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LB 1249

regulation, and I really can't argue with that. I think that that's probably some of the more positive or favorable impacts of exclusive service territories for gas providers in our state. But I also think, at the same time, there are some unfavorable impacts, and I think that these fall with ratepayers. And as Senator Bourne indicated earlier, my district as well is 100 percent occupied by Metropolitan Utilities District ratepayers, and in my evaluation, in my layman's assessment of the underlying bill, LB 1249, I think we're going to have rate increases for both MUD ratepayers and non-MUD ratepayers, and that's where my sympathies lie in this whole equation, is with the ratepayers within the state of Nebraska. According to information from the Public Service Commission, from April of '06, April of this year, within the metropolitan rate area, Aquila is 9.7 percent higher in gas rates, within the metropolitan area. Within the Lincoln rate area, Aquila is 9.8 percent higher than MUD residential rates. Within the rate area three, which is all other, Aquila is over 24 percent higher. In the Iowa rate area, Aquila is 38.4 percent higher than Metropolitan Utilities District residential rates, and Kinder Morgan is 52.5 percent higher. I am of the opinion at this time that landlocking MUD will essentially lead to an increase in rates for MUD ratepayers; and conversely, I see no benefit to this action under LB 1249 to those existing Aquila customers. With a defined territory, with a lack of competition and so forth to provide service to an extended area, there's no possible way, in my estimation, that we're going to see any relief for the ratepayer, and that, again, is my number one sympathy. The favorable impacts of exclusive service territory, as laid out by Senator Landis, I really can't argue. But my sympathies lie with the ratepayers, particularly the ratepayers of MUD, and again, my district is 100 percent composed of MUD ratepayers. And I see this as a fundamental rate increase. I mean, the bottom line to me would be a rate increase for customers of gas service in our state. Thank you, Senator Cudaback.

SENATOR CUDABACK: Thank you, Senator Synowiecki. Senator Cornett, followed by Senator Brown.

SENATOR CORNETT: I'm going to waive.