



ADMINISTRATIVE RULES OF MONTANA

38.5.7101 MINIMUM FILING REQUIREMENTS FOR RESTRUCTURED GAS UTILITY APPLICATIONS FOR APPROVAL OF NATURAL GAS PRODUCTION OR GATHERING RESOURCES

- (1) An application by a utility for approval of the acquisition of a natural gas production or gathering resource that is not yet procured must include, as applicable:
 - (a) a statement explaining fully the type and nature of the acquisition;
 - (b) testimony and supporting work papers describing the resource and stating the facts (not conclusory statements) that show that acquiring the resource is in the public interest and is consistent with the requirements in 69-3-201 and 69-3-1413 through 69-3-1416, MCA, the utility's most recent natural gas supply procurement plan, if applicable, and these rules;
 - (c) testimony and supporting work papers demonstrating the utility's analysis of the cost of the acquired production or gathering resource over the short and long term compared to the market cost of natural gas and to all other potential production or gathering resources evaluated by the utility;
 - (d) a copy of any contract(s) or agreement(s) related to the acquisition, including all appendices and attachments;
 - (e) testimony providing a thorough explanation and justification for any terms in any contract or ownership agreement for which the utility is requesting approval;
 - (f) testimony and work papers describing all of the utility's due diligence related to the acquisition;
 - (g) a copy of any request for proposals issued in connection with acquisition of the natural gas production or gathering resource;
 - (h) testimony and supporting work papers comparing all bids received in connection with any request for proposals;
 - (i) testimony and supporting work papers concerning the utility's bid evaluation in connection with any request for proposals, including the ranking of bids and reliance on management judgment;
 - (j) a complete description of each aspect and all infrastructure of the production or gathering resource for which the utility requests approval;
 - (k) if the application concerns acquisition of an existing natural gas production resource, records demonstrating the production history of the resource;
 - (l) an attestation as to the accuracy of the potential gas reserves being considered for acquisition from a licensed petroleum engineer or a licensed petroleum geologist;

- (m) financial statements of the utility demonstrating adequate financial capacity to support the acquisition of the natural gas production or gathering resource, and information concerning any proposed financing arrangements necessary to finance the proposed assets;
- (n) the estimated effect of the transaction on current and future utility rates and charges, including specific tariff rate impacts; and
- (o) other information as the commission may require.

Authorizing statute(s): 69-3-1415, MCA

Implementing statute(s): 69-3-1415, MCA

History: NEW, 2010 MAR p. 653, Eff. 3/12/10.