

Service Date: August 30, 2017

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

IN THE MATTER of the Montana Public) UTILITY DIVISION
Service Commission’s Review of Rates to)
Recover NorthWestern Energy’s Electric) DOCKET NO. D2017.5.39
Supply Costs)

NOTICE OF COMMISSION ACTION

On May 18, 2017, the Montana Public Commission (“Commission”) issued a Notice of Commission Action (“NCA”) acknowledging the passage of House Bill 193 (“HB 193”), which repealed the mandatory recovery of prudently incurred electricity supply costs for NorthWestern Energy (“NorthWestern”) contained in Mont Code Ann. § 69-8-210(1). Through this NCA, the Commission intended to initiate a process in which to develop a replacement electricity tracker for NorthWestern as a result of this change in law. The Commission scheduled a discovery conference, which was held June 9, 2017, and set a deadline for comments from interested individuals for June 14, 2017. NorthWestern and the Montana Consumer Counsel (“MCC”) participated in the discovery conference. NorthWestern, MCC, and Human Resource Council, District XI and Natural Resources Defense Council (“HRC/NRDC”) filed comments on this initial NCA. In this initial NCA, the Commission expressed an interest in NorthWestern filing “a comprehensive electric supply revenue requirements case that contains a proposal for a longer-term cost tracker by September 30, 2017.” NCA (1) 2–3 (May 18, 2017).

On July 7, 2017, the Commission issued a subsequent NCA explaining the potential purpose of examining NorthWestern’s base rates recovered in the electricity supply tracker and the possibility of requiring “NorthWestern to provide information for electricity supply costs and generation assets cost of service in the form that would be consistent with the filing requirements contained in Mont. Admin. R. 38.5.101 to 38.5.195” by September 30, 2017. NCA (1) ¶ 21 (Jul. 7, 2017) (citing *In re Mont. Pub. Serv. Comm’n Investigation into Qwest Corp.’s Rate of Return*, Docket D2003.2.22, Notice of Investigation (Mar. 14, 2003)). The Commission established the following procedural schedule to resolve this issue:

- a) July 14, 2017: Deadline for intervention.¹
- b) July 21, 2017: Deadline for comments.
- c) July 28, 2017: Oral Presentation and Argument.

NCA (2) ¶ 21 (Jul. 7, 2017). MCC and WINData, LLC (“WINData”) were granted intervention on this specific issue. NorthWestern and WINData provided comments. NorthWestern, MCC, and WINData participated in the oral presentation and argument.

At a regularly scheduled work session held on August 1, 2017, the Commission declined to require NorthWestern to submit information that conforms to the requirements contained in Mont. Admin. R. 38.5.101 through 38.5.195 by September 30, 2017. The Commission believes the full production of this information is not necessary in order to allow the Commission to consider a wide range of options related to the recovery of costs associated with electric generation and supply. The Commission remains interested in potential modifications to the base rates currently recovered in NorthWestern’s current electricity supply tracker and NorthWestern’s Power Costs and Credits Adjustment Mechanism (“PCCAM”) Proposal. *See* NCA (2) ¶¶ 8–18 (Jul. 7, 2017) (describing potential modifications to NorthWestern’s base rates and the rationale for doing so). The Commission finds that any necessary information on this issue may be ascertained through the Commission’s traditional discovery process. *See* Mont. Admin. R. 38.2.3301 to 38.2.3305. The Commission may identify additional issues as necessary to the extent they have not already been identified within previous notices in this proceeding or included within NorthWestern’s proposed PCCAM or the tariffs it would modify. As a result, complete production of information contemplated in Mont. Admin. R. 38.5.101 through 38.5.195 by September 30, 2017, is unnecessary.

Throughout this process, WINData also requested two forms of immediate relief: “the Commission must immediately apply the Long 1 and carbon delay reductions to NorthWestern’s assets in the same way it has applied this methodology to [Qualifying Facilities].” Comments of WINData 7 (Jul. 21, 2017); Oral Presentation and Argument Tr. 24:3–30:20, 42:16–44:17. This request for immediate relief is denied.

¹ The Commission stated it would issue a separate intervention deadline for addressing NorthWestern’s Power Costs and Credits Adjustment Mechanism (“PCCAM”) Proposal.

BY THE MONTANA PUBLIC SERVICE COMMISSION

BRAD JOHNSON, Chairman

TRAVIS KAVULLA, Vice Chairman

ROGER KOOPMAN, Commissioner

BOB LAKE, Commissioner

TONY O'DONNELL, Commissioner