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FLOOR DEBATE

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federal or state law or a regulatory agency. In other words, if your public power district is mandated to put on scrubbers on their smokestacks to clean up the air, that would be a mandated project. They could bill you separately for that. Although it would be...you would pay for it with one bill, but it would be separately itemized on your bill. And the...that item on your bill could be dedicated to paying off that bond. The act is structured so as to enable public power entities to obtain favorable financing to pay for mandated projects. The dedicated revenue stream from the separate customer charges provides a secure source of payment for mandated projects and bonds, and would allow public power entities to secure favorable terms from the bond market. Since 1994, this type of financing is currently being used by other states. A Mandated Project Charges Act can reduce, by 70 cents per \$1, the annual revenue needed to meet debt payments. For example, the savings on a \$400 million debt would be approximately \$15 million. This reduction is possible because of the AAA rating that may be obtained because of the dedicated charges and bond structure. In other words, if we pass this bill and NPPD and OPPD, LES are mandated by federal government to do something that has environmental implications, but it doesn't have to be environmental, then they could secure bonds at a favorable rate. That item would be separate on your bill, but it could be paid, of course, with one check or one payment. And they could receive a more favorable interest rating on that bond, because it would be first in line should there be a default. I don't anticipate that happening in Nebraska, however. But if we pass this, we could save consumers money. And that's why I'm asking you to consider AM1696. And I don't think there's anything hidden there. We're all out front on everything. Nobody's trying to pull a fast one here. This is not the preferred way of doing business. But this was an option that was open to us. We thank Senator Jensen for affording us that option. And we've worked with the public power districts on this issue. If you have questions, I would be glad to answer them. I would give any of my time to Senator Jensen. But I see he has his light on, so that's probably not necessary.

SENATOR CUDABACK: Thank you, Senator Schrock. You've heard the opening on AM1696. Mr. Clerk, motion on the desk, please.