

## LEGISLATIVE BILL 14

Approved by the Governor March 6, 2006

Introduced by Landis, 46; Friend, 10

AN ACT relating to the State Natural Gas Regulation Act; to amend sections 66-1840 and 66-1841, Reissue Revised Statutes of Nebraska; to change and eliminate provisions relating to assessments by the Public Service Commission; to repeal the original sections; and to declare an emergency.

Be it enacted by the people of the State of Nebraska,

Section 1. Section 66-1840, Reissue Revised Statutes of Nebraska, is amended to read:

66-1840 (1) Whenever, in order to carry out the duties imposed upon it by law, the commission, in a proceeding upon its own motion, on complaint, or upon an application to it, including rate filings, deems it necessary to investigate any jurisdictional utility or make appraisals of the property of any jurisdictional utility, such utility, in case the expenses reasonably attributable to such investigation or appraisal exceed the sum of one hundred dollars, including both direct and indirect expenses incurred by the commission or its staff, shall pay such expenses which shall be assessed against such utility by the commission. Such expenses shall be assessed beginning on the date that the proceeding is filed or beginning three business days after the commission gives the utility notice of the assessment by United States mail, whichever is later. The commission shall give such utility notice and opportunity for a hearing in accordance with rules and regulations adopted and promulgated pursuant to section 75-110. At such hearing, the utility may be heard as to the necessity of such investigation or appraisal and may show cause, if any, why such investigation or appraisal should not be made or why the costs thereof should not be assessed against such utility. The finding of the commission as to the necessity of the investigation or appraisal and the assessment of the expenses thereof shall be conclusive, except that no such utility shall be liable for payment of any such expenses incurred by the commission in connection with any proceeding before or within the jurisdiction of any federal regulatory body.

(2) The commission shall ascertain the expenses of any such investigation or appraisal and by order assess such expenses against the jurisdictional utility investigated or whose property is appraised in such proceeding and shall render a bill therefor, by United States mail, to the ~~natural gas public~~ jurisdictional utility, either at the conclusion of the investigation or appraisal or from time to time during such investigation or appraisal. Such bill shall constitute notice of such assessment and demand of payment thereof. Upon a bill rendered to such utility, within fifteen days after the mailing thereof, such utility shall pay to the commission the amount of the assessment for which it is billed. Such payment when made shall be remitted by the commission to the State Treasurer for credit to the Public Service Commission Regulation Fund for the use of the commission. The total amount, in any one fiscal year, for which any utility shall be assessed under this section shall not exceed the following: (a) For a jurisdictional utility that has not filed an annual report with the commission as provided in the State Natural Gas Regulation Act prior to the beginning of the commission's fiscal year, actual expenses, including direct and indirect expenses, incurred by the commission; and (b) for any other jurisdictional utility, ~~six-tenths~~ of one percent of the utility's gross operating jurisdictional revenue less gas cost derived from intrastate natural gas utility business as reflected in the last annual report filed with the commission pursuant to the act prior to the beginning of the commission's fiscal year. The commission may render bills in one fiscal year for costs incurred within a previous fiscal year.

(3) The commission, in accordance with the procedures prescribed by subsection (2) of this section, may assess against an entity, other than an individual residential ratepayer or individual agricultural ratepayer, that is not subject to assessment pursuant to subsection (1) of this section actual expenses of any services extended, filings processed, or actions certified by the commission for the entity.

Sec. 2. Section 66-1841, Reissue Revised Statutes of Nebraska, is amended to read:

66-1841 (1) The commission shall determine, within ~~fifteen~~ thirty days after each quarter-year for each such quarter-year, the total amount of its expenditures during such period of time. The total amount shall include the salaries of members and employees and all other lawful expenditures of the

commission, including all expenditures in connection with investigations or appraisals made under the State Natural Gas Regulation Act, except that there shall not be included in such total amount of expenditures for the purpose of this section the expenditures during such period of time which are otherwise provided for by fees and assessments pursuant to the act.

(2) From the amount determined under subsection (1) of this section, the commission shall deduct (a) all amounts collected under section 66-1840 during such period of time and (b) all other funds collected with regard to jurisdictional utilities.

(3) To the remainder, after making the deductions under subsection (2) of this section, the commission shall add such amount as in its judgment may be required to satisfy any deficiency in the prior assessment period's assessment and to provide for anticipated increases in necessary expenditures for the current assessment period.

(4) The amount determined under subsections (1) through (3) of this section shall be assessed by the commission against all jurisdictional utilities and shall not exceed, during any fiscal year, the greater of one hundred dollars or each utility's proportionate share of the total amount determined under this section based upon meters served by each utility as a proportion of all meters of jurisdictional utilities. Such assessment shall be paid to the commission within fifteen days after the notice of assessment has been mailed to such utilities, which notice of assessment shall constitute demand of payment thereof.

(5) The commission shall remit all money received by or for it for the assessment imposed under this section to the State Treasurer for credit to the Public Service Commission Regulation Fund.

~~(6) The commission shall not, pursuant to this section, assess a total of more than two hundred fifty thousand dollars in a fiscal year, exclusive of uncollectible fees and assessments charged or assessed pursuant to this section. This subsection terminates on June 30, 2005.~~

~~(7)(a)~~ (6)(a) Until June 1, 2007, a jurisdictional utility may recover the amount of any assessments or charges paid to the commission pursuant to this section and section 66-1840 through a special surcharge on ratepayers which may be billed on the monthly statements for up to a twelve-month period immediately following their payment by the jurisdictional utility. The surcharge shall be shown on the statements as a charge for state regulatory assessments. The commission shall permit the utility to include in such surcharge interest upon the amount of the charges and assessments paid to the commission prior to their recovery from ratepayers. Such interest shall be at a rate not to exceed the rate established by section 45-103.

(b) On and after June 1, 2007, the commission by general rule and regulation shall authorize the recovery of the amount of any assessments or charges paid to the commission pursuant to this section and section 66-1840 in a general rate filing or through a special surcharge which may be billed on the monthly statements for up to a twelve-month period immediately following their payment by the jurisdictional utility.

Sec. 3. Original sections 66-1840 and 66-1841, Reissue Revised Statutes of Nebraska, are repealed.

Sec. 4. Since an emergency exists, this act takes effect when passed and approved according to law.