

1 SENATE BILL NO. 355  
2 INTRODUCED BY W. GALT  
3

4 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING ELECTRIC UTILITY LAWS; ALLOWING  
5 FOR A COMPETITIVE BIDDING PROCESS FOR THE CONSTRUCTION OF NEW ELECTRIC  
6 TRANSMISSION LINE PROJECTS; REVISING DEFINITIONS; AND AMENDING SECTIONS 69-5-201 AND  
7 69-5-202, MCA."

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9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
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11 **Section 1.** Section 69-5-201, MCA, is amended to read:

12 **"69-5-201. Definitions.** As used in this part, the following definitions apply:

13 (1) (a) "Electric transmission line" means a line, substation, or associated equipment used to  
14 convey electrical energy connected to transmission facilities that is energized at 115 kilovolts or more phase to  
15 phase.

16 (b) The term does not include an electric transmission line used solely to connect an energy  
17 generation facility to transmission facilities owned by an incumbent electric utility.

18 (2) "Federally registered planning authority" means a regional transmission organization  
19 responsible for moving electricity, planning for the movement of electricity, or both over large interstate areas  
20 registered with the federal energy regulatory commission.

21 (3) (a) "Incumbent electric utility" means a public utility regulated by the public service commission  
22 pursuant to ~~Title 69, chapter 3, or~~ a utility qualifying as an electric cooperative pursuant to Title 35, chapter 18,  
23 or their successors or assignees, that owned, controlled, or operated transmission facilities on or before  
24 January 1, 2017.

25 (b) The term does not include a public utility regulated by the public service commission pursuant  
26 to ~~Title 69, chapter 3.~~

27 (4) "Transmission facilities" means facilities that are used to provide transmission services and are  
28 owned, controlled, or operated by an incumbent electric utility."

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2           **Section 2.** Section 69-5-202, MCA, is amended to read:

3           **"69-5-202. Right of first refusal Incumbent electric utility transmission line rights.** (1) (a) Except

4           as provided in subsection (1)(b), an incumbent electric utility has the right to construct through a competitive  
5           bidding process, own, and maintain an electric transmission line on or after January 1, 2017:

6           (i)       located in an area included in the midwest reliability organization;

7           (ii)      approved for construction by a federally registered planning authority; and

8           (iii)     planned to interconnect with an incumbent electric utility's transmission facilities.

9           (b)       An incumbent electric utility may waive its right to construct, in accordance with subsection

10           (3)(a), own, and maintain an electric transmission line by providing notice to the federally registered planning

11           authority.

12           (2)       If an incumbent electric utility intends to construct, own, and maintain an electric transmission

13           line in accordance with subsection (1)(a), the incumbent electric utility shall provide notice to the federally

14           registered planning authority as designated within the authority's established open-access transmission tariff

15           timelines of its intent within 120 days after the federally registered planning authority's approval of the project.

16           (3)       (a) A competitive bidding process must be conducted by the incumbent electric utility for the

17           construction of a new electric transmission line project that has a valuation of \$8 million or more. The incumbent

18           electric utility may participate in the bidding process as the incumbent electric utility, including affiliates,

19           successors, and assignees.

20           (b)       The bidding process must adhere to the incumbent electric utility's reasonable timelines,

21           specifications, and standards for design, construction, and materials.

22           (c)       If the incumbent electric utility awards a bid to an entity that is not the incumbent electric utility,

23           the incumbent electric utility may perform inspections throughout the construction period to ensure adherence

24           to its timelines, specifications, and standards.

25           (d)       On completion of construction of an electric transmission line, the incumbent electric utility has

26           the right to own and shall assume maintenance responsibility of the electric transmission line.

27           (3)(4)      If an electric transmission line constructed, owned, and maintained in accordance with

28           subsection (1)(a) is connected between two separate incumbent electric utilities, the electric transmission line

1 must be shared equally between the incumbent utilities, unless the incumbent utilities agree to different terms  
2 and conditions.

3 (4)(5) Nothing in this section may be construed to limit, alter, or modify the authority of the  
4 commission to make findings relative to 69-3-109 and 69-3-201 as they relate to transmission facilities or to  
5 regulate utilities subject to Title 69, chapter 3."

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