

SENATOR HALL: It's my understanding that they do not. But I...I could be wrong. The rates for the gas is...are just for that solely. It's for providing the gas to the subdivision...whatever subdivision that might be, whether they're a city, an NRD, or whatever it would be.

SENATOR ASHFORD: And if the...are they authorized...are these...these...I assume these gas companies are authorized, or have...can go out and offer this service business within the same corporate structure as they offer the gas business?

SENATOR HALL: That's exactly what happens, Senator Ashford. They actually include them in the bill. They've got the mailing all set up. They send out their gas bill, and along with that, they send their appeal, or their approach, for purposes of the service contract, right in the...right in the same statement...billing statement and that to me, although you may only call that postage...it...you know, I would argue that you're mixing apples and oranges there in terms of, you know, what they're all about. They're supposed to be about providing gas, and then they want to do the service contract business. It ought to be a separate mailing. That's not how it's been happening in the past. Those are the kinds of things when we talk about, you know, cross-subsidization, that's...

SENATOR ASHFORD: By cross-subsidization, you're not...you don't mean that the gas company cannot use its profits from gas sales to help fund another business. You're not saying that? Or...

SENATOR HALL: Well, it...it would...I'm not saying that if it's a separate business. If they've set it up totally separate and distinct from the gas operation...

SENATOR ASHFORD: All right. So all we're getting...what we're getting at is that there's no...you don't object to the...this bill does not address the gas company's ability to use its own pr...generated profits to be in the service business.

SENATOR HALL: Not at all. Well, wait a minute, say that again.

SENATOR ASHFORD: All right. Let the gas...the gas business generates a million dollars in profits and it elects, as a business, to set aside \$250,000 for development of a service business. And they...that comes out of their profits, they