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FLOOR DEBATE

February 26, 2001 LB 243, 374

marginal cost to supply electrical services. This bill did pass out of committee with unanimous vote. Once again, this is LB 374. There were some safeguards added so we did amend the bill a little bit in committee to protect the general ratepayer. And, you know, the contract they have, if the rates go up, there must be a provision in their contract that would reflect that, so I don't think of this as a disincentive for any...for the general ratepayer in an area. So with that, I would ask for you to advance this amendment. It is LB 374. If you have any questions, I will try to answer them. But it's an economic development tool to try and attract business to the state of Nebraska, and it would allow them to negotiate the rate for up to five years.

SENATOR CUDABACK: You've heard the opening AM0698 to LB 243. Open for discussion. Senator Beutler, on that amendment.

SENATOR BEUTLER: Members of the Legislature, this is not just an amendment; this is a bill, of course, and perhaps we've come to that time of year where we're amending bills into other bills in order to get them done already. But this particular bill I think is going...is a matter of some great consequence. It has been a subject of discussion for a number of years, and I'm not sure if I'm remembering everything correctly. So at the very least, Senator Schrock, I want to start asking some questions about it to be sure I understand what's happening. But as a general principle, in the power industry...I'm not going to use quite the right terminology, I don't think, but you're obligated to charge fair and equitable rates, and you're obligated to do that for everybody--for residential customers, for commercial and industrial customers. It's one of the basic operating principles of electrical power in the state. Is that fair to say, Senator Schrock? And if you'd like to elaborate on that...

SENATOR CUDABACK: Senator Schrock, would you yield to a question?

SENATOR SCHROCK: Senator Beutler, that's fair to say.

SENATOR BEUTLER: Okay. And so what this bill is purporting to do, and I don't know if this is the first time we've done this