

ONE HUNDRED NINTH LEGISLATURE - FIRST SESSION - 2025
COMMITTEE STATEMENT
LB548

Hearing Date: Wednesday February 19, 2025
Committee On: Natural Resources
Introducer: Lippincott
One Liner: Provide for political subdivisions that own or operate natural gas systems to contract with industrial consumers of natural gas

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:
Aye: 6 Senators Brandt, Clouse, DeKay, Hughes, Juarez, Raybould
Nay: 2 Senators Moser, Conrad
Absent:
Present Not Voting:

Testimony:

Proponents:

Senator Loren Lippincott
Chris Anderson
Lash Chaffin
Hannes Zetsche

Representing:

Opening Presenter
City Administer. Central City, NE
League of Nebraska Municipalities
Central City

Opponents:

Jill Becker

Representing:

Black Hills Energy

Neutral:

Representing:

* ADA Accommodation Written Testimony

Summary of purpose and/or changes:

LB 548 allows any political subdivision that owns and operates a natural gas distribution system to enter into a contract for a term of at least two years to provide natural gas price discounts to large industrial consumers not currently served by another public or investor-owned utility if the industrial consumer uses at least three billion British thermal units of natural gas per day on an average day. LB 548 provides that the location of the industrial customer's facility shall be considered a part of the political subdivision's natural gas distribution system's service area for purposes of the contract.

Explanation of amendments:

The Committee adopted AM 664 to LB 548 which is a white copy amendment that strikes and replaces the original section. AM664 retains the original provisions of LB 548, but clarifies the purpose of the bill is to allow the qualified political subdivision to engage in tax-exempt natural gas supply transactions described in section 148(b)(4) of the



Internal Revenue code and 26 C.F.R. 1.148-1(e)(2)(iii) that benefit the political subdivision and its taxpayers as well as the other party; that the industrial facility must be within two hundred miles of the political subdivision; that the facility shall also be considered within the service area of such political subdivision's natural gas distribution system only during the term of the contract; and that the contract shall not pose an unreasonable financial risk to the political subdivision or it's taxpayers, as determined by the political subdivision's governing board.

Tom Brandt, Chairperson

