

MINUTES OF THE MEETING  
BUSINESS & INDUSTRY COMMITTEE  
MONTANA STATE SENATE

March 14, 1979

The meeting of the Business and Industry Committee was called to order by Chairman Frank Hazelbaker on the above date in Room 404 of the State Capitol Building at 10:00 a.m.

ROLL CALL: All members were present with the exception of Senator Lowe who was excused.

HOUSE BILL 649: Representative Daniel Kemmis, sponsor of HB 649, explained the bill to the Committee. This bill expands the tax credit provision that presently encourages public utilities to provide low-interest loans for energy conservation to include alternative energy generation systems. The bill gives the credit to financial institutions that make such loans. The bill also puts a minimum interest rate of 5% on the loans.

Representative Kemmis stated that solar systems are usually too expensive to install. He suggested they apply a fraction of the difference if the fiscal impact of the bill is too large without a change like that. He asked the Committee not to do away with the incentives of the bill.

PROPOSERS OF HOUSE BILL 649: Ms. Connie Krautter of Helena, representing the Environmental Information Center, stated they are in support of HB 649. Ms. Krautter's printed testimony is attached to the minutes.

Mr. E. O. Abel from Hamilton, Montana, representing Energy Solutions Inc., and Montana Solar Industry Committee, stated they are in support of HB 649. Mr. Abel stated that renewable sources of energy are becoming increasingly important, and it is unfortunate that solar energy development costs are so high. His firm supplies solar energy equipment.

Mr. Ronald Pogue of Helena, representing Alternative Energy Resources Organization, stated they support HB 649. They cannot compete directly with conventional fuels. He commented that costs of energies would be competitive if it weren't for subsidies.

OPPOSERS OF HOUSE BILL 649: Representative Fabrega stated that they support the principle of the bill, but he doesn't believe the state can afford that level of subsidy. Representative Fabrega from the Taxation Committee, requested that the Committee not kill the bill but table it until the Taxation Committee have a chance to look into it more closely.

Mr. Bill Groff from the Department of Revenue told the Committee that the state is working under an extremely tight budget and may not be able to afford it at this time. He feels more research should be done.

There was a question and answer period from the Committee.

Senator Regan suggested that Representative Kemmis go to the Taxation Committee and see what could be done to get the bill through.

Senator Dover asked whether the loan would be just for the energy part of a new house.

Representative Kemmis stated that it would and on a new house you would probably have to have two separate loans.

Senator Goodover asked Mr. Pogue if he had energy heating cost figures for Montana. Mr. Pogue stated they did not have figures at the present time.

Senator Blaylock questioned the cost of heating an average size home with solar energy.

Mr. Abel stated that a 1,500 sq. ft. home for a family of four would take about 500 sq. ft. of solar panels at a cost of about \$30 a sq. ft. and this would come to an initial cost of \$15,000. It could be more or less.

Representative Kemmis told the Committee he would be glad to prepare a Statement of Intent, if one is needed, after he talks with the Taxation Committee.

Representative Kemmis made closing remarks to the Committee. He told the Committee that we do have the potential for a new industry in Montana, but in order to make that industry competitive the state would have to become involved in some way. He stated that the financial institution and the utilities could bear part of the cost. He will work on amendments and ask the Committee to hold the bill until later.

Chairman Hazelbaker closed the hearing on HB 649.

HOUSE BILL 57: Representative Barbara Spilker, sponsor of HB 57, explained the bill to the Committee. This bill is by request of the Public Service Commission and generally revises and clarifies the laws relating to utility line construction standards. Rep. Spilker stated that 30 other states have already adopted these codes. This code is revised every three years.

Minutes of Business & Industry Meeting

March 14, 1979

Page 3

Mr. Jim Watson of Helena, representing the Montana Public Service Commission, distributed booklets entitled, Electrical Construction Regulations. This booklet is attached to the minutes. Mr. Watson's printed testimony is also attached to the minutes.

Mr. Bob Gannon of Butte, Montana, representing the Montana Power Company, stated they support HB 57.

Mr. James Hughes of Helena, representing Mountain Bell, stated they support the bill and offered an amendment to HB 57 as follows:

1. Page 2, line 15.  
Following: "be"  
Strike: "interpreted and"

There were no opponents to House Bill 57 present at the hearing.

There was a question and answer period from the Committee.

Senator Regan inquired how you could enforce something if you can't interpret it.

Mr. Hughes stated that the board would be able to interpret it.

Mr. Opitz and Mr. Gannon stated they would not object to the proposed amendment.

Representative Spilker made closing remarks stating that she would hope that the Committee would Concur In HB 57.

Chairman Hazelbaker closed the hearing on HB 57.

HOUSE BILL 20: Representative Robert Dozier, sponsor of House Bill 20 explained the bill to the Committee. This bill is by request of the PSC, and provides that only those companies that derive \$5 million or 5% of their gross revenue from Montana sources must have such approval.

PROPOSERS OF HOUSE BILL 20: Mr. Bill Opitz from the Public Service Commission stated this legislation is necessary and they support HB 20.

There were no other proponents or opponents to HB 20 present at the hearing.

There was a question and answer period from the Committee.

Senator Kolstad inquired as to how many customers would fall into this category.

Mr. Opitz stated that he thought three which are Black Hills Power & Light, Northern Natural Gas, and Washington Water and Power.

HOUSE BILL 241: Mr. William Groff from the Department of Revenue explained HB 241 to the Committee in the absence of Representative Menahan, sponsor of HB 241, who was unable to be present at the hearing. This bill provides for the consideration of all personal and family assets and financial resources (instead of income only) for purposes of determining eligibility for assistance under the Housing Act of 1975.

There were no other proponents or opponents to HB 241 present at the hearing.

Chairman Hazelbaker closed the hearing on House Bill 241.

DISPOSITION OF HOUSE BILL 241: Senator Dover moved that HB 241 Be Concurred In. Senator Goodover seconded the motion. The Committee voted unanimously that HOUSE BILL 241 BE CONCURRED IN.

Senator Dover will carry House Bill 241 on the floor.

DISPOSITION OF HOUSE BILL 20: Senator Kolstad moved that House Bill 20 Be Concurred In. The Committee voted unanimously that HOUSE BILL 20 BE CONCURRED IN.

Senator Kolstad will carry House Bill 20 on the floor.

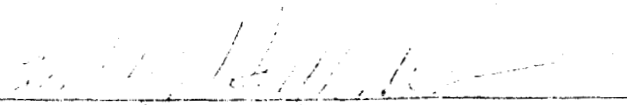
DISPOSITION OF HOUSE BILL 57: Senator Dover moved that the proposed amendment to HB 57 be adopted. Senator Regan stated that she resisted the amendment. Senator Hager stated that he supported the amendment. He feels the whole package should be bought. Senator Kolstad stated he felt they had no need for the amendment. Senator Goodover agreed with Senator Hager. Senator Regan stated she felt there was a question of semantics and would hope they would resist the amendment because the initial interpretation must be made at the local level.

A Roll Call Vote was taken on the adoption of the proposed amendment to HB 57. The motion to adopt the amendment passed by a 5-4 vote. This Roll Call Vote is attached to the minutes.

Senator Dover moved that House Bill 57 Be Concurred In as so amended. The Committee voted unanimously that HOUSE BILL 57 BE CONCURRED IN AS SO AMENDED.

Senator Regan moved that the Committee withhold executive action on HB 649 until we hear from Representative Kemmis regarding the bill. The Committee agreed to this.

ADJOURN: There being no further business, the meeting was adjourned at 11:00 a.m.

  
\_\_\_\_\_  
Senator Frank Hazelbaker, Chairman

ROLL CALL

BUSINESS & INDUSTRY COMMITTEE

46TH LEGISLATIVE SESSION - - 1979

Date March 14

NAME	PRESENT	ABSENT	EXCUSED
Pat Goodover, Vice Chairman	✓		
Chet Blaylock	✓		
Harold Dover	✓		
Tom Hager	✓		
Allen Kolstad	✓		
Bill Lowe			
John Mehrens	✓		
Bob Peterson	✓		
Pat Regan	✓		
Frank Hazelbaker, Chairman	✓		

SENATE COMMITTEE BUSINESS & INDUSTRY

Date March 14, 1979 Bill No. <sup>HB</sup> 57 Time 11:00 a.m.

NAME	YES	NO
Pat M. Goodover, Vice Chairman	✓	
Chet Blaylock	✓	
Harold Dover	✓	
Tom Hager	✓	
Allen Kolstad		✓
Bill Lowe	<i>absent</i>	
John Mehrens		✓
Bob Peterson		✓
Pat Regan		✓
Frank Hazelbaker, Chairman	✓	

Marjorie Nichols  
Secretary

A. Hall  
Chairman

Motion: adopt amendment to HB 57  
Page 2 line 15 third "interpreted and"

(include enough information on motion--put with yellow copy of committee report.)

# STANDING COMMITTEE REPORT

..... March 14, ..... 19 79 .....

MR. President:.....

We, your committee on ..... Business and Industry .....

having had under consideration ..... HOUSE ..... Bill No. 20 .....

Dozier (Kolstad)

Respectfully report as follows: That ..... House ..... Bill No. 20 .....

BE CONCURRED IN  
BY THE

*J.A.*

STANDING COMMITTEE REPORT

March 14, 1979

MR. President:

We, your committee on Business and Industry

having had under consideration House Bill No. 57

Spilker (Dover)

Respectfully report as follows: That House Bill No. 57 third reading bill, be amended as follows:

- 1. Page 2, line 15.
- Following: "be"
- Strike: "interpreted and"

And, as so amended

DO CONCUR

DOLIBAS



STANDING COMMITTEE REPORT

March 14, 1978

MR. President:

We, your committee on Business and Industry

having had under consideration House Bill No. 241

Menahan (Dover)

Respectfully report as follows: That House Bill No. 241

BE CONCURRED IN  
DO PASS

NAME: Connie Krautter DATE: 3-11

ADDRESS: Box 1177 Helena

PHONE: 443-2520

REPRESENTING WHOM? ETC

APPEARING ON WHICH PROPOSAL: MB 447

DO YOU: SUPPORT?  AMEND?  OPPOSE?

COMMENTS: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_


\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.



Environmental Information Center Box 1184, Helena, MT 59601 (406) 443-2520

TESTIMONY ON HB 649

Mr. Chairman, Members of the Committee;

The membership and Board of Directors of the Environmental Information Center have voted as a high priority policy issue the encouragement of renewable, non-fossil energy resource usage in Montana.

Therefore, we endorse HB 649, as it is a reasonable means of removing one of the major institutional barriers to widespread use of solar, wind and other renewable technologies. That barrier is the reluctance on the part of many lending institutions to make loans with reasonable interest rates for technologies which many of them consider, mostly out of lack of information, to be in the formative, highly speculative stages.

Encouragement by the State of Montana for utilities and financial institutions to make low interest loans for non-fossil energy devices is both timely and in keeping with the state's much-vocalized energy conservation policy.

These low-interest loans would be especially pertinent to the retrofitting of low-income housing with energy saving renewable devices. This is an example of how a little state leveraging now could save the state money later. Energy savings from these retrofits could slow the breakneck speed with which energy demands and costs are rising, thus sparing the state the necessity of applying "bandaid" type financial aid to make certain that citizens on fixed incomes have an adequate supply of energy.

HB 649 makes financial and social as well as environmental sense. We encourage the Committee to give it a Do Pass. Thank you.

NAME: E.O. Abel DATE: 3/15/79

ADDRESS: Rt. 1 Box 1327 Hamilton Montana 59725

PHONE: 363-4960

REPRESENTING WHOM? Energy Solutions Inc. & Montana Solar Industry Committee

APPEARING ON WHICH PROPOSAL: HB 649

DO YOU: SUPPORT?  AMEND?  OPPOSE?

COMMENTS: As manufacturers of active solar collection systems, we strongly support this bill for the following reasons;

1. We are committed as a nation to adopting renewable energy sources
2. The basic use & need for renewable energy requires reliable long life equipment
3. The initial cost of such equipment is high, as well as interest rates for borrowed capital to purchase it
4. Lending agencies require that equipment they finance should have a useful life at least as long as the time period of the loan.
5. Present loan rates greatly reduce the amount saved by installing active renewable energy systems
6. The high loan interest rate and resultant effect on return on investment to a home owner, or commercial or industrial user is counter-productive to the interests and to Montana regulations with regard to the use of renewable energy sources.

NAME: Ronald Pogue DATE: 3/4/79

ADDRESS: 226 Power Block - Nelson 59501

PHONE: 443-7272

REPRESENTING WHOM? Alternative Energy Resources Organization

APPEARING ON WHICH PROPOSAL: HB 649

DO YOU: SUPPORT?  AMEND?  OPPOSE?

COMMENTS: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: JIM WATSON DATE: 3/14/77

ADDRESS: 1134 - 9<sup>TH</sup> AVE. HELENA

PHONE: 449-3008 (office) 443-5239 (home)

REPRESENTING WHOM? MONTANA PUBLIC SERVICE COMM.

APPEARING ON WHICH PROPOSAL: HR 157

DO YOU: SUPPORT?  AMEND?  OPPOSE?

COMMENTS: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

STATE OF MONTANA



ELECTRICAL CONSTRUCTION  
**REGULATIONS**

---

TITLE 24

Revised Codes of Montana 1947

---

Published by the

**PUBLIC SERVICE COMMISSION**

1227-11th Avenue

Helena, Montana 59601

Phone (406) 449-2649

**AUGUST, 1977**

*Submitted by Jim Watson  
3/14/77*

COMMENTS ON HOUSE BILL NO. 57 BY JIM WATSON, B.S.E.E., UTILITIES ENGINEER, FOR THE MONTANA PUBLIC SERVICE COMMISSION.

\* \* \* \*

IT IS THE INTENT OF THE PUBLIC SERVICE COMMISSION TO RECOMMEND THE REPEAL of the outdated and redundant parts of Title 24, RCM 1947, Electrical Construction Regulations and to move the parts retained to Title 69, Part 1 MCA, The Public Service Commission.

Many of the standards in Title 24, RCM 1947 have been outdated due to new technology, higher voltages, better materials of construction and the advancement of the state of the art in general.

There are thirty (30) states which have adopted the National Electric Safety Code (NESC) entirely for their electrical construction standards for the utility companies. Title 24 and Title 70, RCM 1947 already specify the NESC but many of the parts in Title 24 conflict with the NESC. For instance, 24-110 specifies a certain type of insulation but it is no longer available to the utilities because of far superior insulation development.

24-112 mentions distribution voltages of 15,000; several companies are already using higher distribution voltages in Montana as are utilities in other states, due to newer technology. 24-107 prescribes guy insulation standards which have long been superseded and are more expensive and not as safe as the standards in the NESC. The rural electrical cooperatives, (R.E.A.) all of whose



construction is under NESC regulations are in fact operating in violation of 24-107.

24-102 requires an insulation for the transformer tap wire to exceed the voltage rating of the primary of the transformer. Due to increased technology, voltages of transformer primaries are in the 24,000 volt range and there is no proven safe insulation for wire manufactured higher than 8,000 volts; at the present state of the art, to use a 25,000 volt insulation may give a line-man to believe he would be safe in coming in contact with such an insulation, when in fact it would be creating a greater hazard when wiring insulation values above 8,000 volts are not reliable. Also, even if there were a wiring insulation good for 25,000 volts, the wire connects to a tap on top of the transformer which is uncovered and it is "hot" when energized.

24-109 covers "arc-lights" which utility companies have not used since the 1920's having been replaced by much more efficient forms of street lighting.

These few examples and all the parts recommended to be repealed are clearly covered in NESC; the NESC is revised every three (3) years upon advice from utilities, unions and governmental agencies. The Montana, Title 24 was reviewed by utility companies, professional engineers, attorneys, and R.E.A. line superintendent, and some of the Commission staff. A committee was formed of the above and it decided without any dissention that Title 34 should be repealed except for the few portions that should be retained

as now published in Housed Bill 57 for the 1979 Legislature.

NAME: JAMES R. HUAGLES DATE: 3-14-79

ADDRESS: 560 N PARK AVE. HELENA

PHONE: 449-3385

REPRESENTING WHOM? MOUNTAIN BELL

APPEARING ON WHICH PROPOSAL: HB 57

DO YOU: SUPPORT?  AMEND?  OPPOSE?

COMMENTS: PAGE 2 - LINE 15 - STRIKE THE WORDS

"~~INTERPRETED~~" INTERPRETED AND"

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: William J. Opitz DATE: April 14, 1977

ADDRESS: 2 Wood Ct

PHONE: 443-3624

REPRESENTING WHOM? Mont PSC

APPEARING ON WHICH PROPOSAL: HB-20

DO YOU: SUPPORT?  AMEND?  OPPOSE?

COMMENTS: This legislation is necessary to bring  
the statute in line with a court decision  
Northern Nat'l Gas vs PSC. As written,  
the court declared that the statute was  
UNCONSTITUTIONAL burden on  
ON ~~interstate~~ interstate commerce.

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.



NAME: Lyle E. Olson DATE: 3-14-78

ADDRESS: 1924 Lockey

PHONE: 443-2551 - office 449-3040

REPRESENTING WHOM? MONT Board of Housing

APPEARING ON WHICH PROPOSAL: H.B. 241

DO YOU: SUPPORT?  AMEND?  OPPOSE?

COMMENTS: Explain ~~the~~ purpose of  
change in Bill

DATE March 14, 1979

COMMITTEE ON Business and Industry

BILL NO. 20457

VISITOR'S REGISTER

NAME	REPRESENTING	Check One	
		Support	Opp
George ...	...		
Molly Mac ...			
Tom ...			
Nancy ...			
Curly ...			
Wally ...			
Ed ...			
Bob ...			
Chuck ...			
Dave ...			
Jeff Black			
John ...			
Bob Mills			
Nancy ...			
Mella ...			
Phillip ...			
Janna Stewart	"		
Suzanne ...	"		
William J Opitz	Most PSC HB's 20457		✓
Jim Watson	" "	"	✓