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MONTANA PUBLIC SERVICE COMMISSION

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Missoula Human Resource Council receives \$150,000 for low-income assistance

Payment results from Montana PSC settlement with Liberty Utilities Co.

HELENA, Mont. – September 16, 2016 – The Montana Public Service Commission announced Friday the details of a \$150,000 payment to the Missoula Human Resource Council, the result of a settlement agreement with Liberty Utilities Co. and Mountain Water Co. The settlement—initially approved in early July—followed the Commission’s decision in January to seek fines in Montana District Court for the unauthorized sale and transfer of Mountain Water Co.

The \$150,000 payment will bolster the Homeowner Rehab and Repair Loan Program, an existing low-income assistance program within the Missoula Human Resource Council. The settlement money will be used within the program to provide low-interest rate loans for low-income households to upgrade dilapidated water lines and install meters, reducing water usage and costs.

Commissioner Bob Lake, R- Hamilton, who represents Missoula on the PSC, praised the payment to the Human Resource Council, saying,

“I’m very satisfied that the Commission’s settlement with Mountain Water directs much needed resources to a quality organization in the community rather than to the state coffers in Helena. Those that are most in need will experience a direct benefit from this payment by reducing the financial burden of low-income water customers.”

The primary details of the payment include:

- Human Resource Council will only distribute the funds from this particular payment within Mountain Water’s existing service territory.

- Human Resource Council will administer these funds through its existing Homeowner Rehab and Repair Loan Program concerning rate payer owned water system improvements.
- Administrative costs or expenses associated with the \$150,000 payment will not exceed three percent of the total payment. At least 97 percent of the \$150,000 payment from Mountain Water will be directly used to assist qualifying individuals with the cost of rate payer owned water system improvements within Mountain Water's service territory.
- Qualifying individuals are defined as below 80 percent of area median income, otherwise categorized as low-income, very low-income, and extremely low-income, pursuant to U.S. Department of Housing and Urban Development's income limits.
- The \$150,000 payment from Mountain Water Co. represents the statutory maximum in fines the company would pay had the PSC's complaint gone forward in court. The money will come from company profits, not from ratepayers.

The Human Resource Council loan program funded by the settlement will continue after the City of Missoula takes over ownership of the water system.

The Commission also approved a \$1.1 million annual rate reduction in May as result of lower operating costs following Liberty Utilities' acquisition of Mountain Water. City of Missoula administrators indicated in recent news reports that the \$1.1 million annual rate reduction approved by the PSC will not remain in effect once the City takes over ownership, opting instead to revert back to rates in place prior to the reduction. Implementing the old rates would result in a 5.9 percent increase for the City's water customers.

To view the details of the payment to the Missoula HRC, visit: <http://bit.ly/2chixp5>

To view the full settlement, visit: <http://bit.ly/29xtjZb>

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Made up of five elected commissioners, the PSC works to ensure that Montanans receive safe and reliable service from regulated public utilities while paying reasonable rates. Utilities regulated by the PSC generally include private investor-owned natural gas, electric, telephone, water, and sewer companies. In addition, the PSC regulates certain motor carriers, and oversees natural gas pipeline safety and intrastate railroad safety.