

January 17, 1977

The Natural Resources Committee met at 10 a.m. on January 17, 1977, in room 437, with Chairman Shelden presiding and all members present (except Reps. Davis and Huennekens who were excused) for a hearing on HB 139.

REP. LYNCH, the bill's sponsor, said this bill was a means of helping senior citizens and disabled persons on fixed incomes with their high winter utility bills. He said this bill for energy stamps was by no means a way to avoid winterization or to avoid looking into other energy conservation or cost programs. He said this bill would take two million from the coal tax trust fund and use it for this. It would be a pilot program to last two years or until the money was gone. He asked the committee for assistance in formulating amendments they felt were needed to make it a better bill.

JOANN WELLIS, Montana Association for Retarded Citizens, was the next proponent speaker. She said their program to deinstitutionalize the retarded has caused the more able to be in independent housing; but their income is less than \$200 a month, and the houses they have are often inadequately insulated. She said her group supports the concept of trying to help people on fixed incomes.

GENE PHILLIPS, Pacific Power and Light Co., was the next to speak in favor of the bill. He said the definition of utility on page 2, line 11, omits rural electrical systems and this would leave out many needy people. He felt this would be a practical way of identifying the needy people rather than the life line determination.

As there were no more proponents, Chairman Shelden asked for opponents.

SENATOR TOM TOWE was the first opponent. He said he opposed the bill because it would increase bureaucracy, could cause a loss of federal funds, and it provides no conservation measures. He also didn't feel the state should help the utility companies collect debts among the low income people. He suggested several amendments. A copy of his testimony is exhibit 1.

JAMES SHANNON, Montana Senior Citizens Assn., was the next opponent speaker. He felt the bill could preclude other measures that would be a better solution for all seniors, disabled and low-income people --like an over-all rate restructuring. He objected also to the welfare stigma that would be attached. A copy of his testimony is exhibit 2.

DALE SKAALURE, Montana Association of Counties, was the next opponent speaker. He said this would build up the bureaucracy a little more--at least \$50,000 worth. He felt the present winterization program is a little bit liberal in who can partake. He felt that generally speaking the function of local government SRS departments can take care of most of these needs through local assistance programs.

OLIVER M. DAHL, Executive Director of the Montana Senior Citizens' Association, spoke against the bill. He said his group, which represents 3,000 members, and the Mountain Plains Congress of Senior

Organizations, have studied the energy cost problem and have concluded that the life line concept or a minimum floating rate concept offer a long range solution. He, too, felt it would increase bureaucracy, not be a conservation measure and have with it the stigma of welfare. A copy of his testimony is exhibit 3.

ALAN ABRAMSON, Environmental Information Center, spoke against the bill. His group felt this bill provides no solutions to the present problem in the long run. He said the state of Montana would have nothing to show for it after the two years--but if that same money were put into the winterization program it could mean extra jobs (125 to 375) using federal cost sharing and it would save 1 trillion BTU of energy. He said his group urged the members to support the winterization programs passed in the past session (HB 633). A written copy of his testimony is exhibit 4.

PATRICK BINNS, contractor to Montana Energy Policy Office, was the next opponent speaker. He said the stamp program would not help all the people we would like to help. He said this would be a direct cost to the state with benefits going directly to the utility companies. The poor and those on a fixed income would be in no better shape at the end of the period--worse as they would not longer have money budgeted for this purpose. His group recommends an increased winterization program. He said it has been shown that for an investment of about \$400 there can be a 15 to 30% reduction of energy. He also mentioned the inaccurate rate structure and said validating the rate in each of the customer classes would serve our poor better than an energy stamp program. He said information on rates, etc., is coming from studies his group is doing.

ROD HANSON, Montana Association of Utilities, said he neither supported or opposed the bill. He offered an amendment: page 2, line 12, strike entire line and on line 13 strike the words "service commission." This would include people on rural electrification.

Also submitting written testimony opposing the bill were:

Charles A. Banderob, President of the Montana Senior Citizens' Association, exhibit 5.

Cliff Judd, Helena, exhibit 6.

In his rebuttal REP. LYNCH expressed surprise at the number of opponents. He said the people who signed the bill certainly didn't intend to aid the power company in collecting bills, and he didn't intend this to decrease the incentive to conserve energy. He felt, however, that help was needed now and it could take at least five years to get all the needy homes winterized.

Chairman Sheldon drew attention to the EQC report on this bill, exhibit 7, and then opened the hearing to questions from the committee.

Rep. Bengtson asked Rep. Lynch the number of families that would be involved in the stamp program. Rep. Lynch said if Class 8 classification

were used the number could be enormous--no figure available.

It was brought out that flattening the rate could keep the rate down for the poor and also encourage conservation. The life line concept had presented some administrative problems for California (Mr. Binns) but would also encourage energy conservation.

Rep. Frates asked about the winterization program--of what it consists and how they can do it for \$400. Mr. Binn said they check the home to see where the worst energy loss is occurring--usually means blowing insulation into the attic, weather stripping doors, and at times putting a translucent plastic over the windows for storm windows. He said there are no labor costs (federal government funds) which is why the cost is low. Rep. Quilici questioned the wisdom of using plastic for storm windows.

Chairman Shelden closed the hearing on HB 139. He said the bill might be put in subcommittee.

Meeting adjourned at 11:05 a.m.

Respectfully submitted,


ARTHUR H. SHELDEN, Chairman

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