

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

April 6, 1999

LB 78

MUD probably could do it as well, but they're a little more reticent to do that sort of thing because of the public scrutiny that might come from that.

SENATOR BEUTLER: Okay. Shifting for the moment to the consumer perspective, the consumer who's buying the house and the SID, they may or may not be sophisticated enough to know what utility company they're going to have to use, but is it not accurate that the fact of the matter is once that developer makes a contract and puts in somebody's pipes, that's what's going...that's the company that's going to be used? Is that pretty much accurate?

SENATOR BRUNING: Yes.

SENATOR BEUTLER: Okay. So one of the problems I have just with the whole setup is the idea that the SID is such a prominent development tool and the developer and the developer's incentive is to get the most they can up-front regardless of what that may mean to the consumer down the line. And maybe I would just ask you...

SENATOR CUDABACK: One minute.

SENATOR BEUTLER: ...if I'm...if I shouldn't be concerned about that, and what exactly is it that would cause the developer to take the utility that...that ensured the lowest cost to the consumer in the long term? Let me...let me give you a chance to respond to that.

SENATOR BRUNING: Sure. I understand your concern, Senator, and I think...I think the answer is this. When you look at the issue and you talk about the balance of competition and the lowest cost to the consumer, on the other side of that scale is a safety factor. And if you allow competition that includes double piping, you then get into a safety issue. The city of LaVista, for example, told a story at the hearing where a contractor dug into the ground, hit a pipe, called MUD, turned out...or called UtiliCorp. Turned out it wasn't UtiliCorp's pipe. It was MUD's.

SENATOR CUDABACK: Time. Senator Beutler, yours is the next