Department of Public Service Regulation
Montana Public Service Commission

ANNUAL PERFORMANCE REPORT

DEPARTMENT OF PUBLIC SERVICE REGULATION
Fiscal Year 2026 (July 1, 2025 through June 30, 2026)

Submitted September 2026

In accordance with Mont. Code Ann. §2-12-105, the Montana Department of Public Service Regulation (DPSR) provides this Annual Performance Report. The DPSR Annual Performance Report includes:

1. A description of the objective and mission of the DPSR;
2. A description of the divisions of the department and the functions of each division; and
3. Fiscal Year 2026 outcomes and outputs with respect to the performance measures identified in the Fiscal Year 2025 - 2027 Performance Plan.

The objective of the DPSR is to fairly balance the interests of regulated companies and the public they serve. Further, it is the mission of each division of the DPSR to provide competent, professional support to the Public Service Commission in pursuit of this objective.

Listed below are the 3 divisions within the DPSR: Legal; Regulatory; and Centralized Services, along with a description of each division's functions, responsibilities, and performance measures.

LEGAL DIVISION

The Legal Division provides competent legal representation to the Public Service Commission. The Legal Division facilitates the commission's legal and quasi-judicial proceedings and provides legal counsel to the commission, and divisions, in matters requiring legal representation, interpretation, or opinion. The Legal Division represents the agency and the commission in court; issues legal opinions; and analyzes contracts and advises the commission on interpretations of law on matters within the scope of the department's jurisdiction and responsibility. The Legal Division also processes all public records requests submitted to the agency.

The Regulatory and Legal Divisions work in tandem to process applications from regulated companies and provide technical and legal advice to public service commissioners.

Legal Division Goals:

1. Reduce time-to-completion of default orders by 10% - **ACHIEVED**
2. Reduce time-to-completion of intermediate, procedural tasks by 10% - **NOT ACHIEVED** for initial notices (approx. 6% time reduction); **NOT ACHIEVED** for procedural orders (approx. 28% increase); **ACHIEVED** for protective orders (approx. 28% reduction).
3. Complete all required rulemaking related to 2025 legislation within 12 months – **ACHIEVED**
4. Continue reinforcement of agency legal obligations - **NOT ACHIEVED**. Challenges faced by the DPSR legal division in FY26 include turnover of four attorneys and a notable increase in public records requests, litigation, and complex pending dockets. Focusing on higher-priority matters, the legal division was unable to conduct the agency-wide trainings identified in the DPSR 2025 Performance Plan.

Docket statistics:

Total orders issued:	92
Default orders	23
Interim orders	11
Final orders:	11
Reconsiderations	1
Orders to show cause	0
Procedural orders	19
Order on motion or request	18
Order on temporary operating authority	2
Order on post-hearing briefing schedule	1
Order to refile discovery	1
Order granting administrative notice	2
Order on petition for declaratory ruling	1
Order establishing preliminary penalties	1
Order to provide notice	1
Notices of Commission Action:	26
Dockets Initiated:	85
Tariff Filings Processed	106
Staff analysis memoranda issued:	49
Staff prehearing fact sheets issued:	1
Listening Sessions:	5
Rulemaking Hearings:	1
Public Hearings:	5
New Petitions for Judicial Review:	1
District Court Arguments:	4
Public Records Requests:	33

In its 2023 Annual Performance Plan, the Commission identified average times to process various procedural steps in contested cases as one method of tracking performance. That data is reported in the tables below for all dockets opened between July 1, 2025, and June 30, 2026.

Number of Days . . .	**Average** (All Dockets)	Std. Dev.
From Filing to Initial Notice	46	59
From Initial Notice to Procedural Order	41	25
From Filing to Conclusion of Process	102	64
From Conclusion of Process to Disposition	41	34
From Filing to Disposition	84	67

For purposes of this analysis:

- The filing date is the day the docket was first opened, even if the docket was opened with an incomplete filing. After the filing date, Commission staff must review the filing to determine whether it is complete and in compliance with relevant Commission rules.
- The initial notice date is the day the Commission provided public notice of the filing. Depending on the nature of the filing, the Commission will provide notice on its weekly agenda, in a document entered into REDDI, and/or in a legal notice published in a newspaper of general circulation in the area affected by the filing. The initial notice may set a deadline for comments and/or intervention.

- The procedural order date is the day the Commission staff published an order outlining the planned procedure and schedule for the docket. Not all dockets require procedural orders, and not all procedural orders contemplate a full contested case process, including a hearing. Many dockets begin with limited procedural orders that allow for discovery and set deadlines by which parties may request additional process, including hearings. Before issuing procedural orders that schedule hearings, Commission staff typically requests proposed schedules from the parties.
- The conclusion of process is either the deadline for parties to request additional process, or the deadline for parties to submit final briefs or other materials for the Commission's consideration. After this date, the matter is considered submitted for the Commission's decision. Alternatively, this date may reflect the withdrawal of an application by the original filer, which often ends the docket.
- The disposition is the date the docket is formally closed. A docket may be closed in a variety of ways, including through the issuance of a final order, an order on reconsideration, or a default order. Default orders are issued when no issues are disputed by the parties. The Commission has delegated authority to its staff to prepare and issue default orders, unless any Commissioner requests that the Commission vote on the matter. Alternatively, some dockets are deemed approved by operation of statute or administrative rule, in which case they are closed automatically.

Timelines and procedures for dockets vary widely based on the needs of the parties and the complexity of the issues involved. For example, dockets with limited procedural orders are generally resolved much faster than dockets with full procedural schedules.:

Number of Days . . .	Dockets with Limited Process		Dockets with Full Process	
	Average	Std. Dev.	Average	Std. Dev.
From Filing to Initial Notice	33	59	39	59
From Initial Notice to Procedural Order	n/a	n/a	29	25
From Filing to Conclusion of Process	64	64	174	64
From Conclusion of Process to Disposition	37	34	55	34
From Filing to Disposition	75	67	169	67

The nature of the issues and the parties' positions determine whether a docket can be processed with limited procedures. The Commission generally accommodates parties' requests for additional process.

REGULATORY DIVISION

The Regulatory Division conducts financial, economic, and technical analysis of the operations of regulated public utilities and common carriers; administers tariffs; performs railroad and pipeline safety inspections; monitors compliance; manages enforcement; assists consumers of regulated services; drafts and implements commission rules, orders, and other directives; administers applications for operating authority; participates in regional market and transmission forums; assists with developing and modifying regulations and policies; and advises the commission regarding all of these matters. The Regulatory Division is divided into four programs overseen by a Division Administrator: economic and financial/accounting analysis, regulatory compliance and consumer services, railroad safety inspection, and pipeline safety inspection.

~~~ REGULATORY ECONOMIC AND FINANACIAL/ACCOUNTING ANALYSIS

Rate Analysts assist in the interpretation and application of public policy, analyze utility costs of service and long-range planning, and develop rate design recommendations. They also analyze operating costs, revenue requirements, and performance of regulated entities.

Regulatory Division Goals – Economic & Rate Analysts:

1. Gain Expertise in Cost-of-Service Model – **NOT ACHIEVED** due to ongoing NorthWestern Energy electric and natural gas rate case, which prevents staff from engaging with the utility.
2. Process and Advise on Rate Applications – **ACHIEVED**. As docket statistics show, analysts processed 106 tariff filings, prepared 49 analysis memoranda, as assisted in the preparation of 92 Commission orders.
3. Review Wildfire Mitigation Plans – **ACHIEVED** with exception of assessing rulemaking needs. Staff analyzed and advised the Commission on five wildfire mitigation plans and engaged the services of a technical master to review NorthWestern Energy's plan.
4. Modernize Filing/Interim Rate Rules – **NOT ACHIEVED** due to other docket workload.
5. Adopt Rules (HB 55 & SB 301) – **PARTIALLY ACHIEVED**. Staff successfully assisted the Commission in adopting rules to implement HB 55 regarding independent evaluators for electric utility competitive resource procurements. Preliminary work on SB 301 regarding certificates of public convenience and necessity for large transmission projects is in progress but rules have not been adopted.

~~~ REGULATORY COMPLIANCE / CONSUMER SERVICES

Within the Regulatory Division, there is a regulatory compliance/consumer services program. This program provides consumer assistance; facilitates and responds to public comments; facilitates access to commission proceedings; processes and evaluates small docket applications and other filings from regulated motor carriers, telecommunications providers, and water and sewer companies; recommends corrective actions for violations of laws, rules, tariffs and policies; and assists with the department's public information, public policy, document processing, reception, and other administrative support functions.

Regulatory Division Goals, Regulatory Compliance / Consumer Services:

1. Acknowledge Consumer Requests in 24 hours – **NOT ACHIEVED**. Due to some days when the workload was heavier than others, 48 cases (out of 2,837) were not acknowledged within 24 hours
2. Follow-up Every 8 Business Days – **NOT ACHIEVED**. While the team typically reviews all open cases every 8 business days, a surge in workload demands caused 95 cases to miss this follow-up window.
3. Process Public Comments within 5 Business Days – **NOT ACHIEVED**. 922 public comments were not processed within 5 business days. While an influx of public comment submissions began building in May, the vast majority of the delays – 914 comments – occurred during a massive volume peak in July and August. Outside of this peak period, staff maintained a 100% compliance rate for six of the remaining months of the year. In the other four months, staff missed the processing window by just eight total comments: four in one month, two in another, and one each in two separate months. This backlog occurred because public submissions for the NorthWestern Energy gas and electric rate case (Docket 2024.05.053) overwhelmed the department. While staff successfully absorbed the increased workload for the first two months (May and June), the escalating volume through August ultimately outpaced the team's capacity to maintain the 5-day turnaround.
4. Process Utility Applications per Checklist – **ACHIEVED**
5. Process Telecom Registrations within 3 Business Days – **NOT ACHIEVED**. 6 registrations were not processed within 3 business days

Additional Information:

1. Entered 2,837 new consumer assistance cases into REDDI (The DPSR's document tracking system)
2. Processed 2,198 public comments
3. Processed 38 new telecommunications and/or billing aggregator registrations

~~~ REGULATORY RAILROAD SAFETY INSPECTION

The Railroad Safety Program, which is also within the Regulatory Division, ensures safe railroad operations by enforcing federal safety regulations for all types of locomotives and freight cars operating in Montana. The primary responsibility of the program is to protect the public from the hazards related to railroad derailments and accidents.

Regulatory Division Goals, Railroad Safety:

1. Perform 75 inspections – **ACHIEVED**
2. Participate in 5 joint FRA audits – **ACHIEVED**
3. Collaborate with ASRSM & FRA – **ACHIEVED**

Additional Information:

In FY 2026, Program inspectors:

1. Conducted 391 inspections (377 inspection days)
2. Completed a total of 122 joint FRA inspections
3. Identified 3,023 non-compliant defective conditions
4. Issued 30 civil penalty violations
5. 15 railroad accidents reported (does not include highway-rail crossing accidents)
6. Participated in the Operation Lifesaver program
7. Participated in the State Emergency Response Committee
8. Actively engaged with the National Association of State Rail Safety Managers
9. Actively engaged with federal inspectors and conducted 122 joint inspection reports and audits
10. Created an annual inspection plan, targeting the highest risk locations based on previous data and focused oversight and enforcement efforts on those highest risk locations
11. Collaborated monthly with FRA and Montana DES coordinators to identify safety risks/trends
12. Participated in Local Emergency Planning Committee meetings

~~~ REGULATORY PIPELINE SAFETY INSPECTION

Another program within the Regulatory Division, the Pipeline Safety Program, ensures the safe construction, operation, and maintenance of intrastate gas pipelines in Montana.

Regulatory Division Goals, Pipeline Safety:

1. Perform 75 inspection days – **ACHIEVED**
2. Build new data mines – **ACHIEVED**. This is a constant process
3. Integrate data into REDDI – **NOT ACHIEVED**. The REDDI project was not completed by the developers to have a functional platform for pipeline. We are including in the 2027 pipeline budget to begin and finish a useable REDDI platform to integrate the data. Scope of work and project needs completed with the developer. Work on REDDI to begin January 2027.

Additional information:

The Pipeline Safety program relies on a federal reporting system. For calendar year 2025, this program:

1. Achieved a total of 191 field inspection days (federal requirement for 2025 was 178)
2. Completed a total of 72 inspections
3. Enforced the correction of 9 violations
4. No incidents in 2025
5. Achieved perfect scores in audits by PHMSA for pipeline and storage program

CENTRALIZED SERVICES DIVISION

The Centralized Services Division (CSD) manages the commission calendars, agendas, meetings, reception area, mail processing services, records management, and provides administrative support to commissioners and PSC staff. The division is also responsible for human resources; fiscal activities; payroll and procurement; facilities furnishing and inventory; office equipment and inventory; and office safety and security. Within the CSD, the PSC Information Technology staff purchases and services computers, communications, asset inventory and security products to promote completion of agency objectives. It also assists PSC commissioners, staff, and the public in utilizing agency hardware and software resources.

Centralized Services Division Goals:

1. Prepare Weekly Business Meeting items accurately and on time – **ACHIEVED**
2. Conduct eight commission-wide trainings per year – **ACHIEVED**. Gas & Electric Rules 7/2025; Stop the Bleed 10/2025; Fire Drill Training 12/2025; Resiliency Training 1/2026; Pipeline 1/2026; Workman's Comp: 2/2026; Teams Technology 6-26-26; and Annual Security Awareness Training 12/2025 through 5/2026
3. Complete all job postings within 30 days and fill positions in 90 days – **NOT ACHIEVED** due to retention and hiring issues related to pay and workplace dissatisfaction and disruptions. We have a large volume of hard-to-fill positions that require high degree of experience, trainings, and technical analysis and skill.
4. Resolve all findings from previous audit within one year – **ACHIEVED**
5. Ensure all managers complete annual performance reviews – **ACHIEVED**
6. Meet all budget preparation, execution, and submission deadlines – **ACHIEVED**
7. Operate a robust safety and security committee - **ACHIEVED**

Additional information:

1. Public participation is increasing on a regular basis – As of 6/30/2026, the REDDI system had 4,233 credentialed public users. For comparison, as of 7/3/2025, the system had 3,548 credentialed public users. Members of the public can use our REDDI system without being a credentialed user, though there is not a means of counting those guest users.
2. Members of the public can use our REDDI system to submit requests for consumer assistance and to submit public comments in open dockets. Below are the stats for this fiscal year and last fiscal year for those two categories of usage, showing the number of users who used the REDDI system, and what percentage that number is compared to the total.

FY2026		FY2025	
Consumer Assistance	Public Comments	Consumer Assistance	Public Comments
49 / 1.73% of total	84 / 3.82% of total	44 / 1.57% of total	73 / 5.47% of total