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FLOOR DEBATE

May 21, 2003

LB 283, 790

force shorten the debate on Senator Brown's amendment. I thought that was a legitimate one, didn't want to go too fast. But tomorrow is the 70th anniversary of the TVA and George Norris is going to make an appearance in Knoxville, Tennessee tomorrow, but he's got to hit a plane at 7:00 in Omaha. So he whispered in my ear, let's get on to LB 790, do this thing, and then pick up the fights on LB 283 next Tuesday. In this bill is a grant of authority for the Public Service Commission, and it's meant to be a grant of authority sufficient to protect ratepayers in this state. The commission shall have full power, authority and jurisdiction to regulate natural gas, public utilities and do all things necessary and convenient for the exercise of such power, authority and jurisdiction. The state natural gas regulation and all grants of authority shall be liberally construed and all incidental powers necessary to carry into effect the provisions of the act are expressly granted and conferred to the commission. In other words, we say to the Public Service Commission, you have the power to regulate the natural gas industry, a power that now resides only partly with our cities. Our cities can control rates, which they do on rare occasion, but they don't have powers with respect to services and terms of conditions. And this will consolidate that power in the PSC. So it's a significant grant of authority and it is all the authority necessary for the PSC to do a good job and protect ratepayers and to be fair to utilities. It does not shortchange the PSC in any significant way. It gets the right body of powers. It also has rule- and reg-making authority. The system is financed, in essence, by user pays, meaning utility pays, in two ways: First, to cover the ongoing expenses, a quarterly assessment for those people who are selling natural gas in the state as an investor-owned; and then if you come in for a special case that requires investigation, the utility pays the investigation costs. So this is not a public expense in the sense of the General Fund. This bill allows for rate flexibility. In the event the Public Service Commission is persuaded that banded rates or a different way of doing rate analysis could be done, the PSC has authority to consider alternative new flexible ways of handling rates because this is a relatively fast-changing field. This bill will also have a unique element that no other state has, which is called the municipal opt-out. The municipal opt-out says this. When a