EXHIBIT 1
DATE 1-13-11
HB 62

Testimony of:
W. A. (Bill) Gallagher, Chairman
MT Public Service Commission
Before the House Local Government Committee
In support of HB 62

Chairman MacClaren and Members of the Committee:

The MT PSC requested and supports HB 62 repealing the MCA 7-13-4208 providing for an appeal to the PSC of municipal sewer rates.

It is unclear why this particular sewer appeal statute survived the transition of authority for setting municipal water and sewer rates from the PSC to the local municipality but its survival is problematic.

1) It applies only to sewer rates not water.
2) It is contrary to the principal of local control of local issues which was the impetus for the original transition of this type of matter away from the PSC.
3) It, at worst, is in conflict with, and at best, it complicates the process of appealing municipal rates to the local District court as set out in MCA 69-7-113.

MCA 69-7-113 is a far superior mechanism for appeal of a Municipal rate including a sewer rate.

1. It is broader and less restrictive in who may appeal:
    a. Providing any person or party may appeal;
    b. MCA 7-13-4208 requires 25 municipal voters to initiate an appeal;
2. It is broader in scope of what may be appealed appeal;
    a. Water or sewer or both, while 7-13-4208 is limited to sewer.
    b. Rate or adoption procedure or both may be appealed. 7-13-4208 is limited to rates.
3. It provides for an appeal to a local elected district judge versus a Commission with only one member from the district.
4. It is easier and more affordable to acquire local legal counsel for representation before a local district court than for the PSC.

The Commission urges a recommendation of DO PASS on HB 62.