



ADMINISTRATIVE RULES OF MONTANA



38.5.1905 RATES FOR PURCHASES

- (1) Each utility shall purchase available power from any qualifying facility at:
 - (a) the standard rate determined by the Commission to be appropriate for the utility;
 - (b) the rate determined following a petition pursuant to 69-3-603, MCA; or
 - (c) at the rate which is a negotiated term of the contract between the utility and the qualifying facility.
- (2) The rate paid by the utility for any purchase shall not exceed the utility's avoided costs. Avoided costs will be calculated as provided in this rule, unless the utility and the qualifying facility agree upon a different rate.
 - (a) For as-available purchases, the avoided cost of energy and capacity will be calculated at the time of delivery of the facility's energy or capacity.
 - (b) For purchases subject to an established legally enforceable obligation, the avoided cost of capacity will be calculated at the time the legally enforceable obligation was formed, and the avoided cost of energy will be calculated at the time of delivery of the facility's energy.
- (3) When required by FERC regulation and to the extent practicable, the Commission's determination of avoided costs will take into account the factors described in 18 CFR 292.304(e).
- (4) If a qualifying facility has provided in its contract with a utility that measurement of facility energy input to the utility system and measurement of facility load will be accomplished with one meter, the utility shall pay the purchase rate only for the facility's input to the system which is in excess of the facility's load.
- (5) If the qualifying facility has agreed in its contract with a utility that measurement of facility input to the utility system shall be accomplished by metering separate from that measuring the facility load, the qualifying facility may receive payment for all of the energy it supplies to the utility according to the applicable schedule of standard rates for purchases. Unless the qualifying facility has contracted for a different rate, the standard rate is applicable regardless of whether the qualifying facility is simultaneously served by the utility for the facility's load, and regardless of the rate charged by the utility for such simultaneous sales.

Implementing statute(s): 69-3-102, MCA

History: NEW, 1981 MAR p. 459, Eff. 5/15/81; AMD, 1992 MAR p. 2764, Eff. 12/25/92; AMD, 2022 MAR p. 1919, Eff. 9/24/22.