

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

January 19, 2006 LB 548

numbers, but I think we are second- or third-lowest in the entire country, which is amazing given that, you know, it seems to me that hydropower would be the lowest, because they use rivers to generate it rather than coal or nuclear material. So the history that OPPD has in terms of minimal rate increases and things of that...the outstanding service they provide to the public is, I think, unparalleled, probably, across the country. With that, I wanted to kind of expand a little bit upon Senator Schrock, kind of explain what this bill, or the amendment, did, give you a little historical perspective. Last year, if you recall, the rules were suspended on Senator Jensen's bill, and the amendment, the previous amendment, was pending. Now, as I understand it, Senator Schrock has substituted AM1864 for the previous amendment, and that's largely because of the work done by OPPD over the summer, bringing the various interested parties. As I understand it, Senator Beutler had a concern, and Senator Schrock had some issues, and that...those issues have been resolved from those people who had objections in the beginning. But let me just kind of expand on what the amendment does. The federal government, as the state government does from time to time, puts mandates on various entities. And the federal government, as it relates to power generation, has said that some plants must retrofit so that they can comply with clean air standards. And similar to what we do when we tell the counties or the cities or various communities what they have to do, not very often do we provide money to help those communities, counties, entities comply with that mandate. So the federal government has said to these power industries, these power plants across the country, you have to retrofit certain plants to comply with clean air standards, but, by the way, you're not getting any money to help carry out those standards. So what MUD...or, excuse me, what OPPD has done in this situation, has cleverly designed a package where if it is a mandated project, they will put a separate charge on a customer's bill, and it will be a dedicated stream of income that will go to retire the bonds that were let to fund these mandated projects. So what they've done, instead of having a AAA bond rating, they go to a...excuse me, a AA bond rating, they go to a AAA bond rating. And people familiar with finance know that the higher the bond rating, the less interest that is paid on those bonds, because they're an absolute guarantee.