



## Energy and Telecommunications Interim Committee

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### 63rd Montana Legislature

#### SENATE MEMBERS

CLIFF LARSEN--Chair  
EDWARD BUTTREY  
ROBYN DRISCOLL  
ALAN OLSON

#### HOUSE MEMBERS

KEITH REGIER--Vice Chair  
MIKE LANG  
MARY MCNALLY  
TOM STEENBERG

#### COMMITTEE STAFF

SONJA NOWAKOWSKI, Lead Staff  
TODD EVERTS, Staff Attorney  
JOY LEWIS, Secretary

# MINUTES LOG

## ENERGY AND TELECOMMUNICATIONS INTERIM COMMITTEE MEETING

Great Falls College - MSU  
May 9, 2014

**Please note:** These minutes provide abbreviated information about committee discussion, public testimony, action taken, and other activities. To the left of each section in these minutes is a time designation indicating the approximate amount of time in hours, minutes, and seconds that has elapsed since the start of the meeting. This time designation may be used to locate the referenced discussion on the audio or video recording of this meeting.

Access to an electronic copy of these minutes and the audio or video recording is provided from the Legislative Branch home page at <http://leg.mt.gov>. On the left-side menu of the home page, select *Committees*, then *Interim*. Once on the page for *Interim Committees*, scroll down to the appropriate committee. The written minutes summary, along with the audio and video recordings, are listed by meeting date on the interim committee's web page.

Hard copies of the exhibits for this meeting are available upon request. Legislative Council policy requires a charge of 15 cents a page for copies of the document.

### **COMMITTEE MEMBERS PRESENT**

SEN. CLIFF LARSEN, Chair  
REP. KEITH REGIER, Vice Chair

SEN. EDWARD BUTTREY  
SEN. ROBYN DRISCOLL  
SEN. ALAN OLSON

REP. MIKE LANG  
REP. MARY MCNALLY  
REP. TOM STEENBERG

### **STAFF PRESENT**

SONJA NOWAKOWSKI, Lead Staff  
TODD EVERTS, Staff Attorney  
JOY LEWIS, Secretary  
K'LYNN SLOAN HARRIS, Audio/Visual Coordinator

### **AGENDA & VISITORS' LIST**

Agenda, [Attachment #1](#).  
Visitors' list, [Attachment #2](#).

## **COMMITTEE ACTION**

**The committee agreed to send a letter to the PSC voicing its support for NorthWestern Energy's proposed purchase of the PPL hydro facilities. The committee adopted the March 2014 minutes.**

**Meet at Great Falls College -- MSU campus -- Depart for Rainbow Dam** at 7:45 p.m.

Overview and Welcome -- Jeremy Butcher and Jerry Gray  
Tour

**Return to Great Falls College -- MSU**

2100 16th Avenue South, Room G45-46

00:13:45 Sen Larsen reconvened the meeting at 10:31 a.m.

### **NorthWestern Energy's Purchase of PPL Dams**

00:14:43 Chairman Gallagher, Public Service Commission, gave an overview of NorthWestern Energy's application for the purchase of PPL's 12 Hydro Facilities. **(Exhibit 1)**

00:22:41 Bob Nelson, Consumer Counsel, commented on NorthWestern's purchase application as the case stands at present on May 9, 2014. He questioned not buying the dams but at what price and under what conditions? He argued that the public is more interested in the economic benefits of the dams. He believes that NorthWestern's proposal at the current proposed price, is not about economic benefits. They have three concerns relating to how NWE calculated the purchase price. The overriding concern is how much the ratepayers will have to pay for these facilities. He made several suggestions to mitigate the increased costs.

00:40:24 John Fitzpatrick, NorthWestern Energy, talked about NWE's application to purchase the PPL dams. The purchase price is determined by the seller, not the buyer. He disagreed with the Consumer Counsel's concerns. **(Exhibit 2)**

#### **Public Comment**

00:58:48 Sen. Brad Hamlett, SD 10, talked about the water rights held by PPL. He believes that the state needs to secure these rights to ensure water usage during times of drought and thinks the purchase should go through. It may be the only time to secure these water rights.

01:02:10 Chris Christians, Montana Farmers Union, spoke about the Missouri River Basin Advisory Committee's report that there is not enough water coming down the Missouri in July and August to take care of PPL's water rights for their dams. This affects the water rights of senior water right holders who live downstream.

#### **ETIC Questions and Discussion**

01:03:48 There was none

01:04:15 **Sen. Buttrey moved that the Energy and Telecommunications Interim Committee send a letter to the PSC voicing its support for NorthWestern Energy's proposed purchase of the PPL hydro facilities.**

01:05:07 **Sen. Olson seconded the motion.**

01:08:03 **Sen. Larsen called for a voice vote on Sen. Buttrey's motion. The motion passed unanimously.**

### **Other Business**

**Approve March 2014 Meeting Minutes (Tab 7)**

01:08:48 **Rep. Regier moved to approve the March 2014 minutes.**

01:09:06 **Sen. Larsen called for a voice vote on Rep. Regier's motion. The motion carried unanimously.**

**Instructions to Staff for July meeting**

01:09:20 Sen. Larsen

01:09:47 Sen. Olson

01:10:07 Sen. Olson

01:10:13 Ms. Nowakowski

01:10:49 Sen. Larsen

01:10:55 Sen. Olson

01:11:01 Sen. Buttrey

01:11:20 Sen. Larsen

### **Public Comment**

01:12:11 There were no comments.

01:12:44 Sen. Buttrey recognized Ms. Nowakowski for her work.

01:13:53 Ms. Nowakowski

01:14:21 Sen. Larsen adjourned the meeting at 11:30 a.m.

**Lunch** 11:30 a.m. Lunch was provided to ETIC members on-site.

**Depart for Malmstrom Air Force Base Central Heating Plant** at 1:00 p.m.

Overview and Welcome  
Tour

**Meeting Adjourned** at 2:10 p.m.