



required EWM to file a reconciliation of West Yellowstone's NIP by December 1, 2017. Order 7558a, Dkt. D2017.6.47 (Oct. 30, 2017).

6. In its application, EWM reported an over-collection of \$112,506.66 in West Yellowstone's NIP account (this amount was corrected to \$112,865 in response to PSC-005). Of that total, \$81,101.57 had accrued in the West Yellowstone program, and \$31,405.09 had been mistakenly transferred from the West Yellowstone account to Great Falls, when the Great Falls USB program was restructured in 2006.

7. EWM originally proposed to transfer 50 percent of the over-collection to Energy Share as a one-time contribution, and to convert the current NIP charge of \$0.00644/CCF (hundred cubic feet) to a USB charge to establish a portfolio of USB programs for its West Yellowstone customers.

8. In response, MCC proposed the Commission waive the 1.12 percent USB funding requirement in Mont. Admin. R. 38.5.7020(2), in which the Commission established a minimum natural gas USB charge sufficient to collect 1.12 percent of the utility's annual revenues from the previous year, and to instead implement in its place the statutory minimum 0.42 percent to fund West Yellowstone's USB programs. MCC proposed to apply that USB charge of 0.42 percent both to a retroactive adjustment to West Yellowstone's USB charge from 1997 through 2017 and to West Yellowstone's USB charge from 2018 onward.

9. EWM's actual collections for the 1997-2017 period equaled 0.57 percent of its revenues. The difference between actual collections and the amount collections should have been with the MCC proposal of 0.42 percent of revenues is \$3,100. MCC recommends that the \$3,100 be refunded to customers, with the remaining \$109,764 immediately transferred to an interest-bearing account for future use by EWM for Commission-approved USB measures in West Yellowstone, including USB low-income bill assistance and weatherization.

10. The Settlement indicates that parties agree to the following:

- a. The USB charge for West Yellowstone shall be 0.42 percent of EWM's annual revenues from West Yellowstone. The parties acknowledge this USB charge requires the Commission to waive Mont. Admin. R. 38.5.7020(2). Based on current tariffs and normalized sales volumes for April 1, 2018 through March 31, 2019, the rate is \$0.00501 per CCF.

- b. The NIP activity for the Reporting Period resulted in an over-collected balance of \$109,764.87 (the “NIP Funds”). The NIP Funds include the \$31,763.63 previously transferred from the West Yellowstone USB account to EWM’s Great Falls district.
- c. West Yellowstone customers shall be refunded \$3,100.33 as a per-customer credit on their July 2018 bills.
- d. The NIP Funds and ongoing West Yellowstone USB collections shall be held in an interest-bearing account until extinguished. The interest will accrue in this account, net of any fees for maintaining the account.
- e. Until otherwise ordered by the Commission, EWM shall use the NIP Funds and ongoing West Yellowstone USB collections only on West Yellowstone USB programs.
- f. EWM shall implement a low-income discount for customers in West Yellowstone immediately, based on the discount currently offered in Great Falls. EWM shall investigate ways to increase participation in the low-income discount program in West Yellowstone.
- g. EWM shall expand the USB programs offered to West Yellowstone customers, with consideration of the USB programs that EWM currently offers in Great Falls. No later than October 1, 2018, EWM shall file a USB plan as a compliance filing in Docket No. D2017.12.89 describing the additional programs it intends to offer in West Yellowstone, identifying how it intends to spend the \$109,764 in NIP Funds and ongoing USB collections on those programs (including the low-income discount), and attaching any third-party agreements related to those programs. EWM and the MCC shall collaborate in the development of the initial USB plan for West Yellowstone. The MCC reserves its right to contest or otherwise respond to the initial USB plan for West Yellowstone.
- h. EWM shall promote its low-income discount and future USB programs in West Yellowstone and the reasonable cost of these promotional activities shall qualify as a USB expense.
- i. EWM shall continue to separately account for the USB collections and expenditures for West Yellowstone.

- j. Beginning on June 1, 2019, EWM shall include the West Yellowstone USB programs in the annual filing currently provided for EWM's other USB programs. The annual reports for West Yellowstone shall include information regarding the status of the USB programs, collections and disbursements, plans for program promotion and expansion, and proposed budgets.

11. The Commission finds that additional clarifications are needed in the Settlement, as follows:

- a. EWM's USB charge shall be applied to its annual revenue from the previous year, as required by Mont. Code Ann. § 69–3–1408.
- b. The waiver of Mont. Admin. R. 38.5.7020(2) and approval of a 0.42 percent charge for USB programs applies to West Yellowstone retroactively from 1997 to present, and will continue until the Commission approves a change in the USB charge.
- c. The low-income discount measure offered immediately by EWM in West Yellowstone shall be structured the same way as EWM's low-income discount in Great Falls is structured, with a discount of 16 percent to 18 percent available for low-income customers currently signed up for the statewide Low Income Energy Assistance Program ("LIEAP").
- d. The annual USB reports shall also specifically describe and account for the West Yellowstone USB program.

### CONCLUSIONS OF LAW

12. The Commission has provided sufficient public notice of this proceeding, and an opportunity for interested persons to be heard. Mont. Code Ann. §§ 69–3–104, 303(1), and Title 2, Ch. 4 (2017).

13. The Commission properly exercises jurisdiction over EWM—as EWM is a public utility providing natural gas service within the State of Montana—and has authority to approve adjustments to EWM's USB program and rate. Mont. Code Ann. §§ 69–3–101, –102, –1408(1).

14. EWM's requested approval of its USB rate for West Yellowstone satisfies statutorily required funding levels. Mont. Code Ann. § 69–3–1408(2).

15. The rates and other issues addressed in the Settlement are just and reasonable, and provide a fair resolution of the issues in this case. Mont. Code Ann. §§ 69–3–201, –302.

**ORDER**

16. For EWM's West Yellowstone USB program, the Commission waives the requirement in Mont. Admin. R. 38.5.7020(2) for a minimum USB charge of 1.12 percent, and establishes the statutory requirement in Mont. Code Ann. § 69-3-1408 for a 0.42 percent minimum USB charge. This waiver applies to EWM's West Yellowstone USB program from 1997 to present, and onward until changed by the Commission.


17. The Settlement is approved, and EWM is authorized to convert its NIP rate to a USB rate and decrease the rate to \$0.00501/CCF.

18. EWM shall submit a plan to the Commission for approval of West Yellowstone USB programs in addition to its low-income bill discount by **October 1, 2018**.

DONE AND DATED this 10th day of July, 2018, by a vote of 3-2, with Commissioners Koopman and O'Donnell dissenting.


BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION


  
BRAD JOHNSON, Chairman

  
TRAVIS KAVULLA, Vice Chairman

  
ROGER KOOPMAN, Commissioner, Dissenting

  
BOB LAKE, Commissioner

  
TONY O'DONNELL, Commissioner, Dissenting

ATTEST:  
  
Rhonda J. Simmons  
Commission Secretary

(Seal)



CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the Final Order issued on July 13, 2018, in D2017.12.89 was served upon the following,

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Dated: July 13, 2018

/s/Sydney Kessel  
Sydney Kessel, Administrative Assistant