

MINUTES

MONTANA SENATE 54th LEGISLATURE - REGULAR SESSION COMMITTEE ON BUSINESS & INDUSTRY

Call to Order: By CHAIRMAN JOHN HERTEL, on March 30, 1995, at
8:00 a.m.

ROLL CALL

Members Present:

Sen. John R. Hertel, Chairman (R)
Sen. Steve Benedict, Vice Chairman (R)
Sen. William S. Crismore (R)
Sen. C.A. Casey Emerson (R)
Sen. Ken Miller (R)
Sen. Mike Sprague (R)
Sen. Gary Forrester (D)
Sen. Terry Klampe (D)
Sen. Bill Wilson (D)

Members Excused: N/A

MEMBERS ABSENT: N/A

Staff Present: Bart Campbell, Legislative Council
Lynette Lavin, Committee Secretary

Please Note: These are summary minutes. Testimony and
discussion are paraphrased and condensed.

Committee Business Summary:

Hearing: HB 593
Executive Action: HB 593 TABLED

HEARING ON HB 593

Opening Statement by Sponsor:

REP. MATT DENNY, HD 63, Missoula, presented HB 593 which did several things. He stated this bill reduced the number of commissioners on the Public Service Commission (PSC) from 5 to 3 members; extended their terms from 4 to 6 years; and provided they be appointed by the Governor with the consent of the Senate. He maintained this bill did not change any of their duties or responsibilities. REP. DENNY distributed a handout, EXHIBIT #1, which showed that 33 states, including each of the surrounding states, had 3 member commissions. He reported twenty-three states had six year terms, and this also showed how they were

selected. **REP. DENNY** stated Idaho, in a typical year, had 303 cases completed and 2619 complaints processed with 57 FTE's and 3 appointed commissioners; North Dakota had 681 cases processed, 5625 complaints with 3 commissioners; South Dakota had 123 cases processed with 24 FTE's and 659 complaints processed; Wyoming with 30 FTE's had 391 cases and processed 3,052 cases; and Montana processed 130 cases with 45 FTE's.

REP. DENNY stated the current budget had reduced their staff by six personnel because they were no longer regulating motor carriers at the federal or state level. He remarked in addition, they were no longer reviewing sewer rates which were in excess of 12%. He said because of the smaller workload, there should be three commissioners instead of five. **REP. DENNY** related the House amended the bill allowing the commissioners to be appointed by the Governor and confirmed by the Senate. He said in 1972 a report was presented to the 43rd Legislature regarding the PSC. He declared that report stated practices in other states suggested people were better off under an appointed commission. **REP. DENNY** said of the 50 states and the District of Columbia, 36 states had appointed commissioners and 13 had elected commissioners. He claimed in the states which had appointed commissioners, there was a definite tendency to appoint professionals. Of the 36 states with appointed commissioners, he said 34 states had appointed lawyers; 18 states had appointed economists; 29 states had appointed rate experts; and 16 states selected accountants.

REP. DENNY reported there were safeguards in the bill regarding appointments. He said if the Governor appointed a Commissioner, that Commissioner must be approved by the Senate of the State of Montana. The Senate was just as likely to be dominated by the opposing political party of the Governor and those appointments would be made every six years. He explained under the House amendment, two out of the three commission members would serve out their terms. **REP. DENNY** stated there would only be one appointment made by the next Governor.

REP. DENNY also presented amendments to **HB 593, EXHIBIT #2**. He stated there was a concern that rural Montana had no members on the commission. He related the amendment stated not more than one member may be appointed from a single county. He declared the commission had to comprise at all times at least one member whose residence at the time of appointment was in a county populated with less than 20,000.

Proponents' Testimony:

REP. LARRY GRINDE, HD 94, Lewistown, explained how this bill came about. He stated after the November election, a group of House members decided they would scrutinize all areas of government. He declared other states had more cases with three members on the commission. He told the committee the business environment was not involved in this legislation. He alleged this saved money

for the state by downsizing government. **REP. GRINDE** maintained appointments provided for more knowledgeable people in the field.

Jack Haffey, Vice President of Montana Power Company (MPC), spoke in support of **HB 593**. He declared originally this bill called for a change from five members elected by district to three members elected by district. MPC gave modest support to that concept. They felt that the appropriate structure of a PSC was an appointed commission. They testified to that and submitted amendments in the House. He announced the House adopted similar amendments. He stated appointment was the best way to pursue the very purpose of regulation which was to balance the interests of consumers of utility services and providers of utility services. He related the state and public interest was best served through appointment of commissioners.

John Campbell stated the PSC did not investigate properly. He filed charges in 1992. He contended the PSC found no violation; however, after hiring his own attorney to pursue his cause, he won the case.

John Alke, Montana Dakota Utilities Company, stated their support of the bill with **REP. DENNY's** amendments.

Don Walker, U. S. West Communications, expressed their support of **HB 593**.

Opponents' Testimony:

Nancy McCaffree, Chairman of the Public Service Commission, presented her written testimony, **EXHIBIT #3**.

Verner Bertleson, Montana Senior Citizens Association, presented his written testimony, **EXHIBIT #4**.

Dale Duff, Rocky Mountain Transportation, spoke in opposition to **HB 593**. He had been present at PSC hearings for approximately 20 years. He asserted as a permitted carrier, more decisions had gone against him than for him. He stated the system which existed was a good system. He thought the PSC was a commission which served the public and balanced the need of organizations like his, which was a quasi-utility. He conveyed the PSC was charged with the responsibility to protect the public interest. He contended the PSC cared about the utility part to the degree that it served the public.

Mr. Duff thought the elected method was the best method because it represented the will of the people. Why three commissioners? He remarked from the time he was in kindergarten he had a problem with three. He stated when there were three children together, there was usually a problem. He expressed three gave a lot of weight to one person's opinion. He related larger corporations were currently expanding their boards to get a diversity of thought and everyone's opinion counted. He declared even though

other states used three commissioners, he thought Montana should stand on its own record which had served the people very well.

Joan Mandeville, Executive Secretary of the Montana Telephone Association (MTA), presented her written testimony, **EXHIBIT #5**, and two maps, **EXHIBITS #6** and **#7**. She stated independent telephone companies had a very substantial interest in telecommunications in the state today. She said as more of Montana's farmers, ranchers and rural businesses were active in global markets, they required access to data services. She said tele-medicine and distance learning became a very critical part of their rural network, and had found that rural communities were more and more dependent on the telecommunications network. She related their telephone cooperatives and small systems spend a very substantial amount of time before the Montana Public Service Commission today.

Ms. Mandeville remarked she found it unfortunate to be testifying against this bill because she found herself in the odd position of being the only person to testify in favor of **HB 593** as originally introduced in the House. She stated it was MTA's position that a reduction to three commissioners and changing the election to a non-partisan basis would be beneficial to Montana. She told the committee; however, they did not support appointed commissions. She expressed exchange boundaries did not follow county lines.

Ms. Mandeville said because they served most of Eastern Montana, their service territories would cover about forty percent of the first district. While they served smaller parts of the other two districts, their consumers still had a very direct impact into elections for public service commissioners. They believed this would assure attention to the unique challenges faced by Montana rural communities. She expressed under the bill as it was now, there were no such assurances those rural community interests were protected. **Ms. Mandeville** insisted to protect their rural communities one of two things had to happen, either the return of the bill to its original format or the passage of the amendments (**EXHIBIT #2**) which were offered by **REP. DENNY**. She also said requiring one commissioner coming from counties with less than 20,000 access lines provided substantial protection for Montana's rural interests.

REP. JOE QUILICI, HD 36, Butte, stated that in the '69 and '71 Legislatures there were discussions on changing the commission from three members to five members. He reported after the interim study failed to come up with a consensus, public hearings were held state-wide. He conveyed the people in this state wanted to elect their regulators because they wanted this to be handled by district. He thought very highly of our Governor and respected his opinion to appoint a Commissioner; however, future governors could make very political appointments. He maintained the commission today was working quite well. He remembered a time when there was regulatory lag. He told the committee

utilities could not get a rate increase within a reasonable length of time. **REP. QUILICI** expressed no one wanted a utility go broke. He said the PSC needed to make sure the rate requests were justified for the consumers in this state. He contended the five member commission had done a good job in this area.

Trudi Hovden stated the last time the government downsized, they found that areas which were downsized could not handle their work. They needed to spend an enormous amount of money to subcontract others to carry out their duties. She believed commissioners should be elected.

Lee Tangedahl asked whose interests were being represented by **HB 593**? Had the constituents asked for less representation? Had they asked to be represented by experts instead of people from their communities? He expressed an elected PSC would work harder on the cases before it and better represent the consumers. He related an elected PSC would be more closely involved with community issues. He asserted they would be less susceptible to pressure from business or industry. He said Montanans liked to vote for the people who represented them. He also told the committee that Montana was a large state and therefore five commissioners would not be excessive.

{Tape: 1; Side: B}

Mark Tuss, Montana Passenger Carriers Association, commented that removing the election process caused problems. He maintained the Commissioners were interpreters of Montana law. He said he had a problem with the statement this Commission needed to be downsized. He thought this bill removed the public's input and replaced it with another hired bureaucrat. He related small business, which made up the vast majority of the economy of this state, was struggling. He alleged this bill further impaired small business to respond in dynamic markets.

Debbie Smith, Common Cause, stated this bill would take the public out of the public commission. She said it reduced the number of commissioners from five to three which was a very bad idea in a very large state like Montana. She related it also required the appointment of commissioners, which was also a bad idea. The commissions she appeared before were all appointed with exception of Montana's. She said the Montana Commission was second to none. She rejected the notion that an elected commission would be less professional or less knowledgeable. She told the committee Commissioner Anderson was currently Chairman of the National Association of Regulatory Utility Commissioners, which was a very high honor. She announced the rest of the commissioners were equally outstanding.

Melissa Case, Montana People's Action, asked the committee to call a handful of their constituents. She was sure they would be

opposed to this idea. She conveyed taking the public out of this arena was not something the public favored. **Ms. Case** expressed probably the most effective form of government was a dictatorship.

George Paul, Executive Director of the Montana Farmers Union, presented his written testimony, **EXHIBIT #8**. He also presented written testimony of **Sheena Wilson, Director of Montana Farmers Union, EXHIBIT #9**.

JoMay Barker, Director of Public Relations, Montana Electric Cooperative Association (MECA), presented her written testimony, **EXHIBIT #10**. Their association had not taken a position on **HB 593**. She was speaking on behalf of eight Montana Electric Cooperatives who were members of MECA. She conveyed those eight cooperatives had taken a formal position to oppose **HB 593**. She said they were Glacier Electric Co-op in Cutbank, Hill County Electric Co-op in Havre, Yellowstone REA in Sidney, McCone Electric Co-op in Circle, Missoula Electric Co-op, Sheridan Electric Co-op in Medicine Lake, Southeast Electric Co-op in Ekalaka, and Sun River Electric Co-op in Fairfield. She related this was not a partisan issue. She claimed those cooperatives did not want to lose their right to elect Public Service Commissioners. She declared they thought they were best governed by a commission elected by all consumers in Montana. She stated they considered themselves in sync with the opinions of the Montana Telephone Association and the Montana Independent Telecommunication Systems.

Chet Kinsey, Montana Low Income Coalition, professed their support of the Public Service Commission as it was set up today.

Kelly Addy, Chairman of the Montana Democratic Party, stated their opposition to **HB 593**. He said this was an anti-rural bill in that it reduced the number of commissioners from five to three. He alleged it further diluted the influence of voters in rural areas of Montana. He conveyed the public was affected by what the PSC did when they received their water bill, electricity bill, gas bill and phone bill. He maintained the public wanted an elected commission.

Mr. Addy declared the Montana Power Company had testified they had no problem with the Public Service Commission. He said MPC was simply concerned with the manner in which commissioners were selected. He remarked if the MPC didn't have a problem with decisions handed down by the commission, they would not be suggesting the radical revision in which the PSC was constituted.

Tom Schneider, former Commissioner, referred to qualifications of commissioners. He commented that within the last few years there had been an engineer, two economists, two lawyers, an MBA, etc., who had served as elected members to the PSC. **Mr. Schneider** said there had been diverse professional and business backgrounds represented on the Commission.

Jeff Barber, Northern Plains Resource Council, stated their opposition to the bill.

J. V. Bennett, MontPIRG, presented his written testimony, EXHIBIT #11.

Fran Marceau, State Legislative Director, United Transportation Union, presented his written testimony, EXHIBIT #12..

Dave Ditzel spoke in opposition to HB 593. He said a result of this bill would be increased power rates. He served on the Governor's Task Force to Renew Government. He related one of their main focuses was to increase citizen participation in government. He commented this bill did the opposite.

Jim Jensen, Executive Director, Montana Environmental Information Center, stated his opposition to HB 593.

Don Judge, Montana AFL-CIO, stated his opposition to HB 593.

Questions From Committee Members and Responses:

SEN. STEVE BENEDICT asked Mr. Haffey if they would support the bill if it included a three member elected commission and Mr. Haffey stated that a three person elected commission would not be much of a change or improvement over the five member elected commission.

SEN. TERRY KLAMPE asked Mr. Haffey why an appointed commission would be the appropriate structure for the commission. Mr. Haffey replied they believed the purpose of regulation was to balance the interests of consumers and those who provided the utility service. He said the question to ask was how would they best put in place a structure, in an objective and compassionate way, that provided the balance. He declared appointment by the Governor and consent of the Senate would provide the balance better than an elected commission. He claimed there should be no built-in bias on the part of commissioners for either utilities or consumers. He contended there was a natural and appropriate relationship between the elected person and those who elected him.

SEN. KLAMPE asked REP. DENNY if he would be willing to remove the House amendments and REP. DENNY stated he would rather the commissioners be appointed. He stated the original intent of the bill was merely to lower the number of commissioners and raise their terms to six years.

SEN. BILL WILSON asked Mr. Haffey what it would take for the Senate to reject an appointment and Mr. Haffey conveyed the confirmation process proved to be fairly ritualistic. He said all appointments were treated very carefully by the Senate. He maintained appointments for critical positions received much more scrutiny than others in terms of the charge of the Senate.

SEN. WILSON asked REP. DENNY what the savings would be and REP. DENNY stated this would save \$100,000 per year in personnel costs plus related costs.

SEN. WILSON asked if that was the primary reason for the bill and REP. DENNY stated it was one of the reasons.

SEN. GARY FORRESTER asked what his constituents would save on their monthly bill by application of this law and REP. DENNY stated the utilities over which this tax was spread were many. REP. DENNY said each individual consumer would not necessarily note a savings.

SEN. CASEY EMERSON asked REP. DENNY the reason for a six year term. REP. DENNY stated the commissioners would not need to run for office every four years. He conveyed during campaign time, every four years, those commissioners changed their normal activities. He reported with a six year term they would not need to seek party approval or special interest approval for their candidacy. He declared the longer a person had to concentrate on his job, the better he could perform that job.

SEN. EMERSON asked Mr. Bertelson if his people were polled in their decision to oppose this bill. Mr. Bertelson referred to Edmond Caplis, Executive Director of the Montana Senior Citizens Association, who stated their board voted on this. Mr. Caplis said they represented twelve districts throughout the state.

SEN. EMERSON asked Mr. Bertelson if the three member commission he referred to in his testimony was appointed or elected and Mr. Bertelson stated they were elected.

{Tape: 2; Side: A}

SEN. KLAMPE asked if the PSC's workload had been diminished and Commissioner McCaffree replied their transportation workload was down because they were not regulating certain areas of trucking. She said utility hearings would remain constant.

SEN. KLAMPE asked the same question of Commissioner Rowe, who stated in 1994 he worked approximately 13 weeks of overtime. He explained the work was in three areas; presiding at their own hearings, handling a great deal of individual customer service work, and intensive work in communities.

SEN. KLAMPE asked Commissioner Rowe if their tasks as Montana Commissioners were different from the tasks of commissioners in other states. Commissioner Rowe stated they did a tremendous amount of individual work with customers and communities. Their tasks were unique in that they answered their own phones, took their own complaints, and did their own research.

SEN. KEN MILLER asked **Commissioner Bob Anderson** if his decisions were on a personal basis or whether the procedures were set out on making decisions. **Commissioner Anderson** replied the work of the PSC was very procedural to allow everyone due process. He maintained there was an elaborate record consisting of testimony, cross-exam and discovery.

SEN. KLAMPE, referred to the testimony that appointments yielded higher quality, more knowledgeable people, and asked **REP. GRINDE** if legislators should be appointed. **REP. GRINDE** stated legislators were elected to represent a specific area. He said the PSC was elected to represent the entire state.

SEN. MIKE SPRAGUE asked **REP. GRINDE** what role transportation deregulation played in drafting this bill and **REP. GRINDE** commented that it diluted the bill and there was no way to actually determine how many FTE's would be saved.

SEN. SPRAGUE stated that **Commissioner McCaffree** commented, during her campaign for the Public Service Commission that she couldn't understand why those little buildings were along the highway which caused trucks to stop. **Commissioner McCaffree** stated that she felt things should be better coordinated for truckers when they did go into checkpoints. She expressed there were three different entities who checked trucking.

SEN. SPRAGUE asked **Commissioner McCaffree** what qualifications she would look for in a PSC member. **Commissioner McCaffree** stated they had discussed someone who had been a rate analyst or an economist. They had professional people on the staff who were good advisors. They needed a spectrum of people on the commission. They did not need to necessarily be attorneys or engineers. She thought business people gave a balance between utility requests and consumer requirements.

SEN. EMERSON stated they had heard comments that with only three members the people of this state would lose contact with the commission. He asked approximately how much time a commission would spend in his or her district. **Commissioner McCaffree** stated it would depend on what was going on in the district at the time. She would guess a commissioner spent approximately 15% of his or her time in their district.

SEN. EMERSON asked how the Farmers' Union decided their position on legislation in general and this bill in particular. **Mr. Paul** stated there were two processes. The first was the membership spoke to delegates of an annual convention from which they developed policy. They had very strong policy statements in support of the PSC. The second was the board of directors served as a check and balance. **Mr. Paul** said their board met last Friday and Saturday in Great Falls. He said this issue was thoroughly reviewed with them. He conveyed the board reiterated this would be the position of the organization.

SEN. EMERSON asked Ms. Barker how many co-ops had not taken a position. Ms. Barker stated they had 26 co-ops and 8 had taken a position, so that left 18 who had not. (She later corrected this number to 29, which would mean 21 had not taken a position.)

Closing by Sponsor:

REP. DENNY commented there were 22 opponents and 5 proponents to the bill. The questions before the committee were whether or not the commission could accomplish its work with three members, like 33 other commissions around the nation. He questioned should the terms be longer and should they be elected or appointed? He referred to the 1972 study prepared by the Legislative Council. He declared in that study they conducted a survey and he believed the results of the survey would be the same today.

REP. DENNY stated it was evident from the survey that a vast majority of the utility consuming public, 76%, was not able to name their Public Service Commissioner whereas a considerably smaller percentage, 42%, was not able to name their local legislator. He announced on the other hand, a significantly large number of the sample could name one or more legislators, 58%, whereas a much smaller percentage could name one or more commissioners, 24%. He said in Missoula, nine people were not able to name a legislator; twenty-three people were not able to name a commissioner; and seventeen people were able to name one or more legislators.

REP. DENNY explained the constitution outlined who represented the people and that was the legislators. He said the commission was charged with regulating the operations of public utilities, common carriers, etc., balancing the interests of consumers of those utilities and the utilities themselves. He reported the Montana Consumer Council had the duty of representing consumer interests in hearings before the Public Service Commission or any successor agency. He related people were represented by the Consumer Council. He declared the director of OPI was elected by the people. He stated they did not elect the board of education; that was and appointment by the Governor.

EXECUTIVE ACTION ON HB 593

Discussion: SEN. BENEDICT offered an amendment to HB 593, EXHIBIT #13, hb059304.agp. He said this amendment would take the bill back to its original form and he presented a copy, EXHIBIT #14.

Bart Campbell explained the amendments. He said the amendments would change the transition section of the bill which was Section 5 on page 3. He reported it would provide the two newly elected members would serve out their remaining two year term and would represent one of the new districts if this bill were to pass. He

declared this would prevent any legal conflicts pertaining to elected officials. Mr. Campbell told the committee, other than that, the amendments would take the bill back to the original form (EXHIBIT #14).

Motion: SEN. BENEDICT MOVED TO AMEND HB 593, hb059304.agp.

Discussion: SEN. EMERSON stated he had not made a decision on appointment versus election. He asserted elections took a lot of time and money. He questioned the feasibility of having county commissioners appoint the PSC members.

SEN. BENEDICT stated that would be difficult because of the number of county commissioners.

SEN. SPRAGUE asked SEN. BENEDICT why he chose to go with three commissioners when there was testimony that three would be a bad number and SEN. BENEDICT stated that was the way the bill originated in the House. He would like to get the bill back to an elected position rather than an appointed position.

SEN. SPRAGUE stated he agreed with the elected portion of the bill.

SEN. KLAMPE maintained changing the number of commissioners from five to three was as bad as having the Governor appoint the commissioners. He stated the testimony stated the commissioners were overworked. He asserted their workload would be increased in the future. He believed changing the number would be a bad idea.

SEN. WILSON stated he supported the amendments. He did not like the bill; however, the amendments would get the people involved.

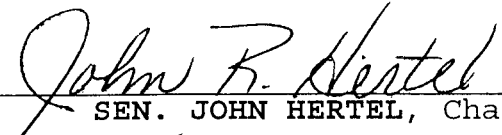
Vote: The motion CARRIED 8-1 on roll call vote (#1).

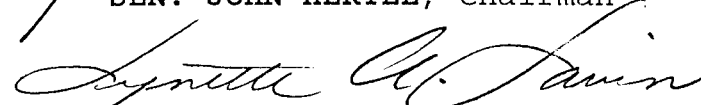
Motion: SEN. BENEDICT MOVED HB 593 BE CONCURRED IN AS AMENDED.

Substitute Motion/Vote: SEN. WILSON MOVED TO TABLE HB 593 AS AMENDED. The substitute motion CARRIED 5-4 on roll call vote (#2).

ADJOURNMENT

Adjournment: The meeting adjourned at 10:55 a.m.


SEN. JOHN HERTEL, Chairman


LYNETTE LAVIN, Secretary

JH/11

MONTANA SENATE
1995 LEGISLATURE
BUSINESS AND INDUSTRY COMMITTEE

ROLL CALL

DATE _____

3-30-75

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MONTANA SENATE
1995 LEGISLATURE
BUSINESS AND INDUSTRY COMMITTEE
ROLL CALL VOTE

DATE 3-30-95 BILL NO. HP 593 NUMBER 1

MOTION: Adopt amendments # HB 059304. 29p

57394

Amendments Passed: 8 Ayes to 1 No

[illegible]

MONTANA SENATE
1995 LEGISLATURE
BUSINESS AND INDUSTRY COMMITTEE
ROLL CALL VOTE

DATE 3-30-95 BILL NO. HB 593 NUMBER 2

MOTION: Substitute Motion:
Table HB 593

NAME	AYE	NO
STEVE BENEDICT, VICE CHAIRMAN	✓	
WILLIAM CRISMORE	✓	
CASEY EMERSON		✓
GARY FORRESTER	✓	
TERRY KLAMPE	✓	
KEN MILLER		✓
MIKE SPRAGUE		✓
BILL WILSON	✓	
JOHN HERTEL, CHAIRMAN		✓

33 States with 3 member commissions, varying terms

23 States with 3 member, 6 year commissions:

(Presented by Rep. Denny)

State	Method	FTE	Entities	Pop (K)	Cases	Complaints
Arizona	E	241	418	1312		
Arkansas	GS	114	193	2424		
Hawaii	GS	24	46	391		
Idaho	GS	57	6221	1099	303	2619
Iowa	GS	74	470	2814		
Maine	GL	69	345	1239		
Michigan	GS	206	97	9478		
New Hampshire	GC	55	209	1125		
New Jersey	GS	388	198	7879		
New Mexico	GS	50	363	1616		
North Dakota	E	51	207	635	681	5625
Oklahoma	E	428	160	3231		
Rhode Island	GS	38	21	1000		
South Dakota	E	24	155	715	123	659
Tennessee	E	281	180	5099		
Texas	GS	227	2028	18031		
Utah	GS	17	63	1860		
Vermont	GS	14	109	576		
Virginia	L	592	210	6491		
Washington	GS	238	275	5255		
West Virginia	GS	230	915	1820		
Wisconsin	GS	185	1409	5038		
Wyoming	GS	30	2119	470	391	3052
Montana	E	45	232	839	130	NA

E=Elected, GS=Governor/Senate, GC=Governer/Cabinet,
GL=Governor/Legislature, L=Legislature

Sources: National Association of Regulatory Utility
Commissioners, "Compilation of Utility Regulatory Policy,
1993-1994" and Council of State Governments, Table 7.39, State
Public Utility Commissions, "Book of the States, 1994-1995"

AMENDMENTS TO HOUSE BILL NO. 593

(Presented by Rep. Senny)

1. Page 1, line 10.
Following: "TO 6 YEARS;"
Strike: "REVISING PUBLIC SERVICE COMMISSION DISTRICTS;"
2. Page 1, line 14.
Following: "69-1-103"
Strike: "69-1-104"
3. Page 1, line 15.
Following: "69-1-403, MCA"
Strike: "."
Insert: "; AND REPEALING SECTION 69-1-104, MCA."
4. Page 8, line 6.
Following: "SAME POLITICAL PARTY."
Insert: "Not more than one member may be appointed from a single county. The commission must at all times have at least one member whose county of residence at the time of appointment is a county with a population of less than 20,000 as determined by the most recent federal population census."
5. Page 8, line 8 through line 24.
Strike: Section 6 in its entirety
Renumber: subsequent sections
6. Page 8, line 27.
Following: "Subject to [section 5]"
Strike: "11"
Insert: "10"
7. Page 11.
Following: Line 21.
Insert: "NEW SECTION. Section 11. Repealer. Section 69-1-104, MCA, is repealed."

HB593
30 March 1995
Senate Committee on
Business and Industry

Testimony by: Nancy McCaffree, Chair
Public Service Commission

Mr. Chairman, Members of the Committee:

First - and by their request, not the Commission's, The Montana Independent Telecommunications Systems, Inc. through Michael Strand, has provided written testimony in opposition to HB 593. They are unable to be here today.

The Public Service Commission provides the balance between what public utilities want and what ratepayers should pay. What needs to be remembered is -- the companies we regulate are monopolies and ratepayers have no choice but to use their service. Ratepayers include individuals and families, as well as schools, small business, big business, hospitals -- anyone who must use the service of a regulated utility.

House Bill 593 is not less government is not better government, but bad government. This bill would dramatically reduce citizens' access to their government. The citizens have not said they want less representation. HB 593 would not necessarily improve government and would produce no real savings. The old term "penny wise and pound foolish" comes to mind. As you know, the Public Service Commission is funded by a small tax on regulated utilities. This tax is adjusted annually. Any "savings" from the change to a three member commission would have little effect on the rate of the PSC tax.

Commission staff figures the difference would reduce the tax about .000064%.

With two less Commissioners, the Commission staff may well have to be increased. For example, Commissioner's often take complaints from constituents and work to solve problems. We often work with communities on utility-related projects. Commissioners act as hearings officers -- in other states, hearings officers make more than Montana Commissioners. Current Commissioners conduct research, work on specific projects and committees and do work which is performed by staff in other states.

The three-member commission proposal was introduced late in the session. Other proposals for executive agency reorganization were developed through an open process involving the Governor's Task Force to Renew Government. The only PSC-related proposal offered by the Task Force was to eliminate the PSC's limited jurisdiction over municipal water and sewer rates (HB 289). We were happy to participate in those discussions and have testified for acceptance of the bill which came out of the Task Force.

How public utilities should be regulated was a significant subject of public debate from 1913 until 1975. The public saw the then existing three-person commission as ineffective and under the control of the utilities it regulated. In 1975, the Legislature created a five-person commission, elected by party, and representing five designated districts. This Legislature, committed to

March 30, 1995
H.B. 593

Mr. Chairman, members of the Senate Business and Industry Committee:

I am Verner Bertelsen. Today, I come before you representing the Montana Senior Citizens Association and their 6,000 members. The Montana Senior Citizens Association rises in strong opposition to H.B. 593. We are certainly not aware of any strong electorate opposition to the present composition of the Montana Public Service Commission.

In fact, I have often heard the complaint that eastern Montana already feels almost disenfranchised by having such a large district represented only by one commissioner. What this legislation proposes to do is simply make that situation worse...not only for them, but for all of us.

Because of the unique way in which H.B. 593 has surfaced in this session, there has been very little opportunity for consumer reaction to this legislation. Certainly, this is not a revenue bill and I feel it should not have been transmitted as such.

I was a member of the legislature when the number of commissioners was increased from three to five. There was a great deal of dissatisfaction with the performance of the three-member commission. It was felt that the three-member commission was not effective and far too easily controlled by the utilities. It is extremely difficult for me to understand why we would return to a system that didn't work.

The question should be, "How is our regulatory system working? I submit that it is working quite well. As consumers, we are happy that our rates

are generally stable, at or below the Consumer Price Index and, better still, far below national averages.

Service levels are generally good. The Commission has successfully supported investment in rural areas...very important for a large rural state such as Montana.

Generally speaking, utilities have been given an opportunity to earn a fair rate of return on their investment.

Naturally, there are complaints from both consumers and utilities about rate increases. If that were not so, we probably wouldn't need a Public Service Commission.

The idea that this would be a large saving of State funds probably does not hold water as other costs would increase with the loss of two commissioners. There would be greater need for staff to perform many of the duties now performed by the commissioners.

However, even if there were a small decrease in State funds needed, the loss to the public would far outweigh this loss. Personally, I would rather pay a bit more for the five commissioners than pay it in exorbitant utility rates. Five commissioners can stay in closer contact with citizens throughout this large state. They also have a better opportunity to work together not allowing any one commissioner the ability to change the course of their decisions dramatically.

Page 3 - H.B. 593

I am not sure of the status of the amendment to change the commission from a five-member elected board to a three-member appointed board. If that is still under consideration, we want the record to show that the Montana Senior Citizens Association is violently opposed to such a change. We have seen some strange actions when it comes to appointments to public positions. Therefore, we urge you to reject any such proposal. We prefer the representative form of government.

We strongly urge you to vote, "No," on H.B. 593.

I thank you for your attention.

MONTANA TELEPHONE ASSOCIATION

TESTIMONY ON HB593

Good Morning. My name is Joan Mandeville¹. I am the Executive Secretary for the Montana Telephone Association. The Association represents independent telephone companies and cooperatives. Today independent telephone systems serve about 70% of Montana's geographical area but only about 30% of the State's access lines².

Montana is served by 19 telephone companies. Eight of these companies are cooperatives, four are regulated subsidiaries of cooperatives, four are small local commercial companies, two represent the Montana service territory of larger independent holding companies, and the other is U S WEST Communications, a Bell Operating Company.

MTA opposes HB593 as it is presented to you today. Access to advanced telecommunications at reasonable rates is critical to the future of Montana's rural communities. We are very concerned that rural Montanans will lose the Public Service Commission representation that they have today. A lower level of sensitivity for rural issues could have detrimental impacts on tomorrow's communications availability and adversely impact the rates paid by customers in rural areas.

Because the Montana Telephone Association is often closely identified with telephone cooperatives, which are not directly regulated by the Public Service Commission, some questions have been raised about our interest in this bill. As you can see, regulated small companies have a significant presence in our state. Additionally, telephone cooperatives are very active in Montana's regulatory process.

Our public telephone network requires many complex interconnection arrangements between local exchange companies, long distance companies, and other telecommunications providers. Today, the Public Service Commission takes an active role in governing many of the "ground rules" for our industry. Many issues surrounding the integration of our telephone systems have been addressed by the Commission. These issues have included dialing patterns and the provision of operator and directory assistance services. With national telecommunications legislation likely this year, it will probably be necessary for the Commission to review the many issues surrounding the implementation of local competition.

¹ My business address is 501 Bay Drive, Great Falls, Montana. My office phone number is (406)761-8335.

² U S WEST serves 70% of the access lines. PTI serves 10% and the remaining 20% are served by small independent telephone companies and cooperatives.

Most small companies do not provide long distance service. These services are provided by U S WEST, AT&T, MCI, Touch America, and other long distance companies. The Commission is currently involved in a proceeding to examine Extended Area Service (EAS). Expanding EAS would convert some long distance routes to local or toll-free routes. Many of these routes would involve a cooperative service area and a regulated service area. Therefore, the Commission's rules will probably be used statewide.

Today most small companies share administrative costs and resources by utilizing a statewide billing system for charges assessed to U S WEST and other long distance companies for originating and terminating long distance calls. This system involves both regulated and cooperative telephone companies and so must get Commission approval for many of its prices and service conditions.

In short, Montana telephone cooperatives and small companies spend a very substantial amount of time and money dealing with the Montana Public Service Commission.

I find it unfortunate that I am here testifying in opposition to this bill. I testified in favor of HB593 as it was originally introduced in the House. It is MTA's position that a reduction to three Commissioners and changing the elections to a non-partisan basis would be beneficial to Montana. However, we cannot support an appointed Commission.

The bill as originally introduced included commissioners elected from three districts. Because we serve much of eastern Montana, our service territories would cover about 40% of the population in District 1. While we would serve much smaller percentage of the other two districts, our consumers would still have direct influence in the election of commissioners. This would assure attention to the unique challenges of rural communities. There is no such assurance under the bill you consider today.

To protect Montana's rural areas, I would ask you to take one of two actions. Either return this bill to its original form³ or remove the districts and require that at least one commissioner be appointed from a county with a population of less than 20,000⁴.

³ Three commissioners elected by district.

⁴ This would be accomplished by the following amendments:

Insert at the end of 69-1-103 on Page 8: At least one member must be appointed from a district having a population of less than 20,000.

Delete 69-1-104 in its entirety.

SENATE BUSINESS & INDUSTRY

EXHIBIT NO. 6

DATE 3-30-95

BILL NO. HB 593

#1 Presented by Joan Handevic

Exhibit is a large map. The original is stored at the Historical Society at 225 North Roberts Street, Helena, MT 59620-1201. The phone number is 444-2694.

SENATE BUSINESS & INDUSTRY

EXHIBIT NO. 7

DATE 3-30-95

BILL NO. HB 593

#2 Presented by *Jean Mande*

Exhibit is a large map. The original is stored at the Historical Society at 225 North Roberts Street, Helena, MT 59620-1201. The phone number is 444-2694.



MONTANA FARMERS UNION

Norman Sullivan, President

300 River Drive North
P.O. Box 2447
Great Falls, MT 59403-2447
Phone 406 • 452-6406
Fax 406 • 727-8216

SENATE BUSINESS & INDUSTRY

EXHIBIT NO. 8

DATE 3-30-95

BILL NO. HB 593

Montana Farmers Union testimony on House Bill 593

Montana Senate Business and Industry Committee

March 30, 1995
Helena, Montana

Good morning. My name is George Paul. I am executive director of Montana Farmers Union, a rural advocacy organization with family memberships in every county across Montana.

We ask you to kill HB593. We support the status quo of the Public Service Commission with five commissioners each chosen by the people within their district via partisan elections.

No one outside of this Legislature requested this legislation. No citizen group nor even the Governor's Task Force to Renew State Government, which reviewed the commission and its workings during that process, asked for the changes sought in HB593. During this era of reducing government involvement why is there legislation that no citizen requested? Why change something which the people believe needs no change?

At least two possibilities have been exposed. One is that the fresh Republican majority seeks appointments to amend the voters' will when they elected five Democrats to the PSC. The other is that the power company, along with other regulated utilities, seeks the reduction in commissioner numbers to more easily influence decisions. If either of these were true, still neither justifies the altering of a commission created to protect the interest of consumers by regulating utilities.

Farmers Union amplifies the voice of rural Montanans. We view HB593 as an attempt to diminish rural representation. Enlarging districts while reducing commissioners makes the PSC less accessible to consumers. Forsaking the elective process for appointments denies the people their right to vote. And a move towards non-partisanship is a cloaking device around the philosophies of individuals that consumers rely on for fair decisions.

While no doubt well-intentioned, HB593 is not a good government bill. People want a government which is leaner, not meaner. They still revere government of, by and for the people. They want a Public Service Commission with access. They want commissioners who display their philosophies about utility regulation. And they want to vote for them so a majority of consumers in each district chooses their commissioner at the polls.

In closing Farmers Union wants to register our concern about the history of this bill. At the House hearing the overwhelming majority spoke in opposition to HB593. It would have died there had the committee votes reflected the testimonies. We urge you to listen well to all testimony here today and restore the peoples' faith in responsive and representative government. Vote to kill 593. Thank you.



MONTANA FARMERS UNION

Norman Sullivan, President

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SENATE BUSINESS & INDUSTRY

EXHIBIT NO. 9

DATE 3-30-95

BILL NO. HB 593

*(prompted by
George Paul)*

SHEENA WILSON - DIRECTOR

**Montana Farmers Union
testimony on
House Bill 593**

**Montana Senate
Business and Industry Committee**

**March 30, 1995
Helena, Montana**

Good morning, Mr. Chairman and committee members.
Montana Farmers Union opposes this legislation for a variety of reasons.

On its face, this is not a revenue bill.

It is a charade to say the amount of money to be saved by reducing the Montana Public Service Commission from five to three seats is any sort of dramatic reduction in government spending.

This is a politically driven attempt to confuse voters for years to come.

Making elective positions non-partisan is a campaign tactic of the minority to get itself elected when it cannot manage to do so otherwise.

Partisan elections are more hotly contested. They draw the attention of voters. They recognize distinctions in philosophy much more clearly.

There has been no wide-scale exposure of this stratagem. No public input. No public hearing, save this one. No vote by the public -- which would have less representation by commissioners spread even thinner across the fourth largest state in the nation.

Montana Farmers Union objects to House Bill 593 as an attack on rural Montana, which needs more representation, not less. In such a sparsely populated state, we need more public service commissioner contact with utility consumers, not less. We need more utility regulation, not less, in order to make sure that service is not compromised.

Lengthening the terms of fewer commissioners is not an acceptable tradeoff. Accountability is not enhanced. Five commissioners serving four-year terms is preferable to three commissioners staying in place for a couple of years longer.

Utilities, the last time we looked, were getting a fair profit. Where is the crying need for these so-called improvements? Are they consumer-driven? We think not.

In behalf of the 4,000 Montana Farmers Union farm and ranch families in all 56 counties, we ask the committee to kill this proposal. It is not in the public interest. It is a political animal poorly disguised.

Thank you.

(Presented by Mr. May Darden)

STATEMENT ON BEHALF OF EIGHT
MONTANA RURAL ELECTRIC COOPERATIVES

1. The Montana Electric Cooperatives' Association has not taken a position on HB 593.
2. Eight of our member cooperatives have taken a formal position by their Boards of Trustees to oppose HB 593.

They are:

Glacier Electric Cooperative - Cut Bank
Hill County Electric Cooperative - Havre
Lower Yellowstone REA - Sidney
McCone Electric Cooperative - Circle
Missoula Electric Cooperative - Missoula
Sheridan Electric Cooperative - Medicine Lake
Southeast Electric Cooperative - Ekalaka
Sun River Electric Cooperative - Fairfield

3. This is not a partisan issue with those cooperatives in opposition to HB 593.
4. These eight cooperatives don't want to lose the right to elect Public Service Commissioners. They feel they are best governed by a Commission elected by all consumers in Montana.
5. The eight cooperatives publicly in opposition to HB 593 consider themselves in sync with the opinions of the Montana Telephone Association (MTA) and the Montana Independent Telecommunications Systems (MITS). They do not want to lose their rural representation.

MontPIRG

Montana Public Interest Research Group

360 Corbin Hall - Missoula, MT - (406) 243-2908

Testimony Against House Bill 593, March 30, 1995

Chairman Hertel and members of the Senate Business and Industry Committee:

For the record, my name is J.V. Bennett, for the Montana Public Interest Research Group, or MontPIRG.

MontPIRG is a non-profit, non-partisan research and advocacy organization working for good government, consumer rights and sound environmental protection. MontPIRG represents over 4000 members in Montana, with 2200 student members, and is funded with membership donations.

As an organization advocating good government, MontPIRG rises in opposition to House Bill 593.

By reducing the number of Public Service Commissioners to three from five and making them appointed positions the Legislature will be cutting the public out of the Public Service Commission. Because MontPIRG strongly believes in public participation in government, the proposed changes to the Public Service Commission are unacceptable.

Changing the positions to appointed removes citizens from the process of selecting the Commissioners. This decreases the influence of Montana citizens and increases the influence of the regulated utilities. Elected commissions have the best record of representing the public interest. Changing the PSC to appointed positions is an ill advised step backward.

Also of great concern is the reduction in the number of Commissioners in a state as large as Montana. Currently the five Commissioners do considerable amounts of work on the grassroots level. Reducing the number of commissioners will also mean a decrease in the number of public meetings they will be able to hold around the state.

Moreover, the present PSC is made up of working Commissioners. Any savings in salaries to the Commissioners will be consumed by having to hire staff to perform the tasks currently done by the Commissioners.

The changes will also mean decreased representation for rural customers. The three larger districts will be dominated by the large urban centers and their concerns.

Three Commissioners will also present difficulties in regard to Montana's open meeting laws. This will result in decreased communication between Commissioners and a greater reliance on a hired staff.

A five member elected Public Service Commission has served Montana well. Decreasing the direct representation of Montana consumers, both for business and residential, makes little sense. MontPIRG urges this committee to table HB 593 and not to tinker with something that already works well.

HOUSE BILL 593

Mr. Chairman, members of the committee, I am Fran Marceau, State Legislative Director for the United Transportation Union. I am here today to urge you to oppose House Bill 593.

I routinely deal with federal agencies that are in place to insure that federal regulations are complied with and that all interested parties, including the public, are treated fairly. The agencies that readily come to mind are the Interstate Commerce Commission and the Federal Railroad Administration.

Many feel these agencies are not responsive. At times they appear to be disturbed when requested to deal with issues they have been appointed to handle. There seems to be more concern with preserving the bureaucracy and the jobs within their power, rather than for providing service and handling the matters for which they were originally established.

For example, I received a letter on March 17, 1995, dated February 22, 1995, from the Federal Railroad Administration which was in response to a complaint I had filed on **December 17, 1993**.

Montana and its citizens deserve better than this. Officials should be elected who can easily be replaced if they are not promptly and courteously addressing the needs of Montana and its residents.

Amendments to House Bill No. 593
Third Reading Copy

For the Committee of the Whole

Prepared by Greg Petesch
March 24, 1995

1. Title, line 11.

Strike: "APPOINTMENT"

Insert: "ELECTION"

2. Title, line 12.

Following: "BASIS"

Insert: "ON A NONPARTISAN BASIS"

Strike: "APPOINTMENT"

Insert: "ELECTION"

3. Title, line 14.

Strike: "5-7-102," through "13-37-226,"

4. Title, line 15.

Strike: "69-1-106, 69-1-107,"

5. Page 1, line 19 through page 7, line 29.

Strike: sections 1 through 4 in their entirety

Renumber: subsequent sections

6. Page 8, lines 4 through 6.

Following: "state" on line 4

Insert: "and of the district from which they are elected"

Following: "." on line 4

Strike: remainder of line 4 through "." on line 6

7. Page 8, line 10.

Strike: "APPOINTED"

Insert: "elected on a nonpartisan basis"

8. Page 8, line 28.

Strike: "APPOINTED"

Insert: "elected"

9. Page 8, line 30.

Strike: "APPOINTMENT"

Insert: "election"

10. Page 9, line 2.

Strike: "APPOINTED AND TAKES OFFICE"

Insert: "elected and qualified"

11. Page 10, lines 14 through 25.

Strike: sections 8 and 9 in their entirety

Renumber: subsequent sections

12. Page 11, lines 19 through 21.

Following: "." on line 19

Strike: remainder of line 19 through "." on line 21

Insert: "The commissioner elected in 1994 from the former third district is assigned to the second district, and the commissioner elected in 1994 from the former first district is assigned to the third district. In November 1996, the third district shall elect a commissioner to a full 6-year term, and that term commences in January 1997. In the November 1998 election, the first district shall elect a commissioner to a 2-year term and the second district shall elect a commissioner to a 6-year term."

13. Page 12, line 3.

Strike: "VOID"

Insert: "changed from "8 or more years in a 16-year period" to "12 or more years in a 24-year period""

House BILL NO. 593

INTRODUCED BY

DENNYBurnettGRINDEMcArthurRehbein

A BILL FOR AN ACT ENTITLED: "AN ACT REDUCING THE PUBLIC SERVICE COMMISSION FROM FIVE MEMBERS TO THREE MEMBERS; REVISING PUBLIC SERVICE COMMISSION DISTRICTS; REQUIRING ELECTION OF COMMISSIONERS ON A NONPARTISAN BASIS; IMPLEMENTING THE ELECTION OF THE REVISED COMMISSION TO STAGGERED TERMS; IMPLEMENTING THE FUNDING FOR THE REVISED COMMISSION; AND AMENDING SECTIONS 69-1-103, 69-1-104, 69-1-105, AND 69-1-224, MCA.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 69-1-103, MCA, is amended to read:

"69-1-103. Composition of commission. The commission ~~shall consist~~ consists of ~~five~~ three members, who ~~shall~~ must be qualified electors of the district from which they are elected, with each such member elected from a separate district of the state."

Section 2. Section 69-1-104, MCA, is amended to read:

"69-1-104. Public service commission districts. In this state there are ~~five~~ three public service commission districts, with one commissioner elected on a nonpartisan basis from each district, distributed as follows:

(1) first district: Big Horn, Blaine, Carbon, Carter, Chouteau, Custer, Daniels, Dawson, Fallon, Fergus, Garfield, Glacier, Golden Valley, Hill, Judith Basin, Liberty, McCone, Musselshell, Petroleum, Phillips, Pondera, Powder River, Prairie, Richland, Roosevelt, Rosebud, Sheridan, Stillwater, Toole, Treasure, Valley, and Wheatland, Wibaux, and Yellowstone Counties;

(2) second district: Big Horn, Carbon, Carter, Custer, Fallon, Powder River, Rosebud, Stillwater, Beaverhead, Broadwater, Cascade, Chouteau, Deer Lodge, Gallatin, Jefferson, Lewis and Clark, Madison, Meagher, Park, Silver Bow, and Sweet Grass, ~~Treasure~~, and ~~Yellowstone~~ Counties;

(3) third district: ~~Broadwater~~, ~~Cascade~~, ~~Jefferson~~, ~~Judith Basin~~, ~~Lewis and Clark~~, ~~Meagher~~, ~~Teton~~, and ~~Wheatland~~ Counties;

(4) ~~fourth~~ district: ~~Beaverhead~~, ~~Deer Lodge~~, ~~Gallatin~~, ~~Flathead~~, ~~Glacier~~, ~~Granite~~, ~~Madison~~, ~~Park~~, Hill,

1 Lake, Liberty, Lincoln, Mineral, Missoula, Pondera, Powell, Ravalli, Sanders, Teton, and Silver Bow Toole
2 Counties;

3 ~~(5) fifth district: Flathead, Lake, Lincoln, Mineral, Missoula, and Sanders Counties."~~

4
5 **Section 3.** Section 69-1-105, MCA, is amended to read:

6 **"69-1-105. Term of office.** (1) ~~Every~~ Subject to [section 5], a term ~~shall be~~ is for a period of 4 ~~6~~
7 years. ~~Said~~ The commissioners when elected ~~will~~ shall qualify at the time and in the manner provided by
8 law for other state officers and shall take office on the first Monday of January, ~~next~~ after their election.

9 (2) Each of ~~said~~ the members of ~~said~~ the commission, ~~so elected,~~ shall serve until ~~his~~ a successor
10 is elected and qualified."

11
12 **Section 4.** Section 69-1-224, MCA, is amended to read:

13 **"69-1-224. Determination of fee.** (1) On or before August 31 of each year, the department of
14 revenue shall:

15 (a) determine the total gross operating revenue generated by all regulated activities within this state
16 for all regulated companies for the previous fiscal year;

17 (b) compute the percentage, subject to revision as provided in subsection (2), of the amount
18 determined in subsection (1)(a) that will produce an amount equal to the current appropriation to the office
19 of the consumer counsel, except that a regulated company owned and operated by any municipal
20 corporation within this state may not be required to pay a sum in excess of .06 of 1 % of its gross operating
21 revenue;

22 (c) adjust the percentage multiplier computed in subsection (1)(b) to ensure that sufficient funds
23 are generated to meet the appropriation and that excess funds are not generated or retained by:

24 (i) determining the appropriation to the office of the consumer counsel for the previous fiscal year
25 and comparing it to the fees collected from the previous fiscal year;

26 (ii) reducing or increasing the percentage determined in subsection (1)(b) for the current year in
27 order to account for any difference determined in subsection (1)(c)(i); and

28 (iii) if necessary, reducing the revenue to be collected for the current year by any funds remaining
29 unspent at the close of the prior fiscal year; and

30 (d) give notice by mail to each regulated company of the percentage to be applied to the gross

operating revenue reported under 69-1-223(2) to determine the amount of the fee to be paid.

(2) (a) The department of revenue shall adjust the percentage multiplier if the department considers a change necessary to meet or to not exceed the amount to be raised by the fee because of:

(i) fluctuations in the actual gross operating revenue subject to the fee; or

(ii) submission and approval of a budget amendment authorizing the spending of money from a contingency appropriation included in the appropriation measure for the office of the consumer counsel and authorized to be raised by means of the fee.

(b) Adjustments of the percentage multiplier are subject to the exception provided in subsection (1)(b) for municipally owned and operated regulated companies.

(c) Regulated companies must be given at least 30 days' notice of any change in the percentage multiplier.

(d) Any change in the percentage multiplier is effective at the beginning of the next calendar quarter.

(3) In the event the fee charged in ~~one~~ a year is in excess of the amount actually expended in that year, the excess ~~shall~~ must be deducted from the amount required to be raised by the fee for the next year before the determination required by subsection (1) is made. Money remaining unspent at the close of the fiscal year ~~shall~~ must be used to reduce the percentage calculated in 69-1-224 in the subsequent fiscal year.

(4) The fee calculated under this section in August 1997 must take into account the provisions of 69-1-103."

NEW SECTION. **Section 5. Transition.** In order to implement the transition to a three-member commission with staggered terms, the terms of office of all current commissioners terminate on January 1, 1997. In November 1996, the third district shall elect a commissioner to a full 6-year term, the second district shall elect a commissioner to a 4-year term, and the first district shall elect a commissioner to a 2-year term. All subsequent terms are for a full 6 years.

NEW SECTION. **Section 6. Applicability.** [Sections 2 through 5] apply to the filing of candidates and the election of commissioners for the November 1996 election.

1 NEW SECTION. **Section 7. Severability.** If a part of [this act] is invalid, all valid parts that are
2 severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its
3 applications, the part remains in effect in all valid applications that are severable from the invalid
4 applications.

5

6 NEW SECTION. **Section 8. Coordination instruction.** If [this act] and House Bill No. 467 are both
7 passed and approved, the term limit in House Bill No. 467 is changed from "8 or more years in a 16-year
8 period" to "12 or more years in a 24-year period".

9

-END-

DATE March 30, 1995

SENATE COMMITTEE ON Business and Industry

BILLS BEING HEARD TODAY: HB 593
Rep. Matt Denny

< ■ > PLEASE PRINT < ■ >

Check One

Name	Representing	Bill No.	Support	Oppose
John Campbell	Citizens	593	✓	
Lee Tangedahl	Citizens	593		X
Mark L. Foos	Citz/ ^{Mont} Pass Citizens Assoc	593		X
Amy Wuen	MT. Elec. Co-ops Assn	593		
Linda Harden	Citz - MPCA	593		X
Jack Haffey	The Montana Power Company	593	✓	
Bob Anderson	PSC	593		X
Dale A. Duff	Rocky mtn Trng			X
Don MacLellan	Montana Tel. Assoc	593		✓
Jon May Barker	8 electric co-ops.	593		✓
Turner L. Bertelsen	M. S. C. A	593		✓
Nancy Mc Caffee	PSC	593		✓
John Alke	MDU	593	✓	
Mon Schneider	Self	593		✓

VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY

DATE

3-30-95

SENATE COMMITTEE ON

Business & Industry

BILLS BEING HEARD TODAY:

HB 593

Sponsored by

Rep. Matt Denny

< ■ >

PLEASE PRINT

< ■ >

Check One

Name	Representing	Bill No.	Support	Oppose
DAN WALKER	US WEST	593	X	
Fran Marceau	UTU			✓
Bgs Rowe		593		✓
Dave Ditzel		593		✓
Jeff Barber	NPRC	593		X
Deborah Smith	Common Cause	593		X
Kelly Aldy	Mont Democratic Party	593		X
Chet Kinney	MLIC-	593		X
George Paul	Farmers Union	593		X
Joe Linder	Disf 36	593		X
Melissa Case	Montana Peoples Action	593		X
Jim Jensen	MEAC	593		✓
Don Judge	MT STATE AFL-CIO	HB 593		X
J.V. Bennett	Mont PIRG	HB 593		X

VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY