

1 **DEPARTMENT OF PUBLIC SERVICE REGULATION**  
2 **BEFORE THE PUBLIC SERVICE COMMISSION**  
3 **OF THE STATE OF MONTANA**

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**IN THE MATTER OF THE PETITION OF JAMES T. )**  
**AND ELIZABETH A. GRUBA; LEO G. AND JEANNE )**  
**R. BARSANTI ON BEHALF OF THEMSELVES & ) REGULATORY DIVISION**  
**OTHERS SIMILARLY SITUATED, )**  
**Complainants. )**  
**VS. )**  
**DOCKET NO. D2010.2.14**  
**NORTHWESTERN ENERGY, )**  
**Defendant. )**

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6 **COMPLAINANTS' REPLY TO NWE'S OPPOSITION TO MOTION ASKING THE PSC**  
7 **TO REQUIRE NORTHWESTERN TO IMPLEMENT LED STREET LIGHTING OR**  
8 **TO REDUCE TARIFF ENERGY CHARGE**

9  
10 **REPLY BRIEF SUPPORTING MOTION**

11  
12 Since Complainants' motion was filed on April 16, 2014, Complainants have gained  
13 access from the FERC website the Form 1 Report that NorthWestern refused to provide. It shows  
14 (p. 304.1) that NWE earned \$15,094,644 in 2012 from its Montana Street lighting operations  
15 (\$0.2699/kWh). Until we get a breakout of that number, we won't know which part of it came  
16 from the ESS-1 energy component. That component would be reduced by at least 50% by now if  
17 NWE had installed LED lights when we first raised the issue of LED use in a ratemaking docket  
18 4 years ago and a rulemaking docket six years ago.

19 Every month the monopoly fails to provide its street lighting customers with energy  
20 efficient street lighting, means another month of unjust energy charges, charges that would be  
21 reduced by at least 50% if LEDs had been installed. It is time to put procedural maneuvering  
22 aside and began saving money and energy.

23 In continuing to bring these facts to the Commission, Complainants are not ignoring the  
24 Commission order limiting the scope of the proceeding. Complainants are:

1           1) building a record for when the Commission does decide that Montanans have had  
2 enough of monopoly tactics that afford them no alternative to the energy-hog street lights NWE  
3 supplies;

4           2) properly laying before the Commission what is required as an offer of proof so the  
5 Commission will have the opportunity to change its ruling and any appellate body will know  
6 exactly what was not considered;

7           3) hoping that once the Commission delves deeper into what Complainants sought in  
8 their original pleadings, it will be convinced to save consumers money not only from reducing  
9 overcharges caused by faulty ratemaking, but from implementing prudent, totally justified  
10 energy conservation as well.

11           NWE notes that one question the Commission held in abeyance was whether the PSC has  
12 authority to issue technology-specific tariffs. Montana Power's tariffs prove the Commission has  
13 that right. Unfortunately, until recently NWE has prevented access to requested data that would  
14 have settled this question conclusively.

15           When NWE refused to provide its lighting tariffs, Complainants sought them from the  
16 Commission records. Commission staff was kind enough to scan and email them. Those scanned  
17 SL-1 tariffs for 1984 through 1988 have rates per unit per month for incandescent and mercury  
18 vapor lamps. Those rates are found on pages 2 (incandescent) & 3 (mercury vapor). (See scans  
19 13 B & 13C1).

20           The fact that the SL-1 tariffs for 1984 through 1988 contain rates for three types of  
21 technology, incandescent, mercury vapor, and high pressure sodium proves the Commission has  
22 the authority to require and approve LED tariffs that Complainants have been seeking for four  
23 years.

1           The asterisk adjacent to the term “Mercury Vapor Lamps” and “Incandescent Lamps” on  
2 pages 2 and 3 of the 1984 through 1988 SL-1 says that the tariff for those technologies is “closed  
3 to new installations as of June 5, 1984. (Page 1, in the “Closed Offering” notation also explains  
4 this fact.) Page 7 of those tariffs shows a wattage reduction of more than 50% for the conversion  
5 from the incandescent and mercury vapor technologies to high pressure sodium. Apparently the  
6 closing of tariffs to new incandescent and mercury vapor installations was a result of Orders #  
7 5051h and 5113 in Docket # 83.9.67. One may deduce from that fact that the Commission has  
8 authority to order or approve a migration to more efficient technology.

9           Also from pages 2 & 3 of the SL-1 tariff for 1984 through 1988, we see that in the past  
10 the Commission has set specific rates for different types of technology. One may deduce from  
11 that fact that the Commission has authority to also set rates for Light Emitting Diode (LED)  
12 technology.

13           Since this motion was filed April 16, 2014, 24 of the reported announcements of  
14 continued conversion to LEDs include:

15           1) **Houston, Texas** Mayor Annise Parker and CenterPoint Energy announced a five-year  
16 plan to replace the city's 165,000 street lights with new LED bulbs. "This replacement project, ...  
17 will reduce the city's street light energy usage by more than 50%, reduce the city's municipal  
18 greenhouse gas emissions by another 5%, and just as importantly save the city more than \$28  
19 million dollars over the life of these bulbs," said Parker.

20           "Once the conversion is completed, we expect the city's consumption of electricity could  
21 be reduced by about 70 million kilowatt hours annually," said CenterPoint's Scott Prochazka.  
22 "To put that in context, enough to power approximately 54,000 homes in the Houston area."

1 [http://www.ktrh.com/articles/houston-news-121300/houston-to-get-led-street-lights-](http://www.ktrh.com/articles/houston-news-121300/houston-to-get-led-street-lights-12410387#ixzz347EkR4Uo)  
2 [12410387#ixzz347EkR4Uo](http://www.ktrh.com/articles/houston-news-121300/houston-to-get-led-street-lights-12410387#ixzz347EkR4Uo)

3 2) Nancy Clanton & Associates and Ron Gibbons have completed a Ballard, WA study  
4 comparing 4 different LED street lights of various color temperatures with two HPS systems. It  
5 suggests that **broad spectrum LED lighting dimmed to 50% of RP-8 recommended levels do**  
6 **not reduce detection distance.** [http://neea.org/docs/default-source/reports/seattle-led-adaptive-](http://neea.org/docs/default-source/reports/seattle-led-adaptive-lighting-study.pdf?sfvrsn=4)  
7 [lighting-study.pdf?sfvrsn=4](http://neea.org/docs/default-source/reports/seattle-led-adaptive-lighting-study.pdf?sfvrsn=4) This confirmation will allow LEDs to be dimmed, saving even  
8 more than the 45 to 63% of energy savings reported without dimming.

9 3) **West Bengal, India** is expected to sign a Memorandum of Understanding by June 30,  
10 2014 to become the first Indian state to switch to LED-based street lights over the next five years  
11 as part of an energy conservation drive. It is thought to be the largest conversion to LEDs in the  
12 world. [http://www.financialexpress.com/news/west-bengal-may-switch-to-ledbased-street-](http://www.financialexpress.com/news/west-bengal-may-switch-to-ledbased-street-lights/1258342)  
13 [lights/1258342](http://www.financialexpress.com/news/west-bengal-may-switch-to-ledbased-street-lights/1258342)

14 4) **Honolulu, HI** to replace 51,700 street lights with LED, save \$3 million/year in energy  
15 & maintenance costs. [http://www.civilbeat.com/2014/05/honolulu-city-council-restored-](http://www.civilbeat.com/2014/05/honolulu-city-council-restored-funding-led-street-lights/)  
16 [funding-led-street-lights/](http://www.civilbeat.com/2014/05/honolulu-city-council-restored-funding-led-street-lights/)

17 5) **Detroit Edison** (DTE) began upgrading 235 street lights in Dearborn, MI to LED.  
18 Dearborn is expected to save approximately \$34,000 annually after the upgrades. The work is  
19 part of DTE's \$4 million investment to improve street lighting service in many communities this  
20 year. <http://www.pressandguide.com/articles/2014/06/04/news/doc538de84cb290b394668043.txt>  
21 [Also see where 4,600 LEDs installed in Detroit](http://www.wxyz.com/news/progress-made-in-detroit-street-light-effort) [http://www.wxyz.com/news/progress-made-in-](http://www.wxyz.com/news/progress-made-in-detroit-street-light-effort)  
22 [detroit-street-light-effort](http://www.wxyz.com/news/progress-made-in-detroit-street-light-effort)

1           6) **San Jose, CA** council members unanimously approved a plan to begin design work  
2 and offer a contract for 18,000 new LED street lights. “The move will take advantage of rebates  
3 from PG&E and the Public Utilities Commission that expire in June.”

4 [http://www.mercurynews.com/san-jose-neighborhoods/ci\\_25581445/city-council-oks-plan-](http://www.mercurynews.com/san-jose-neighborhoods/ci_25581445/city-council-oks-plan-installation-18-000-led)  
5 [installation-18-000-led](http://www.mercurynews.com/san-jose-neighborhoods/ci_25581445/city-council-oks-plan-installation-18-000-led)

6           7) **San Luis Obispo, CA** selected Cree, Inc. (NASDAQ: CREE) to help improve the  
7 city's sustainability efforts. City officials collaborated with Pacific Gas and Electric Company  
8 (PG&E) to replace more than 2,000 outdated HPS street lights with Cree XSP Series LED street  
9 lights, delivering superior light quality while saving on maintenance costs and reducing the city's  
10 annual energy consumption by more than 65 percent. [http://online.wsj.com/article/PR-CO-](http://online.wsj.com/article/PR-CO-20140423-909588.html)

11 [20140423-909588.html](http://online.wsj.com/article/PR-CO-20140423-909588.html)

12           8) **Oakland, CA** is converting 30,000 high-pressure sodium (HPS) lights that range from  
13 70–400W along the breadth of the city's roadways with GE products.

14 [http://www.ledsmagazine.com/content/leds/en/articles/iif/2014/05/oakland-will-upgrade-30-000-](http://www.ledsmagazine.com/content/leds/en/articles/iif/2014/05/oakland-will-upgrade-30-000-street-lights-with-ge-led-fixtures.html)  
15 [street-lights-with-ge-led-fixtures.html](http://www.ledsmagazine.com/content/leds/en/articles/iif/2014/05/oakland-will-upgrade-30-000-street-lights-with-ge-led-fixtures.html)

16           9) **Queens, NY** Council allocated \$500,000 to upgrade three-decade old lighting on  
17 Jamaica Avenue to LEDs. [http://www.dnainfo.com/new-york/20140523/richmond-hill/new-led-](http://www.dnainfo.com/new-york/20140523/richmond-hill/new-led-street-lights-planned-for-jamaica-avenue)

18 [street-lights-planned-for-jamaica-avenue](http://www.dnainfo.com/new-york/20140523/richmond-hill/new-led-street-lights-planned-for-jamaica-avenue)

19           10) **Cincinnati, OH** fights crime by installing LEDs near university campus

20 [http://www.wlwt.com/news/crimefighting-initiative-adds-brighter-led-lights-near-uc-](http://www.wlwt.com/news/crimefighting-initiative-adds-brighter-led-lights-near-uc-campus/26364516#!XBDF5)  
21 [campus/26364516#!XBDF5](http://www.wlwt.com/news/crimefighting-initiative-adds-brighter-led-lights-near-uc-campus/26364516#!XBDF5)

22           11) **Poughkeepsie, NY** investigating switch to LED street lights

23 [http://www.midhudsonnews.com/News/2014/May/12/Pok\\_LED-12May14.html](http://www.midhudsonnews.com/News/2014/May/12/Pok_LED-12May14.html)

1           12) **London, Ontario** city council approved a \$90,000 agreement with RealTerm Energy  
2 — an LED lighting systems company that has partnered with the Association of Municipalities  
3 of Ontario (AMO) on a LED street light upgrade initiative. This joins Ontario cities of Kingston,  
4 Markham, Mississauga, Sarnia, Sudbury and Windsor that have started installing more than  
5 72,000 LED street lights. [http://www.thelondoner.ca/2014/05/12/shedding-efficient-light-on-](http://www.thelondoner.ca/2014/05/12/shedding-efficient-light-on-cost-savings)  
6 [cost-savings](http://www.thelondoner.ca/2014/05/12/shedding-efficient-light-on-cost-savings)

7           13) **Richmond, BC** to phase in 10,000 LED street lights [http://www.richmond-](http://www.richmond-news.com/news/city-flicks-the-switch-to-led-1.1069156)  
8 [news.com/news/city-flicks-the-switch-to-led-1.1069156](http://www.richmond-news.com/news/city-flicks-the-switch-to-led-1.1069156)

9           14) **Cumbria, United Kingdom** to save 430,000 £/year by installing 12,000 LED  
10 roadway lights. <http://www.bbc.com/news/uk-england-cumbria-27362067>

11           15) **Stockton, United Kingdom** is investing £14 million over three years to replace  
12 almost 28,000 street lights with LED units. [http://www.lighting.co.uk/news/latest-](http://www.lighting.co.uk/news/latest-news/stockton-invests-14m-in-led-street-lights/8663019.article?blocktitle=Latest-News&contentID=2650)  
13 [news/stockton-invests-14m-in-led-street-lights/8663019.article?blocktitle=Latest-](http://www.lighting.co.uk/news/latest-news/stockton-invests-14m-in-led-street-lights/8663019.article?blocktitle=Latest-News&contentID=2650)  
14 [News&contentID=2650](http://www.lighting.co.uk/news/latest-news/stockton-invests-14m-in-led-street-lights/8663019.article?blocktitle=Latest-News&contentID=2650)

15           16) **Central Bedfordshire Council** to roll out 7,000 new LED street lights over the next  
16 two years. [http://www.bedfordshire-news.co.uk/News/Central-Bedfordshire-Council-to-roll-out-](http://www.bedfordshire-news.co.uk/News/Central-Bedfordshire-Council-to-roll-out-7000-new-LED-street-lights-over-the-next-two-years-20140610123000.htm)  
17 [7000-new-LED-street-lights-over-the-next-two-years-20140610123000.htm](http://www.bedfordshire-news.co.uk/News/Central-Bedfordshire-Council-to-roll-out-7000-new-LED-street-lights-over-the-next-two-years-20140610123000.htm)

18           17) **Svalbard, Norway** LEDs save 79% in lighting the streets during long polar winters  
19 [http://www.ledsmagazine.com/content/leds/en/articles/iif/2014/04/cree-supplies-led-street-lights-](http://www.ledsmagazine.com/content/leds/en/articles/iif/2014/04/cree-supplies-led-street-lights-to-scenic-arctic-town.html)  
20 [to-scenic-arctic-town.html](http://www.ledsmagazine.com/content/leds/en/articles/iif/2014/04/cree-supplies-led-street-lights-to-scenic-arctic-town.html)

21           18) **Easton, PA** to install 300 LED street lights [http://www.wfmz.com/news/news-](http://www.wfmz.com/news/news-regional-lehighvalley/Local/for-centre-square-in-easton-change-is-in-the-air/25611604)  
22 [regional-lehighvalley/Local/for-centre-square-in-easton-change-is-in-the-air/25611604](http://www.wfmz.com/news/news-regional-lehighvalley/Local/for-centre-square-in-easton-change-is-in-the-air/25611604)



1 Complainants' respectfully submit that regulators who are truly protecting the public  
2 interest and upholding Montanan's Constitutional right to a clean and healthful environment will  
3 require no less of NorthWestern.

4 Therefore, Complainants respectfully move the Commission to order:

5 A. that NorthWestern (NWE) be "docked" for energy waste by reducing to one-half, the  
6 energy component (ESS-1 tariff) referenced on its (ELDS-1 tariff) street light rate for each  
7 month after July 16, 2014 that NWE fails to demonstrate to the PSC:

- 8 1. that NWE is converting at least 800 high pressure sodium cobrahead, shoebox, or  
9 decorative street lights it owns a month to energy efficient LED technology;
- 10 2. that NWE has published pursuant to its ESS-1 tariff, load profiling rates for LED  
11 lighting that are made publically available to persons wishing to install LED street  
12 lighting or that a non-metered tariff for LED street lights is in place; and
- 13 3. that NWE is allowing the use of its poles so street lighting districts may themselves  
14 also covert to LEDs ahead of NWE's schedule for relamping.

15 B. that Complainants be granted oral argument on these motions.

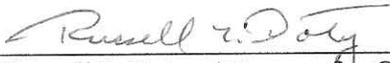
16

17 Respectfully submitted.

June 11, 2014

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20   
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23 Greeley, CO 80634-1256

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26

CERTIFICATE OF SERVICE

I certify that pursuant to ARM 38.2.313, 38.2.1209 and the Procedural Order dated January 16, 2014, on June 11, 2014, an accurate copy of **Complainants' Motion Asking the PSC to Require NWE to Implement LED Street Lighting or to Reduce Energy Charge in Docket No. D2010.2.14** were served upon the parties listed below in the manner provided:

<input type="checkbox"/> XX US Mail Original <input type="checkbox"/> Hand-deliver <input type="checkbox"/> Via Fax: <input checked="" type="checkbox"/> XX E-mail:	Kate Whitney, Montana Public Service Commission 1701 Prospect Av, PO Box 202601 Helena, MT 59620-2601 Email: <a href="mailto:kwhitney@mt.gov">kwhitney@mt.gov</a>
<input type="checkbox"/> XX US Mail <input type="checkbox"/> Hand-delivery <input type="checkbox"/> Via Fax: <input checked="" type="checkbox"/> XX E-mail:	Laura Farkas, Montana Public Service Commission 1701 Prospect Av, PO Box 202601 Helena, MT 59620-2601 Email: <a href="mailto:lfarkas@mt.gov">lfarkas@mt.gov</a>
<input type="checkbox"/> US Mail <input type="checkbox"/> Federal Express <input type="checkbox"/> Hand-delivery <input type="checkbox"/> XX E-mail:	Robert A. Nelson, Montana Consumer Counsel 111 North Last Chance Gulch Suite 1B Box 201703 Helena MT 59620-1703 Email: <a href="mailto:robnelson@mt.gov">robnelson@mt.gov</a>
<input type="checkbox"/> US Mail <input type="checkbox"/> Hand-delivery <input type="checkbox"/> XX E-mail:	Sarah Norcott, Esq., Attorney for NorthWestern Energy 208 N Montana Ave., Suite 205 Helena, MT, 59601 Email: <a href="mailto:sarah.norcott@northwestern.com">sarah.norcott@northwestern.com</a>
<input type="checkbox"/> US Mail <input type="checkbox"/> Hand-delivery <input type="checkbox"/> XX E-mail:	Leo Barsanti 3316 Pipestone Dr. Billings, MT 59102 Email: <a href="mailto:leoj47@msn.com">leoj47@msn.com</a>
<input type="checkbox"/> XX US Mail <input type="checkbox"/> Hand-delivery <input type="checkbox"/> XX E-mail:	Mary Wright, Montana Consumer Counsel 616 Helena Ave., Suite 300 PO Box 201703 Helena, MT 59620 Email: <a href="mailto:mwright@mt.gov">mwright@mt.gov</a>
<input type="checkbox"/> XX US Mail <input type="checkbox"/> Federal Express <input type="checkbox"/> Hand-delivery <input type="checkbox"/> XX E-mail:	Tracy Lowney Killoy NorthWestern Energy 40 E. Broadway Butte, MT 59701-9394 Email: <a href="mailto:Nedra.Chase@northwestern.com">Nedra.Chase@northwestern.com</a>

*Russell L. Doty*

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