

**TESTIMONY OF SUPPORT OF HB 641 (IF AMENDED AS PROPOSED BY
PROPONENTS)**

**John Vincent
Commissioner, Montana Public Service Commission
March 23, 2009**

Mr. Chairman and Members of the Committee,

The Public Service Commission voted 3-2 this morning to support House Bill 641 if the bill is amended as proposed by the proponents.

HB 641 will ensure that all of Montana's major regulated natural gas and electric utilities will actively pursue cost-effective energy efficiency and conservation measures. While the PSC has long recognized the importance of utilities' acquisition of demand-side resources as a way to meet their load requirements at the lowest long-term total cost, HB 641 will increase the consistency and effectiveness of utilities' energy efficiency efforts. In addition, the implementation of decoupling for each regulated utility will eliminate the utilities' disincentive to aggressively acquire conservation resources because the utilities' revenues will not be adversely affected by decreased sales due to customers' conservation efforts.

HB 641 is good public policy because it require utilities to acquire cost-effective conservation and it removes disincentives that may stand in the way of their doing so. If HB 641 is amended as proposed by the proponents, the PSC supports the bill.