EXHIBIT 2
DATE 1/19/05
HB 2

Montana Consumer Counsel Increase of Authority

Agency Name: Montana Consumer Counsel - 11120
Program Name: 01 ADMINISTRATION PROGRAM
Organization Name: 1 Consumer Counsel

The Montana Consumer Counsel exists under Article XIII, Section 2 of the 1972 Montana Constitution and is governed by Title 5, Chapter 15, and Title 69, Chapter 1 and 2, MCA. For additional information see the funding section at the top of page A – 14 of the LFD Analysis.

The Montana Consumer Counsel (MCC) represents Montana consumers in utility and transportation proceedings before the Public Service Commission, such as gas, electric and telephone utility cases and regulated water and sewer cases, as well as appropriate state and federal court proceedings. MCC also represents Montana consumers in appropriate proceedings before the Federal Energy Regulatory Commission, Federal Communications Commission and other federal administrative agencies.

MCC has been involved in several new or intensified activities resulting from changes in the utility industry. Widespread recognition of the need to revamp the national transmission grid has sparked formation of Regional Transmission Organizations. MCC has participated to varying degrees in both GridWest (Northwest region) and Midwest Independent System Operator (MISO) issues. MCC expects to have a long-term role in the governance and monitoring of these organizations, as well as others to be formed for market monitoring, on behalf of Montana utility ratepayers. As generation markets continue to evolve, it has been necessary to increase involvement in regional and Federal activities that impact service and prices to utility ratepayers and this is expected to be a long-term need. MCC has also been required to assume a larger role in resource acquisition and planning for Montana gas and electric default suppliers. Increased volatility and upward pressure on all utility prices has focused attention on utility issues and this position will allow us to adequately participate in the above areas while we continue to address ratepayer concerns about more traditional rates and services issues.

Description of additional expenditures and revenue request:

A half time Utility Rate Analyst position is requested in response to increased demands on Montana Consumer Counsel (MCC) staff. According to § 69-1-223 and § 69-1-224, MCA, the percentage that determines the fees collected to fund MCC will be adjusted accordingly based on the requested increase. MCC is asking to modify its budget, requesting an additional 0.50 FTE and associated expenditures. This addition would increase the annual state special revenue personal services budget by $30,275 and the operating expenses budget for FY 2006 by $2,976.

Fiscal Summary

	FY 2006 Difference	FY 2007 Difference
Expenditures		
State Special Revenue	$ 33,251	$ 30,275
Revenue		
State Special Revenue	$ 33,251	$ 30,275
Net Impact on General Fund Balance:	$ 0	$ 0

Needs to be Included in HB 2. This request would increase the budget that the subcommittee has before them and the tax assessed to the utilities.