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LB 48, 748

MUD and Aquila want to grow in no man's land, because it's cheap to cost, high return, and allows you to subsidize your other customers. That's why everybody wants to get there. Understand, the public policy of the state of Nebraska should be that MUD grows at its own pace, in its own boundaries. And you know what? That doesn't change in this Legislature, because LB 748 doesn't say...doesn't restrict that, and LB 48 doesn't restrict that. MUD gets to go anywhere it chooses to expand its boundaries. That's not on the table. This is about where they're operating beyond their boundaries, where people are not voting for their members. What about those folks? My answer is, where you're going beyond your own territory, go to the PSC for permission that says it's in the public interest to do so. The response is that this shackles MUD. It doesn't. In fact, we have this system right now. It's called LB 78. In fact, you know, all those maps over here that show the double piping that came to an end in 1999, it came to an end because we passed a bill that says disputing utilities have to go to the PSC. But you know what they get to do? They get to do it after the construction has already occurred. And here's the gateway as to why we should recommit this bill. On exactly the amendment that Senator Bourne has before you, he said MUD should be able to grow anywhere adjacent to its facilities. Let me tell you what they tried to do in 2002. They tried to put a town border station miles beyond their existing system. Now, as you can imagine, it was controversial. And in fact, they built the station at a cost of about \$400,000, at ratepayers' cost. Now, eventually that was...you had to take out of one pocket to get to another one, but eventually, as the PSC says, it was the cost of the ratepayers. Later on, Aquila challenged it, saying, you know, this doesn't meet the existing law that says you've got to have an economic analysis. Well, Mike Friend read you the five criteria in one of his speeches--good for growth, doesn't impact other ratepayers, economically feasible--the five criteria that are in the law. PSC took the case after it had been built. The commission is not swayed by the fact that the 174th and Fairview TBS, the town border station, has already been constructed and must be paid for by MUD. MUD was well aware of Aquila's objections, and was equally aware of the commission's willingness to find that proposed mains are not in the public interest. MUD acknowledged the commission's willingness to