

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
Transcriber's Office
FLOOR DEBATE

May 21, 2003

LB 790

natural gas company comes in for a rate increase, the natural gas company and the cities operating by rate areas, working together, can get together and negotiate. They've got 60 days to essentially negotiate. If they're unsuccessful, it will go to the Public Service Commission. But this will leave the last vestige of local control. Now a hundred years ago, all natural gas was locally controlled. As of the last ten years, we're the only state with local control. When this bill passes, we'll take the best part of that local control, which is the power to negotiate, and leave it with the cities. But all other powers will transfer essentially to the PSC. You might ask about the fight between MUD and Aquila and, in fact, there's a fight between Hastings and KM. We adopted the rule that we not identify certificated areas in this state. Now that's not unique. There are 14 states that do that. The more common is to create certificated areas. However, we could not find a body of boundaries or rules that we could all live with and so we left it without certificated territories. States can proceed along that basis. People just simply do what they're doing now. There is a prescription against double piping so that we don't have people directly competing with each other, and that will be in the bill. But the fights as far as certificated territories will occur next year, if there is to be one. Understand, this bill is not deficient. There are 14 states that do exactly this way. But if we want to have certificated territories, and there will be other among us a number who will want them, the fight on how to define that power and the territories we'll do next year. User pays, full authority to the PSC, municipal hybrid and rate flexibility--essential principles in the bill. I'll be happy to answer questions, but the signatories or the people from whom I believe we have essentially agreement, and either...and by agreement I think we mean we no longer object to the bill, the League, the power pool, MUD, Aquila, Northwestern, KM and the very, very small operation that exits up in the Sioux City area as well. All the known parties that I know, including the PSC, has seen the bill and find it acceptable. I'll answer any questions, but I would ask for the adoption of the amendment and then the advancement of the bill.

SENATOR SCHIMEK: Thank you, Senator Landis. We are on debate on AM2035. Senator Quandahl.