



Ninety-Ninth Legislature - First Session - 2005
Introducer's Statement of Intent
LB 384

Chairperson: Mike Friend
Committee: Urban Affairs
Date of Hearing: February 8, 2005

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB 384 would complete the process of state regulation of natural gas by the Public Service Commission, which began with the passage of LB 790 in 2003, by directing the establishment of service areas, with detailed maps, for each provider of natural gas service in the state.

The guiding directive is that each provider of natural gas service is given the exclusive right to provide service to each customer now served. No provider could serve in another's area unless there is agreement with the other provider, or unless approval is granted by the Public Service Commission. The Commission is given guidelines for determining assigned service in areas not currently served.

For cities which own and operate their own natural gas systems and for a metropolitan utilities district, their system would be permitted to grow as the city grows through annexation. If such growth is into an area already served by another provider, the other provider would continue to provide service unless and until the Public Service Commission would find that such service is inadequate. If inadequacy is found, the city may condemn the facilities. Adjoining service areas must engage in joint planning prior to such annexation.

A metropolitan utilities district and any city which provides natural gas service outside of their service area would be governed by the provisions of the State Natural Gas Regulation Act and subject to the jurisdiction of the Public Service Commission.

Restrictions are imposed to prevent solicitation by one provider to take over the service provided by franchise by another provider. Restrictions are also imposed to prevent a metropolitan utilities district from engaging in competitive natural gas sales across the state.

Principal Introducer: _____
Senator Jeanne Combs