charge-interest-not-exceeding-the-equivalent of--7%-per-year-on-the-declining-balance-of-the-sum-advanced for-the-installation-of-energy--conservation--materials--and recognized-nonfossil-forms-of-energy-generation-systems.

(2)--A--financial--institution,--as-defined-in-32-6-103, may-offer-and-make-loans-at-an-interest-rate-not-less-than-2 percentage--points--below--the--discount--rate--on--90-day commercial--paper--in--effect-at-the-federal-reserve-bank-in the-ninth-federal-reserve-district.

(3) Except as provided in subsection (6) (4), a public utility or a financial institution lending money that lent money or made qualifying installations under this section as it read prior to January JULY 1, 1994 1995, may compute the difference between interest it actually receives on such the transactions and the interest which that would have been received at the prevailing average interest rate for home improvement loans, as prescribed in rules made by the public service commission. The utility may apply the difference so computed as a credit against its tax liability for the electrical energy producer's license tax under 15-51-101 or for the corporation license tax under chapter 31, part 1. The public service commission shall regulate rates in such a manner that a utility making loans under this section may not make a profit as the result of this section. The

financial institution may apply the difference so computed as a credit against its tax liability for the corporation license tax under chapter 31, part 1.

~~(4)~~(2) A utility may not claim a tax credit under this section exceeding \$750,000 in any tax year. A financial institution may not claim a tax credit under this section exceeding \$2,000 in any tax year.

~~(5)~~(3) The public service commission may make rules to implement this section as it ~~shall apply~~ applies to public utilities only.

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**"69-3-305. Deviations from scheduled rates, tolls, and charges.** (1) A public utility may not:

(a) charge, demand, collect, or receive a greater or less compensation for a utility service performed by it within the state or for any service in connection with a utility service than is specified in the printed schedules, including schedules of joint rates, that may at the time be in force;

(b) demand, collect, or receive a rate, toll, or charge not specified in the schedules; or

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(2) The rates, tolls, and charges named in the printed schedules are the lawful rates, tolls, and charges until the rates, tolls, and charges are changed, as provided in this chapter.

(3) The commission may order refunds or credits of rates, tolls, or charges collected in violation of this section and may order payment of interest at a reasonable rate on the refunded amount.

(4) The provisions of this section do not prohibit the sharing of profits or revenues with customers in conjunction with an alternative form of regulation approved under 69-3-809.

~~(5)~~ (a) ~~Additionally,---~~ A provider of regulated telecommunications service may offer, for a limited period of time, either rebates or reductions or waivers of installation charges in conjunction with promotions, market trials, or other sales-related activities that are common business practices. Promotional pricing of services that remain fully tariffed requires advance approval of the commission. No A promotional offering may not combine monopoly services with competitive services.



(b) A public utility providing electricity or natural gas may offer GRANTS AND subsidized loans to install energy conservation and nonfossil forms of energy generation systems in dwellings.

(c) The commission may define the appropriate scope of promotions, rebates, and market trials, and GRANTS AND subsidized loans, either by rule or in response to complaints. The commission may determine whether a particular sales activity or GRANT OR subsidized loan program under this subsection is unfairly discriminatory or is not cost-effective. Costs and expenses incurred or revenue foregone with respect to sales activities and GRANT AND subsidized loan programs that the commission determines are unfairly discriminatory or not cost-effective are the responsibility of the provider's shareholders in rates set by the commission.

~~(5)~~(6) A public utility violating the provisions of this section is subject to the penalty prescribed in 69-3-206. This, however, does not have the effect of suspending, rescinding, invalidating, or in any way affecting existing contracts."

NEW SECTION. Section 3. Effective date. [This act] is effective January JULY 1, 1994 1995.

-End-