

April 4, 1989

LB 279

not, but I probably will be supporting the particular amendment because it deals with the overall regulation and it probably broadens it rather than narrows the approach. I will say though that, in conclusion, that what we're talking about with this amendment, the last amendment we just adopted onto LB 279 were issues that were completely separate that had absolutely nothing to do with the bill and the sponsor of the bill has agreed to allow these amendments to be adopted onto the bill because of the session and the possibility that these two issues will not be considered.

SPEAKER BARRETT: Senator Landis.

SENATOR LANDIS: Mr. Speaker, members of the Legislature, I am not going to add to the litany of agreement. I violently disagree with the amendment. It is one that has had no public hearing. It flies in the face of the history of service contracts. It means that somebody can come in with no capital investment, no track record, start a company, do this kind of work, go out, get a bunch of subscribers and go to California. That's why we have a service contract law. Now, the point that Senator Withem makes is, you know there may be a competitive disadvantage for somebody who wants to do that kind of a job and a regulated natural gas company if the regulated natural gas company gets out of this capitalization requirement, basically, that we have in the law. Fair enough, I confess that's true. There is a difference and there may be a competitive disadvantage if that occurs. But where is the history of wrong? The history of wrong is where you have a fly-by-night organization that has no capital investment, who starts it up, who goes out and gets subscribers and goes out of business. That's where the history of wrong is. You can have two or three different theories of regulation, but my notion is this. You regulate where the marketplace doesn't give you adequate remedy, where the marketplace doesn't take care of itself and with a regulated natural gas company do you have somebody whose name is on the contract, who has a presence in this state and won't be able to leave. Well, yes, you do. They have a whole bunch of underground pipelines. They have a whole bunch of buildings. They have a whole bunch of capital investment in this state that they can't pack up and take anyplace. You don't have to worry that they're going to fly out of town. So maybe we don't need to extend regulation to them in the same way we would if somebody simply comes to this state, starts a business, gets a bunch of subscribers and then decides that it's time to visit