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

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we have to do. We've been down this road before. Like I said, I thought that it was rare that we approach it from this angle. We've lowered the threshold. We're where we're at. But what I wanted to point out, and the reason, I think, we're in the position that we're in, from a public policy standpoint right out--arguing two bills, out here with this mess--is because nobody, in the year-and-a-half to two years that I've been working on these issues, has clearly, specifically identified that there was a problem that required two bills like this. Now I'm not going to throw my hands up and say, hey, Mike Friend is a novice, this is why this happened. But what I would tell you is this: If you don't have a clear identification of a problem, if you haven't established, even a committee--matter of fact, more to the point--especially a committee, because you have a bunch of people telling you there's a problem and not giving you clear indicators, and identifying that problem up front, a group of people can get just as confused as one person can, if not more so. So what we've got are two bills to try to solve a problem that we have not identified yet. Let me quickly explain. Here's the current law, as it relates to what you can as a municipally-owned or an investor-owned, as far as laying natural gas pipe, and the Omaha Metro main extensions. Nebraska Revised Statute, 57-1301: In counties where a municipal utilities district and investor-owned natural gas utility both serve, or are attempting to serve, neither entity may extend or enlarge its natural gas mains, unless it's in the public interest to do so. Further, economic feasibility you've got to Impact on existing and future ratepayers you've got to show. indicate. Orderly development has got to be shown. Duplicate or redundant natural gas utility infrastructure -- that cannot be done, according to current law right now. I'll elaborate on that. And then, whether the extension or enlargement is applied in a nondiscriminatory manner. MUD and Aquila have been before the PSC Board to deal with these issues in the last six years. Now, there's a prohibition, prohibition on duplicative piping, according to state law right now. You can't do it. person--and here's the revised statute, 66-1852: No person, public or private, shall extend duplicative or redundant natural gas mains or other natural gas services into any area which has existing natural gas utility infrastructure or where a contract has been entered into for the placement of natural gas utility