

LEGISLATIVE BILL 95

Approved by the Governor May 22, 1989

Introduced by Landis, 46

AN ACT relating to the Municipal Natural Gas Regulation Act; to amend sections 19-4601, 19-4603, and 75-109, Reissue Revised Statutes of Nebraska, 1943; to authorize cities of the primary class to regulate certain intrastate natural gas pipelines; to provide powers and duties; to limit the jurisdiction of the Public Service Commission; to harmonize provisions; and to repeal the original sections.

Be it enacted by the people of the State of Nebraska,

Section 1. That section 19-4601, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

19-4601. Sections 19-4601 to 19-4623 and section 2 of this act shall be known and may be cited as the Municipal Natural Gas Regulation Act.

Sec. 2. (1) A city of the primary class shall regulate the reasonableness of a contract governing the rates, service, and facilities involved in furnishing or transporting natural gas through a pipeline located wholly in the State of Nebraska if (a) the pipeline has a single point of delivery connecting it exclusively to the distribution system serving the city. (b) the utility serving the city is a party to the contract, and (c) regulation is permitted under the provisions of the federal Natural Gas Act, 15 U.S.C. 717(c).

(2) Prior to the start of construction of a natural gas pipeline described in subsection (1) of this section, the utility shall file the contract with the city for its approval.

(3) The costs and benefits of a natural gas pipeline described in subsection (1) of this section which are approved by the city shall be included in the calculations used in arriving at the natural gas supply-cost-adjustment rate schedules provided in section 19-4609, or the costs and benefits which are approved by the city in the contract may be included in the calculation of just and reasonable rates provided in section 19-4612.

(4) The governing body of a city of the primary class shall have the power pursuant to Municipal

Natural Gas Regulation Act to perform any and all acts and to prescribe, issue, make, adopt, promulgate, and revise from time to time ordinances, rules, and regulations as it may find necessary or appropriate to carry out this section, except that nothing in this section shall give such city the right to unilaterally change an approved contract. Such power shall include, but not be limited to, the power to: (a) Require reports and statements and prescribe the form or forms of such reports or statements and the information they shall contain; (b) establish and collect an application fee of not less than one thousand dollars nor more than two thousand five hundred dollars payable to the city for each contract over which the city has jurisdiction pursuant to this section; (c) establish and collect a reasonable fee to defray the actual costs of administering this section; and (d) establish procedures for application, notice, and hearings in order to effectuate the provisions of this section.

Sec. 3. That section 19-4603, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

19-4603. (1) A utility shall be subject to ~~{1}~~ (a) all rights, powers, and authority now or hereafter possessed by a municipality to regulate rates charged by the utility for natural gas service to customers within the municipality, ~~{2}~~ (b) all provisions of the Municipal Natural Gas Regulation Act, and ~~{3}~~ (c) when not inconsistent with subdivision ~~{1}~~ (a) or ~~{2}~~ (b) of this section subsection, the provisions of any validly executed franchise agreement.

(2) The jurisdiction of the Public Service Commission shall not extend to any of the subjects regulated by the act.

Sec. 4. That section 75-109, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

75-109. Except as provided in sections 19-4603, 86-803, and 86-808, the commission shall have the power to regulate the rates and services of and to exercise a general control over all common carriers, which term is hereby defined as all carriers, including contract carriers, engaged in the transportation of freight or passengers for hire or furnishing communication services for hire in Nebraska intrastate commerce.

Sec. 5. That original sections 19-4601, 19-4603, and 75-109, Reissue Revised Statutes of Nebraska, 1943, are repealed.