



Rocky Mountain Development Council

A Multi-County Community Action Agency

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February 24, 2004

Gene Leuwer

Executive Director

Programs

Area IV
Agency
on Aging

Daily Dinner
Club

Energy Share

Foster
Grandparents

Head Start

Low Income
Energy
Assistance

Meals on
Wheels

Preschool
Child Care

Retired Senior
Volunteer
Program

Senior Citizen
Center

Senior
Companions

Senior
Transportation

Visually
Impaired
Program

Weatherization

Housing
Services

The Honorable Alan Olson, Chair
Energy and Telecommunications Interim Committee
State Capitol
Helena, Montana, 59620

Dear Representative Olson,

On behalf of Rocky Mountain Development Council, I am pleased to have the opportunity to offer comments on and support for the reauthorization of Universal System Benefit (USB) programs.

An attachment to this letter explains Montana's low-income residents need for continued low-income USB funding. Rocky Mountain Development Council believes it important to fund the low-income portion of the USB program at a level that will allow continuation of the current discounts of 25% electric and 30% gas for low income customers. The current increased funding levels for weatherization activities for low-income consumers should also be continued as should current levels of funding for Energy Share. All three of these programs are of vital importance to low-income Montanans.

I would encourage legislation that asks MDU, the Co-ops, and Energy West to implement low-income discounts similar to those implemented by NorthWestern Energy for low-income customers.

Rocky Mountain Development Council supports having low-income gas and electric USB treated the same. For us that means:

1. No sunset
2. Funded on the prior year's gross revenue
3. Having the funding level reflect the need and effectiveness of present programs

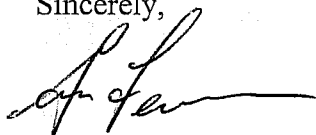
Additionally, the large customer provision of electric USB has been very beneficial to Energy Share, generating over \$616,238 in donations since 1997 that have been used for heating emergencies experienced by low-income folks.

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I am convinced electric USB low-income dollars should remain available to families heating with natural gas. Additionally, families that heat with propane, coal or wood might be left out of any assistance if the USB benefits were restricted. While a large utility might more easily separate the accounting for this recommendation it may be burdensome on the smaller energy providers.

Finally, we would remind the committee that the Transition Advisory Committee and the Public Service Commission have reviewed the low-income portion of both gas and electric USB. Both public bodies have determined there are no other markets for low-income programs and the need for those programs continues to exist. The numbers in the attached handout demonstrates the low-income problem has increased in Montana, since the last reauthorization. We hope the committee will permanently establish low-income electric USB along the lines of gas USB and consider funding levels appropriate to the current cost gas and electric service and consistent with the Governor's Consumer Protection and Energy Taskforce.

Sincerely,

A handwritten signature in black ink, appearing to read "Gene Leuwer", with a long horizontal flourish extending to the right.

Gene Leuwer
Executive Director