

## HOUSE BILL NO. 189

INTRODUCED BY T. WOODS

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A BILL FOR AN ACT ENTITLED: "AN ACT REVISING HOW UTILITIES ACCOUNT FOR CERTAIN COSTS; PROHIBITING A PUBLIC UTILITY FROM RECOVERING COSTS ASSOCIATED WITH AN OUTAGE AT AN ELECTRICITY GENERATION FACILITY BY USING AN ELECTRICITY COST RECOVERY MECHANISM; ALLOWING A UTILITY TO ACCOUNT FOR CERTAIN COSTS IN A GENERAL RATE CASE; AMENDING SECTION 69-8-210, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

**Section 1.** Section 69-8-210, MCA, is amended to read:

**"69-8-210. Public utilities -- electricity supply -- environmentally preferred resources.** (1) (a) The Except as provided in subsection (1)(c), the commission shall establish an electricity cost recovery mechanism that allows a public utility to fully recover prudently incurred electricity supply costs, subject to the provisions of 69-8-419, 69-8-420, and commission rules.

(b) The Except as provided in subsection (1)(c), the commission may include other utility costs and expenses in the cost recovery mechanism if it determines that including additional costs and expenses is reasonable and in the public interest. The cost recovery mechanism must provide for prospective rate adjustments for cost differences resulting from cost changes, load changes, and the time value of money on the differences.

(c) A public utility may not recover costs associated with an outage at an electricity generation facility by using a cost recovery mechanism in accordance with this chapter. A public utility may address electricity supply cost differences resulting from a facility outage in a general rate case in accordance with chapter 3, part 3.

(2) Notwithstanding any service options that the commission may require, a public utility shall offer its customers the option of purchasing a product composed of or supporting power from certified environmentally preferred resources that include but are not limited to wind, solar, geothermal, and biomass, subject to review and approval by the commission. The commission shall ensure that these resources have been certified as meeting industry-accepted standards."

1            NEW SECTION. **Section 2. Saving clause.** [This act] does not affect rights and duties that matured,  
2 penalties that were incurred, or proceedings that were begun before [the effective date of this act].

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4            NEW SECTION. **Section 3. Effective date.** [This act] is effective on passage and approval.

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