

HOUSE OF REPRESENTATIVES
JUDICIARY COMMITTEE
February 5, 1979

The regular meeting of the Judiciary Committee was called to order in Room 104 of the Capitol Building at 8:00 a.m. with all members present except Representative Eudaily, excused. Scheduled for hearing were House Bills 452, 464, 475, 493, 500, 505 and Senate Bill No. 165.

HOUSE BILL NO. 464: Representative Conroy said that since the department people did not show up for the hearing he would move to kill the bill.

HOUSE BILL NO. 493: Representative Cooney stated that this bill was introduced at the request of the Department of Justice. He went through the bill and explained it briefly. It allows a grace period for motor vehicle dealer license renewal.

Mr. Cooney said his witness had not come.

JERRY RONIG: Montana Automobile Dealers Association. We support the bill.

Representative Keedy asked why there was a need for the six month grace.

Does it take that long. Some discussion about this. The hearing closed on House Bill No. 493.

HOUSE BILL NO. 500: Representative Lory said that this is a companion bill to House Bill No. 432 which we heard the other day. A person who sells or furnishes to any person any of the substances such as phenyl-2-propanone or methylamine or such substances must submit a report to the department of justice detailing such transactions. The Department of Justice may adopt, amend or repeal rules in accordance with the Montana Administrative Act. The intent of the bill is to keep some measure of control for these substances. He gave a copy of the statement of intent.

TOM HONZEL: County Attorneys Association. This bill will help in controlling those precursors and see that they are not getting into the illegal drug traffic.

Representative Kemmis asked that subsection 1 be explained, and Mr. Lory said that that allows time to add temporary substances.

There was no further discussion and no other questions and the hearing closed on House Bill 500.

HOUSE BILL NO. 475: Representative Kemmis. This bill raises the interest that runs on judgments. The present rate is 6% so that if someone acquires a

he could get a higher rate of interest than now allowed. There are several inequities to this and one of them is that if a person gets a judgment and he is entitled to it, what the judge would do is reduce the award to its present value. When they reduce it to the present value they do it to the current rate of interest. From the plaintiffs point of view this is very unfair. He discussed the appeal and that they could be making money on the plaintiff from interest during the appeal. It may be that the rate I am asking is not the rate exactly that this committee would think is fair but I do think it is best that we change this.

MIKE MELOY:

Montana Trial Lawyers. This bill has been a long time in coming. This was first introduced in 1933. He discussed this and that the rate of interest was 4%. It is very difficult to get a commercial loan at 10%, so I think the 6% interest rate is very unfair. He talked about the low rate of interest.

Representative Roth asked if the rate of interest could vary with the prime, and Representative Kemmis said that was possible. With no further questions the hearing closed on House Bill No. 475.

SENATE BILL NO. 165:

Senator Van Valkenburg as sponsor of this bill said that it would raise the maximum value on vehicles for which title is issued by right of survivorship. He mentioned the various parts of the bill, the number of days, transfer of ownership and explained them briefly.

LARRY JARRIS:

The only change is on Page 4, line 9, the rest is legal language changes.

There was no further discussion and the hearing closed on Senate Bill 165.

HOUSE BILL NO. 505:

Representative Lund, the sponsor of the bill was not present.

LES LOBEL:

American Counsel of Life Insurance. I am here in opposition to this bill.

It appears this bill would raise the insurance of one segment of the buying public, one group would be a special target. I suggest that those people who buy insurance are not necessarily those who pay taxes, and they should not have their premiums raised to fund state institutions.

The hearing closed and will continue on Thursday, February 8th.

HOUSE BILL NO. 464:

Representative Rosenthal called the Chairmans attention to the fact that proponents for this bill had come into the room. Representative Keyser

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stated that they were the people he had expected earlier, but maybe they had been delayed because of the change in hearing place.

JEREMIAH JOHNSON:

Chief Probation Officer, 4th Judicial District. This bill was the result of a case that came before the Supreme Court. A youth in need of supervision or someone that is stopped for questioning must have an attorney will hamstring the youth court act. The bill states an attorney must be automatically there. We have no problem with the fact that an attorney must be there and involved but we feel that every time a youth is picked up it will involve an attorney or an appearance before a district judge. It will force every youth into some kind of court appearance.

TOM HONZEL:

Montana Attorneys Association. We do support this bill. He talked about the juvenile system in Helena, police officers and how it is handled, if there is knowledge of a past offense. He talked about the problems for officers and law enforcement, and the Youth Court Act. This bill will keep them from getting into more serious trouble. It seems to defeat the basic idea behind the early intervention. This is not necessarily in the best interest of the youth. We do not want to keep attorneys out of this. We do not want the youth denied counsel when necessary but to have an attorney at every interrogation we feel is not necessary.

KAREN MIKOTA:

League of Women Voters. The League is opposed to HB 464. Presently the juvenile is entitled to counsel and defense. The League feels the bill weakens the protection of the constitutional rights of children. A waiver under the conditions of the bill could conceivably be naive. The juvenile in many cases would not have sufficient knowledge nor understanding to make an intelligent waiver. We feel the amendment would give some authorities an unfair advantage over the youth. The League of Women Voters of Montana urge that HB 464 leave this committee with a "unanimous" do not pass recommendation.

Representative Kemmis. As I understand it, the problem is the Stample, Temper case. There was then discussion about the intent of the Youth Court Act. Mr. Johnson said that at that time the intent was to provide legal counsel for youth. Montana has one of the most strict of state laws. We are not opposed to having an attorney at the hearing. It will just hamstring the cases. We feel it will force more youth into a formal hearing with district judges.

No further discussion the hearing closed on House Bill No. 464.

HOUSE BILL NO. 452:

Chairman Scully read the following statement from Representative Hershel

Robbins:

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Mr. Chairman, members of the committee, for the record my name is Hershel Robbins. I am a representative from House District number 46. I was one of the original signers of HB 452. Before I signed the bill I inquired as to the effect of this bill on the Supreme Court case involving Colstrip. After I signed the bill I discovered what the effect of this bill would actually be on the court case. Simply stated, I was seriously misled as to what the effects of this bill would be.

I scratched my name off of the bill. It simply isn't right for the Legislature to interfere with a Supreme Court case. From the rumblings that have been heard I believe that there are many others who are in a similar predicament. It is for this reason that I decided to step forward and tell my story. I oppose HB 452 and ask that the committee vote do not pass.

REPRESENTATIVE CONROY:

For those who may not understand what it does, this bill is to facilitate

Colstrip 3 and 4. It is incumbent on this legislature that something should be done. This bill is to insure that we have enough energy and power. He went on to discuss the shortages and the deficient energy and gave statistics on both, the number of people that would be out of work, etc. He mentioned that it does not apply to any facility over which the federal government has exclusive jurisdiction. He talked of the rate of growth and the 1980 to 1983 increase in energy use. He discussed the amount of megawatts that would be required and energy conservation and transmission lines that would be needed, etc.

Mr. Conroy said that he had a list of proponents that wished to testify and

that he would call them one by one to do so.

PROPOSERS:

J. A. McELWAIN:

Chief Executive Officer, Montana Power Co.

I want to explain our standards. In June 1973, Colstrip was started. We have been involved for 4 and 1/2 years in litigation concerning these. In my opinion the time is long due to get started. There has to be a day of reckoning. Colstrip 3 and 4 have been halted for more than a year, and you have little doubt there is need for the energy. There has been a big demand on our system this winter. Of the new kilowatts, Northern Tier would require 97. He read through a list of some of the benefits, 2000 jobs, 100 million dollars. We are also working with the Northern Cheyenne, and there would be 350 new jobs there, 5.5 million annual payroll, and more than 28 million in state and local taxes. He talked of the loss they have already experienced, it has already tripled since they started. I believe the efficiency of these units have been shown to be somewhat more efficient than anywhere in the U.S. He talked about air quality, the removal of sulphur dioxide. They are filing a new application with the environmental protection agency, and we intend to meet these requirements.

He went on to talk about the Board of Natural Resources, and the Board of Health. The effect from the basis of certification is that a certificate is not required for Colstrip 3 and 4. So that there will be no question of the effect of this legislation we have proposed a letter to the heads of this legislative body explaining our intent and our commitment to continue with the present restrictions. We have a responsibility to the people of the Pacific Northwest. He gave a copy of terms and conditions set forth by the Board of Natural Resources and Board of Health certificate.

HARVEY LISBAKKEN:

Vice President, Pacific Power & Light.

One of my concerns are the people in the Kalispell, Libby, area. They have been getting our back load, a 26% increase over the previous January, and 23% over 1979 from 1978. We have been forecasting on a trend basis so that we are under-forecasting. We have one small hydroplant in Bigfork. He went on to talk about plant slippage and the ones that are remaining on schedule. He talked about construction and the transmission grid. One of the reasons for the growth is the number of electric head connects. We are in need of additional transmission and Colstrip is part of that.

PETER LAMBARDOZZI:

International Brotherhood of Electrical Workers, Local 532. I am here on be-

half of my local, and the Southeastern Montana Building Trades Council and the Yellowstone Valley Labor Council. We would like to give a couple of comments. We believe the plant site application for Colstrip 3 and 4 met the requirements of the plant siting law. It has been through six years of environmental impact review and board hearings with unrelenting judicial litigation on both, to the ultimate determination by the State Boards involved that Colstrip units 3 and 4 met all the requirements of the plant siting act. Copy of written testimony, exhibits 2, 2A and 2B.

GORDON MAHOOD:

International Brotherhood of Electrical Workers. It is a must that legislation

be passed to assure the construction of Colstrip 3 and 4, in as efficient and adequate a manner as possible. Under the Montana Siting Act the Department of Natural Resources and Board of Health did their job. He presented a copy of written testimony, attached, exhibit #3.

JOE CROSSWHITE:

Operating Engineers. We support the Montana Siting Act and have in the past

testified to this support, but we definitely object to the unnecessary blockages and the manipulation of the law by rule making and court decisions. The passage of House Bill 452 would allow construction of Colstrip 3 and 4 to resume without further litigation under the Siting Act. A copy of his written testimony is attached, exhibit #4.

RAY WAYRYNEN:

Building Trades Council. We wish to urge your approval of House Bill 452.

Passage would allow the construction of Colstrip 3 and 4 which would provide an estimated 2,000 construction jobs during the peak of construction. It would provide 350 permanent jobs. He presented a copy

of his written testimony to the committee, exhibit #5. Please consider that we are speaking of long term, year round employment for our construction people. Assuming a restart of construction commences in the spring of 1979, the work will continue through 1984. This, in the construction trades is considered long term. It also means that the area will benefit from the influx of families moving into the area and families mean concern for the communities in which they reside. It also means an additional tax boost and other economic benefits for the area.

MITCH MIHAILOVICH:

I support the passage of House Bill 452.

R. L. HOLLINGSWORTH:

I come here to support this bill in its entirety. It is like a similar

thing 48 years ago when we were building Grand Coulee Dam. We have a number of our people in the south Idaho area that is over the NW Idaho grid. I hope that the committee decides to "do pass".

PETER JACKSON:

Western Environmental Trades Association.

We are a coalition of 309 affiliates.

He named a few as follows: labor, agriculture, industry, business, recreation, miners, doctors, truckers, workers in various trades, and so on. In addition, we are bound to support Colstrip 3 and 4 and it is sound and it does not affect the the environment. We need a strong environment and to do so we need a strong economy to support it. He read through figures of the increased cost for the delay in construction.

JAMES FOLLENSBEE:

Central Montana G & T, Co-op, Inc.

The G & T is a federation of 15 in-

dividual rural electric distribution cooperatives that provide electricity to more than 42,000 Montana rural citizens sprawled across approximately 100,000 square miles of Central Montana. These rural electrics have always bought their power from the Bureau of Reclamation, the Bonneville Power Administration, and the Montana Power Company, and they have always been a reliable source of adequate power. However, recent court decisions, and federal policy changes have converted our power supply picture into a jigsaw puzzle. He presented a written copy of his testimony, exhibit #6.

WILBUR ANDERSON:

Vigilante Electric Cooperative, Inc.

I appreciate the opportunity to comment

briefly on HB 452. This proposed legislation directly affects the most critical problem facing electrical systems today. That problem, is providing an adequate power supply for our existing and future loads. An adequate energy supply is the essential lifeblood of our society. He gave a copy of written testimony, exhibit # 7.

Mr. Conroy commented that Mr. Rod

Hanson, Montana Associated Utilities

did not arrive and could not give his testimony.

BOB FORD:

Hoerner Waldorf. For some time during

December, 1978 and January 1979, we

have been curtailed on electricity at our mill. We had to get it

from the west coast. The Hoerner Waldorf mill recently completed a 20 million expansion project. We are now working on phase II of the expansion which will require a 149 million capital investment and is scheduled for completion in mid 1980. Phase I added 13 new jobs at the mill and phase II will add 150 new jobs at the mill, plus about 330 support jobs in the forest products industry. He gave a copy of written testimony, exhibit #8.

EARL MORRISON:

My business is agricultural sprinkler irrigation, turf sprinkler irrigation, drainage equipment and all kinds of pumping equipment. I am President and part owner of Agriturf International, which is a retail company of the products mentioned. As a business man working with people who purchase equipment for better production of their crops with less water, I am deeply concerned with our imminent shortage of electrical energy. He gave a copy of written testimony, exhibit #9.

BUCK BOLES:

Montana Chamber of Commerce. We have been in favor of 3 and 4 since they began. The point I wanted to make about jobs have already been met. I support this legislation and the following chambers are also in support: Billings, Bozeman, Havre, Helena, Kalispell, Butte, Glasgow, Miles City, Missoula, Shelby, Great Falls, and Glendive.

RAY LOVERIDGE:

People for Progress, Colstrip. He gave letters in support of House Bill 452, attached, exhibit # 11 through 74. I would urge you to pass this bill as we are in desperate need of the energy and it would aid Montana economically through the employment created. I have worked closely with the EPA on the construction of Colstrip 3 and 4 and with the design of the scrubbers proposed by Montana Power. He gave a copy of his own written testimony also, exhibit #10. I would defy anyone in this room to say they are not an environmentalist. We have been on this for five years. The delay in Washington is the same problem here and that is due process of law. I believe that if you make this law that is due process of law. I think we have to look to the state and provide for our young people, 50 years in the future. As a citizen I would urge that when you sit down to discuss this you give it all your consideration. We need the power and the Montana people need the jobs.

MIKE DORRIS:

People for Progress. I go on record as being in agreement. Approximately 33% of the adult population of the nation is supporting the other 66%. They are paying all the taxes that support all government services. They are carrying the load of the rest of the nation. Without the tax dollars generated by the private sector, whether it be agriculture, industry, or small business, without the free enterprise system there would be no government services as we know them today. He presented a copy of written testimony, exhibit #75.

GENE KURTZ:

Mayor, city of Forsyth. We urge the support of this legislation. The shortage of electrical power gets more crucial each day, because of

the number of people moving into SW Montana each day. There is a spinoff that we must give thought about. He talked of the new people and the effect on schools. The cost to the consumer has skyrocketed because of the delay and it will only cost the consumer more when it is finally built.

CARL HEBERLE:

Councilman, City of Forsyth. We strongly urge that you give a "do

pass" on this.

Mr. Conroy said that the representative from the Northern Tier Pipeline could

not appear to give testimony at this time.

LON HOWE:

Montana People for Progress, and other unions. First of all, I want to tell

you what Colstrip did for about 100 young men. There was a training program, a welding school, sponsored by Montana Power. There are 15 apprentices at this facility now. We are just one craft and they have done this with lots of others. He went on to talk of the siting act and the excessive litigation. We urge you to support HB 452 and urge that we get started on Colstrip 3 and 4.

JACK VESSEL:

Billings Chamber of Commerce. We urge that you do pass.

ED NELSON:

Montana Taxpayers Association. We do urge your support of the bill and ask

for a do pass.

GEORGE TILLET:

Forsyth. I live across the right-of-way of the Burlington Northern. It

would help some of the congestion if you were to pass this bill.

RUSSELL WILLIAMS:

Line Contractors. I represent the people who run the lines and maintain

it. We need jobs and need them badly. We ask for your support and urge do pass.

DEAN HOLMES:

Mayor, Miles City. We are in favor of plants 3 and 4 and have some concern

about the lines that will contribute.

JACK RAMIREZ:

Representative. I support the concept of the bill. I am one of the

co-sponsors of it. We are trying to cut down the red tape. I know we are going to have an influx of people and there will be a determining effect on the economy and an increase in jobs. I think it is very important that this bill pass. I think there is a problem in the way it has been drafted, however. In subsection 3, the bill provides that a certificate of environment is not required. The

Power Company will comply with the Facility Siting Act and if we exempt them from the certificate we exempt them from the Facility Siting Act. We have to phrase this bill in certain terms that the certificate is approved. If you look at the present statutes, I don't think we can omit that enforcement mechanism in this bill but I hope you will amend it to make it a better bill.

OPPONENTS:

REPRESENTATIVE BARDANEAUVE: There is a phenomenon we have here in Montana. Colstrip 3 and 4 is not the issue here today. I don't think this committee is the proper forum for where this will be built. This is not the place to determine where we should build 3 and 4. I opposition to my REA people I feel that if this bill is passed they may find themselves up the creek without a paddle if we adopt this legislation. Ramirez says that we should put in something to make this the law. If you put that back in there is no point in having the law. He talked about the environmental laws and that they were the most powerful in the nation. I hope we don't perpetuate the errors of the past by the error today. The jobs are not the issue. REA is not the issue here today. The environment is not the issue here today. We are corrupting the old court system of Montana and the law of Montana. It is ironic that your committee should be the one here today. You will be asked in essence to violate everything that you are representing. The precedent that is set here today may well become customary if you can bypass one of the most important laws on the books in Montana. There was a parade of witnesses here today that are putting pressure on you to abolish a law.

Even if you do pass this legislation here today there is no clear right that you can surpass the federal government. You cannot bypass the federal government. I think the rights of citizens is an issue here. It would be a fundamental right of Indians under federal law. I can't say how we can bypass that area for the reservation of SE Montana. I probably support 3 and 4 but only if they comply with the law of Montana and the federal government. We need it, we need electricity. He cited a case in New Hampshire that was similar in nature.

In order to save 3 and 4 you will destroy the facility plant act.

NORTHERN PLAINS RESOURCE COUNCIL:

We would like to see this issue resolved as soon as possible. He talked about the Supreme Court and the utility case. If the utility company had taken Judge Bennetts advice they would not be in the court today. This bill is an attempt by the Montana Company and this special interest legislation to bypass the law. Our organization is

made up of farmers and ranchers and we do view 3 and 4 as a threat to our operation. We are exercising our legal right and we have worked on this issue. In Judge Bennetts decision, if this law is passed our right to judicial review has been revoked. We feel this is the wrong way to resolve the issue. The bill establishes a dangerous precedent. It will open the door for others to request an exemption from Montana law. He went on to talk of the megawatts of electricity and the exemption if this bill is passed. He concluded by saying, we view House Bill 452 as a slap in the face.

LEO GRAYBILL, JR:

Counsel, Northern Plains Resource Council. I want to say that I don't know if this is good legislation. I want to talk to you about the legislative process. Colstrip plants 3 and 4 are unbuilt as yet. The Montana Power Company wants them built. So this bill, exempting them from existing laws, has been introduced. There are three federal lawsuits in the 9th circuit court in San Francisco. Argument will be heard on some of them tomorrow, February 7, and the company fears losing them. He went on to discuss the efforts by various lobbies to pass the bill. A copy of written testimony is attached, exhibit #76. He read a statement by Justice Brandeau.

FRANK CROWLEY:

Montana Bar. I am here to address this specific amendment to the Siting Act and not to address Colstrip 3 and 4. I want first to say that energy shortage is not the issue here. The specific issue before this committee is to determine whether to grant an exemption to the MFSA is both proper and well advised. Our decision today is whether we should perform surgery on a state statute. This is an extraordinary piece of legislative behavior. It is abnormal for a legislature to engage in this sort of lawmaking - writing a variance for one particular party. How far away is this proposed exemption from certain tax laws that give preferences to powerful interests. He presented a copy of written testimony, exhibit #77.

DAWN NORTH:

I am opposed to House Bill 452. She read a statement but failed to give it to the committee.

DICK FINK:

Montana Small Business Association. We are committed to participate. On behalf of our members we are opposed to House Bill 452. We favor strengthening and broadening the major Facility Siting Act. We suggest that this public mandate not be ignored and that no special treatment be afforded to the special utility.

JOHN ILEBEENUS:

He discussed line 25, concerned with transmission lines. We have an appeal filed on this. I ask that this committee exempt that power line from this bill.

TOM RYAN:

He talked about Mike Mansfield and how he had served the state. He talked about the morals and ethics of bypassing. He mentioned the defeats

of other projects, such as Knowles Dam. He said he sometimes doubted if Montana Power had any ethics.

TOM SNYDER: I am speaking for myself and not the Public Service Commission. The manner in which Colstrip was first appealed insured that this would be a long process. He talked about the litigation and the long process of settlement and the frustration of it. The BPA power structure in the NW, we simply must see that if plants are going to be built they must be based on sound judicial and legal review.

REPRESENTATIVE CONROY: This fall I read an article by a noted columnist. We are mired in the court system with everything we are attempting to do. I tried to speed the process two years ago with HB 593. It has been tried and it failed. It was killed in committee. If the Legislature adopted the Facility Siting Act then it is incumbent that they change its inequities. He went through the list of opponents and talked about their testimony. He talked about the high rates, and the legal frustration. How much more breathing room can we afford. I think this legislation is forthright and needed. He talked about the permits and the long waiting that has gone on. This really will be a statement of intent. The requirements will be met.

JOHN L. PETERSON: Presented material the committee had requested on the bill, exhibit #78.

REPRESENTATIVE SCULLY: Does this bill affect other building lines they serve?

MR. PETERSON: The language in the bill on lines 23 and 25 is directly related to the electric generating facilities.

LEO GRAYBILL, JR: There is a disagreement that we even have a route for the lines.

MR. SCULLY: I am concerned about changing a statute on a retroactive basis and establishing a precedent.

MR. PETERSON: What this bill is to do is to firm up a construction schedule to get the energy needs of the state.

REPRESENTATIVE KEMMIS: As I read this bill it would exempt 314 from the requirements in the certificate. This statute without an amendment does require you to abide by the certificate.

MR. PETERSON: We are not trying to get out from under the terms and conditions of the certificate.

MR. GREYBILL: Part of the certificate process is judicial review which this bill would continue.

MR. KEMMIS: It appears to me there are only two alternatives, number 1 rely on extraneous material and number 2, an amendment like Ramirez was talking about. Wouldn't that raise some constitutional questions itself, judicial review and access to the courts. If this bill does raise constitutional questions, then my question would be, what is the most expeditious way to settle this in the court.

MR. GREYBILL: I would think it would be a lot faster in the Supreme Court. The court will now decide this case.

MR. McELWAIN: The scrubber system is the same system that has been certified by the Board of Health and the Department of Natural Resources. It is the same system that was proposed with an additional addition. The federal government in its EIS statement has proposed a different routing. He went on to talk of Bonneville Power and the consortium that has been issued.

REPRESENTATIVE DAY: Can we ask Mr. Doney how this will affect the Department of Natural Resources.

TED DONEY: Director, Department of Natural Resources. Probably I should preface my remarks, that it has already. The two boards have certified that this facility is needed and that they have complied. I don't agree that the Siting Act is the whole cause of the delay. I think we can remedy these defects. It would have four effects.

1. 1. It eliminates the conditions that the Board of Health and Natural Resources have on these prospects (discussion about the storage pond)
2. The Board of Health inserted a condition that no water from Yellowstone be used when it went below a certain level
3. towers - we would have no legal power to enforce the conditions
2. I think it would cause more delay. Somebody will challenge this act and in the end will create more delay.
3. There are some issues that are apparent and they are issues which should be answered. Appeal and administration of the siting act. What kind of power does the Board of Health have said and the conditions that would be certified.
4. More of a philosophical rather than legal. We think it is a bad precedent that establishes a law after it has been completed. I think they should go through litigation and then have it eliminated.

REPRESENTATIVE CONROY: He commented to Mr. Peterson. I think if Representative Ramirez' amendments to this bill are put in it will take care of Mr. Doney's criticism. We already have a contract for construction practices.

REPRESENTATIVE CURTISS: Would this really raise the cost of energy by 100%. What are the projections of Bonneville Power right now.

MR. McELWAIN: 38 to 45 million additional cost.

MR. GREYBILL: 100 million to Montana Power. I think Bonneville will contract to sell cheaper.

BOB ANDERSON: Natural Resources. The average increase has been 95% but the increase will vary to different types of consumers. To Montana it could raise to 65%. What we are paying at the present time by percentage are misleading in this respect. 15% are carrying the cost on Montana Power.

There was discussion about the actual cost with distribution. Bonneville can only make an increase every 25 years, it was noted.

REPRESENTATIVE CURTISS: Asked about the REA. And then asked, are there adequate transmission lines available. Are there enough lines to take care of a year or two. We are in the process of being short of lines both east and west.

REPRESENTATIVE KEMMIS: Are those issues now on appeal, the kind that will come up in the future.

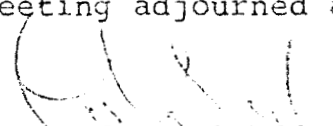
MR. DONEY: They are general questions that keep coming up all the time on each application, procedural issues.

MR. SCULLY: Subparagraph (b), why is it necessary to have it in there.

MR. PETERSON: One of the burning issues is whether these plants are subject to federal law. It was merely for the purpose of making that certain.

MR. SCULLY: Both sides prepare a statement of the conditions that are at issue. We will leave the hearing open for submitting written material. It can be brought to the hearing room 436 until Thursday or Friday.

There was discussion about the energy needs of the state and the hearing closed on House Bill No. 452. The meeting adjourned at 11:55 a.m.


John P. Scully, Chairman

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TESTIMONY PRESENTED TO BE ADDED TO THE MATERIAL FROM THE HEARING
HELD ON HOUSE BILL NO. 452.

Summary of arguments against the bill. Exhibit #79.

Proposed amendments, Exhibit #80

Russ Williams, Exhibit #81

Everette Shuey, Montana Power Company, Exhibit #82

Issues involved in the Colstrip cases in the courts, Exhibit #83

James Nybo, AERO, Exhibit #84

Montana League of Women Voters, Exhibit #85

Patty Kluver, Exhibit #86

Francis Maroncelli, Exhibit #87

Additional material to Mr. Ray Loveridge, Exhibit #88