

TESTIMONY

ON SJ 31

BY GARY WIENS
ON BEHALF OF MONTANA ELECTRIC COOPERATIVES' ASSOCIATION

BEFORE THE SENATE
ENERGY AND TELECOMMUNICATIONS COMMITTEE

March 22, 2005

Mr. Chairman, Members of the Committee, for the record, my name is Gary Wiens representing Montana Electric Cooperatives' Association. Our association membership includes all 26 electric distribution cooperatives in Montana. These not-for-profit electric utilities serve more than 400,000 Montanans in all 56 counties.

On behalf of these electric consumers, we rise in strong support of SJ 31. All of Montana's electric cooperatives rely entirely or in part on federal power resources and thus would be directly affected by the Administration proposal to impose market rates for federal power.

We commend Sen. Aubyn Curtiss for offering this resolution. We also commend Montana's entire congressional delegation, which has gone on record as being firmly opposed to Power Marketing Administration (PMA) power going to market rates.

If enacted into law, this budget proposal could more than double the wholesale federal power rates paid by our member cooperatives by the time it is fully phased in.

Federal cost-based power has always been a benchmark for market power prices across the country because market prices reflect the downward pressure of this lower-cost power in the wholesale markets. Thus, a move to market rates for PMA power could ultimately harm all consumers, not just those served by electric cooperatives.

We urge this committee to unanimously support this resolution.