SENATE TAXATION
EXHIBIT NO 2
DATE 1-26-05
BILL NO 213

Senate Bill 213
Statement of PPL Montana, LLC
Before the Senate Taxation Committee
January 26, 2005

PPL Montana supports Senate Bill 213, providing for the extension of the tax incentives encouraging beneficial use of recycled materials. This act was wise when originally enacted in 1991 to encourage recycling, and remains so today.

PPL Montana sells ash products from both the Colstrip plant and Corette plant in Billings, thereby supporting the industries that are able to use the product beneficially and eliminating the need for us to store these amounts of waste product on-site or in a landfill elsewhere.

At this time, 100% of our ash product produced from the Corette plant is sold—approximately 20,000 tons of fly ash and about 7,000 tons of bottom ash annually—to a variety of purchasers and for a variety of uses, including production of cement. Approximately ~~100,000~~ 30,000 tons of bottom ash is sold from the Colstrip operation, and used as road bed, road surface, engineering fill, and other applications.

PPL promotes the conservation of natural resources of this great state, pollution reduction and protection of our environment, all of which are well served by this legislation.

For these reasons, I urge you support of Senate Bill 213.