Senate Local Govt. Comm.
Exhibit No. 13 13
Date 01-27-2005
Bill No. SB173

SME

Southern Montana Electric
Generation & Transmission Cooperative, Inc.

27 January 2005

RE: Senate Bill 173 – Waterside Management Corridors

Chairman Mangan, members of the committee, for the record my name is Jeff Chaffee and I am the Project Manager for Permitting and Environmental Issues for Southern Montana Electric Generation and Transmission Cooperative. Southern Montana Electric G&T provides wholesale electric energy and related supply services to five rural electric distribution cooperatives located in south central Montana, and a select number of electric services for the City of Great Falls - such as the City's water treatment facilities, schools, airport and municipal governmental functions.

Montana is a state rich in heritage and natural resources. For over sixty years the members of Southern Montana Electric Generation and Transmission Cooperative have made sure that the customers they serve have had access to affordable, reliable and quality electric energy and related services.

In October 2004, Southern Montana Electric G&T completed an extensive study of suitable alternatives capable of meeting the future wholesale power requirements of the member systems it serves and is moving forward with the construction of a 250 mW coal-fired electric generation facility near Great Falls, Montana. The proposed facility will utilize a circulating fluidized bed boiler (CFB), modeled after a public power project nearing completion in Maysville, Kentucky. Once fully commissioned, this plant will be one of the most environmentally compliant coal-fired electric generation facilities ever constructed in North America.

Southern Montana Electric G&T is planning to utilize water from the Missouri River to support the power plant. This water will be provided from an existing water right assigned to the City of Great Falls. Up to 3000 gallons/minute (gpm) of water will be needed for the facility and, after treatment, about 170 gpm will likely be discharged back to the river.

Southern Montana Electric G&T is designing an intake structure to be placed in the river, along with associated pumps, piping, etc. This facility, when installed, will look a lot like piping and pumphouses along Montana streams and rivers that are commonly used by farmers and ranchers to irrigate their fields. A discharge point, with piping, may also be needed to support the power plant.

SB173, as introduced, is unclear on its coverage of the above intake or discharge facilities. It is possible that a pumphouse or other facilities could be construed as a "building, including a new residential, commercial or industrial structure ...," and be a "prohibited activity." Southern Montana Electric G&T facilities and activities along the river bank and in the stream are already extensively regulated by the Environmental Protection Agency, Corps of Engineers, Montana Department of Environmental Quality, Montana Department of Natural Resources and Conservation, the Local Conservation District, and others. We respectfully suggest that another layer of regulation of water intake and discharge facilities is unnecessary.

Mr. Chairman, members of the committee, Southern Montana Electric G&T believes that adding language in Section 4(2) of the bill authorizing the installation of pipes, diversion structures, and pumphouses within a waterside management corridor would take care of our concerns, and likely the concerns of others. Southern Montana Electric G&T understands and supports the desire to maintain and protect our precious river and stream corridors for the outstanding recreation that they provide.

Thank you, and I will be available to answer questions at the appropriate time.

Sincerely,

Jeff Chaffee
Project Manager, Permitting and Environmental Issues