

February 23, 1995 LB 828

have to admit that I had to have my memory refreshed this morning by asking Senator Beutler how this was interpreted at the committee hearing, so maybe I'll just have a little dialogue with Senator Beutler here, if he wouldn't mind, to make sure we get the legislative intent into the record.

SENATOR CROSBY: Senator Beutler.

SPEAKER WITHEM: This bill does, in fact, allow the board of directors of a utility to negotiate, fix, establish, collect rates, et cetera, et cetera here for a period not to exceed five years. Senator Beutler, it's my understanding that this is a nonrenewable five years that the rate is established, and after that five year period is over then the company goes back on the regular rate schedule, that it's not every five years they renegotiate and renegotiate a new agreement. Is that correct, or am I wrong in that assumption?

SENATOR BEUTLER: No, Senator, if you're wrong in that assumption we're both wrong. That's my understanding also.

SPEAKER WITHEM: Thank you very much. I simply would look forward to the debate on the bill and would urge members to advance it.

SENATOR CROSBY: Thank you, Senator Withem. On LB 828, Senator Wesely.

SENATOR WESELY: Thank you. Madam President and members, I raise concern about the bill breaking from the cost of service concept that public power has adhered to for many, many years. It adhered to it in such a form that in the past when I was much younger and interested in trying to provide for lower cost utility rates for low income homeowners that the utility industry opposed that because it would not reflect cost of service. But here for those that are a much larger entity we are going to break from that standard and try to provide for them, at least for a five year period, a lower than normal rate. And the question I have for Senator Beutler, I did go out and talk to the public power representatives and they tell me that they will still charge the actual cost of the electricity that they will provide, that they will not go below the cost so that other ratepayers subsidize the cost of the electricity that they provide to this company or whoever qualifies, but what will happen is they won't charge some additional indebtedness fee or