

February 22, 1995 LB 828

may be very far apart. So I think the answer to your question maybe depends on how you manipulate classes and the extent to which they can be manipulated.

SENATOR WESELY: But you...I did hear you say that at no time will a power district be allowed to deliver service at below their cost, is that what I heard you say.

SENATOR BEUTLER: At below the cost...

SENATOR WESELY: Right.

SENATOR BEUTLER: ...of the service to the particular company...

SENATOR WESELY: Right.

SENATOR BEUTLER: ...that is benefitting from LB 828.

SENATOR WESELY: Right.

SENATOR BEUTLER: Right.

SENATOR WESELY: Is that...is that in the law or is that your assumption?

SENATOR BEUTLER: It is not in the law. It is in IRS law and I will show you that particular provision. We've been looking at it ourselves and I feel comfortable with it at this point.

SENATOR WESELY: But my concern is that, first off my concern is that in years gone by when we've tried to help the poor to provide for a lower cost of electrical service, we couldn't break away from the concept of cost of service, and industry opposed any of those changes back in the seventies and the eighties. But now for those that already have a lower electrical rate, as you said, because of the lower cost in the cost-of-service concept, now they will be able to get an even lower cost, and in some of these situations,...

SENATOR CROSBY: One minute.

SENATOR WESELY: ...will they go...how far down will they go, and you indicated there is some protection in the IRS, and I appreciate that, but this, I want to know how open-ended it is and how far these people can go in terms of the rest of the