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servicing an area. Why would MUD want to come into that area other than to take customers from the private company?

SENATOR REDFIELD: That's exactly why they would want to come into a district. What happens is we have small cities, like Ralston or LaVista, that have contracted with a private company for their utilities. When you have outlying areas that are not within the jurisdiction of the city there is competition coming into those areas, but as they're annexed into the city then, of course, they come into that private entity. And that's where the conflict lies, that are they...are we going to see unfair competition going out and trying to pick off the plums in the outlying areas where there is an advantage in grabbing the commercial properties who have much higher utility bills and, therefore, can actually receive a considerable discount in order to come in under the umbrella. And so that's the concern, it's not for the homeowners.

SENATOR CHAMBERS: Um-hum.

SENATOR REDFIELD: We're going to basically see pipes going out to those homeowners and they're pretty much same cost, but the fact is if you have a very big industrial area there is an advantage to going out because of the volume.

SENATOR CHAMBERS: So right now we're not talking about any developed area. This bill is not addressing that primarily.

SENATOR REDFIELD: This is basically addressing outlying areas that are new service areas.

SENATOR CHAMBERS: And can either utility service these outlying areas if it chooses, or is there a certain area within which the public utility must remain?

SENATOR REDFIELD: As I understand it, that's exactly where the discrepancy has been and the misunderstanding has been and that is why the Urban Affairs Committee worked very hard to bring the two groups together to work out an agreement, which is what this amendment is.

SENATOR CHAMBERS: And now both can go into any outlying area,