

HOUSE BUSINESS AND INDUSTRY COMMITTEE

February 9, 1977

The meeting was called to order at 3:30 p.m. with all members present with the exception of Rep. Bradley, who was excused.

House Bill No. 352 was discussed. Rep. Scully, sponsor, stated the bill was very direct and recommended that a subcommittee be appointed to the bill to consider along with regulatory lag legislation. He gave a brief explanation of the bill stating that rate changes become operative. Also, limitation on decision making is necessary.

Proponents:

Mr. Jack Burke appeared in support for the same reasons as Mr. Scully expressed. The bill would cause the regulatory lag to be over-come. It would put a time frame on the Public Service Commission. He said the FCC has a 3-month time frame and the Federal Power Commission has a 6-month time frame. Six months is a common time frame found in those statutes. This procedure would protect the consumer.

Mr. Les Loble also expressed his support in the bill.

Opponents:

Mr. Jeff Brazier stated he has handled many incidents of contested rate cases. The sponsor assumes this bill would be given to a subcommittee for further study, therefore, he suggested an amendment be made to adjust the time frame from six months. He stated that six months was too short for major utility cases. Also, the ICC has seven months for railroad cases. He stated he was also opposed because the bill is too open-ended. If the bill were not amended to provide safeguards, then he recommend that it do not pass.

Mr. Dennis Lopach also stated that a 6-month time frame is unrealistic. He said to cut it off would be unrealistic because the Commission would not have had time to begin consideration. The bill does not make provisions for multiple filings (testimony attached).

Rep. Scully stated in closing that it takes one year on multiple filings. Also, there is one hurdle to consider. Both of the staffs and the hearing should go to the Consumer Counsel's office. It is an obligation of the PSC to make records clear.

Rep. Quilici asked how long it would take the Consumer Counsel to hire a cost-of-money man. Mr. Brazier stated that he had only had one experience. In major rate cases the PSC has sponsored the cost-of-money man. They are completely booked up through the summer. The cost-of-money man would look at the companies operating expenses, revenue receiving under substances when application was filed, the property, and what a fair rate of return would be on the companies investment. The fair rate of return is where the cost-of-money man comes in.

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Rep. Kenny asked interested parties what their idea of a fair time frame would be. Mr. Brazier stated it was an arbitrary decision. A major utility would require nine months. Mr. Lopach agreed that a 9-month time frame would be realistic. Rep. Nathe directed a question to Mr. Brazier regarding the small staff at the Consumer Counsel and if it affected the time lag with the Public Service Commission. Mr. Brazier stated it did not affect the time lag.

Rep. Vincent appointed a subcommittee to House Bill No. 352 which Rep. Scully would chair, Rep. Quilici and Rep. Fabrega would also be on the subcommittee. He asked that they consider this piece of legislation in light of the PSC request for increased appropriations and increased personnel. He also invited all interested parties to attend the subcommittee hearing.

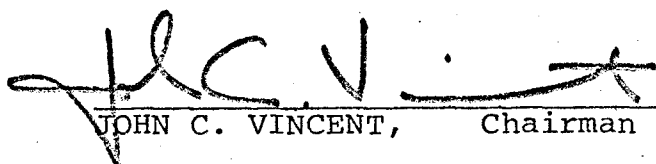
Rep. Pistoria, sponsor of House Bill No. 446, asked the committee to table the bill on account of House Bill No. 238 passing (testimony attached).

The committee then went into executive session.

Rep. Fabrega moved to TABLE House Bill No. 446. All members present voted yes.

Rep. Scully moved that House Bill No. 196 DO PASS AS AMENDED. The motion carried with 13 members voting yes, and 3 members voting no.

The meeting adjourned at 6:00 p.m.


JOHN C. VINCENT, Chairman

Amendments passed unanimously

1. Amend title, line 4.

Following: "TO"

Strike: "ABOLISH"

Insert: "CREATE CERTAIN EXEMPTIONS TO"

2. Amend title, line 6.

Following: "SECTION"

Strike: "66-2404; REPEALING SECTION"

3. Amend the bill, pages 1 through 2.

Strike: all of the bill following the enacting clause

Insert: "Section 1. Section 66-2427, R.C.M. 1947, is amended to read as follows:

"66-2427. Permit fee -- payment -- penalties. (1) It is unlawful for any person to engage in the business, trade, or work having to do with the installation, removal, alteration, or repair of plumbing and drainage systems or parts thereof without first obtaining a permit from the board of plumbers.

A separate permit shall be obtained for each building or structure.

No person may allow any other person to do or cause to be done any work under a permit secured by the permittee except persons in his employ.

(2) No permit is required for any minor replacement or repair work, the performance of which does not have a significant potential for creating a condition hazardous to public health and safety. No permit is required where the installation is exempt under the provisions of section 66-2426 or 66-2401. No permit is required whenever the installation occurs in an area governed by a municipality and where there is in effect a municipal building code which covers plumbing installations and which provides inspection procedures. No permit is required whenever the installation occurs within a county where the county governing body has hired local inspectors to enforce the state plumbing code. Nothing contained in this act shall prohibit the owner of residential property from making an installation for all sanitary plumbing and potable water supply piping without a permit providing he does the work himself. The provisions of this act do not apply to regularly employed maintenance personnel doing maintenance work on the business premises of their employer unless work is subject to the permit provisions of this act.

(3) Persons required by this section to apply for a permit shall make application on forms provided by the board or authorized representative. He shall give a description of the character of the work proposed to be done, and the location, ownership, occupancy and use of the premises in connection therewith. The board of plumbers or its authorized representative may require sketches, specifications or drawings and such other information it deems necessary in order to determine the scope of the work contemplated.

If the board determines that the sketches, specifications, drawings, descriptions and information furnished by the applicant are in compliance with the state plumbing code, it shall issue the permit applied for upon payment of the required fee as established by the board.

(4) Any person who commences any work for which a permit is required without first obtaining a permit shall, if subsequently permitted to obtain a permit, pay double the permit fee for the work, except that this provision does not apply to emergency work when it is proved to the satisfaction of the board of plumbers or its authorized representative that the work was urgently necessary and that it was not practical to obtain a permit before the commencement of the work. In all such cases, a permit shall be obtained as soon as it is practical to do so, and if there is unreasonable delay in applying for the permit, a double fee shall be charged.

For the purpose of this section, a sanitary plumbing outlet on or to which a plumbing fixture or appliance may be set or attached shall be construed to be a fixture. Fees for reconnection and retest of plumbing systems in relocated buildings shall be based on the number of plumbing fixtures, gas systems, water heaters, and the like involved.

When a permit has been obtained to connect an existing building or existing work to the public sewer or to connect to a new private disposal facility, backfilling of private sewage disposal facilities abandoned consequent to the connection is included in the permit.

The board of plumbers shall establish permit fees in accordance with the Montana Administrative Procedure Act and the fees shall be deposited to the earmarked revenue fund of the board of plumbers for use in the administration and enforcement of this act and the Montana state plumbing code.

(5) All plumbing and drainage systems may be inspected by the board of plumbers or their authorized representative to ensure compliance with the requirements of the state plumbing code.

(6) It is the duty of the person doing work authorized by the permit to notify the board orally or in writing, that the work is ready for inspection. The notification shall be given not less than ~~twenty-four~~-(24) hours before the work is to be inspected.

It is the duty of the person doing the work authorized by the permit to ensure that the work performed before notification and after notification pending inspection complies with the state plumbing code.

(7) Whenever any work is being done contrary to the provisions of the state plumbing code, the board or its authorized representative may, after a hearing conducted under the provisions of the Montana Administrative Procedure Act, order work stopped by notice in writing served on any person engaged in the work.

(8) The board may suspend or revoke a permit, whenever it is issued in error or on the basis of incorrect information supplied, or work performed thereunder is in violation of any of the provisions of Title 66, chapter 24, R.C.M. 1947."

Section 2. Effective date. This act is effective on its passage and approval."

This amendment and bill passed unanimously by the Business and Industry Committee on February 9, 1977.