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**PSC HOLDS HEARING ON COLD WEATHER RULE FOR NATURAL GAS**

LINCOLN -- A proposed hardship rule for cold weather natural gas disconnections drew no opposition at a public hearing conducted October 21 and 28, by the Nebraska Public Service Commission.

The Commission sought comments from the natural gas industry and the public in an expedited rule-making process that will allow it to proceed with a general rate filing and three competitive natural gas provider applications in the first months following state regulation on the investor-owned natural gas industry. The 2003 Nebraska Legislature placed regulatory authority over natural gas with the Commission.

Three investor-owned companies -- Aquila, Kinder Morgan, and Northwestern Energy -- operate distribution systems in 296 Nebraska municipalities. Municipally-owned systems, such as the Metropolitan Utilities District in Omaha, are not included in the Public Service Commission's jurisdiction.

The proposed cold weather rule provides an additional 30 days over the time permitted by the utility for payment of a bill between November 1 and March 31. The Commission could also impose temporary bans during extreme severe weather and in the face of serious and immediate health hazards.

Representatives of the three private utility companies testified at the PSC's hearing that they had no objection to the proposal. Two persons, speaking on behalf of public advocacy organizations, asked the Commission to extend the moratorium on winter shutoffs until the end of the cold weather months.

After the hearing, Third District Commissioner Lowell Johnson of North Bend said, "It appears from the hearing there is general agreement that a cold weather rule similar to neighboring states should be inaugurated in Nebraska."

Commissioner Jerry Vap of McCook, representing the Fifth District, said, "The Commission has a responsibility to ensure fair treatment to those who are having trouble paying their gas bill. At the same time, we all must seek ways to pay those bills. A cold weather rule will help."

First District Commissioner Frank Landis of Lincoln, who chaired the hearing, said, "These rules are temporary to get us through the winter. The Public Service Commission will re-examine them if that is what is needed and adopt other rules that may be necessary for our work with Nebraska's natural gas providers."

Other natural gas issues addressed at the hearing established procedures to allow the Commission to proceed with a rate increase application filed by Aquila, which is scheduled to be heard the week of December 1. Applications for certification as competitive natural gas providers also have been made by Metropolitan Utilities District, Cornerstone Energy, and the Public Alliance for Community Energy. The three applications are required by statute to be resolved by January 9 to February 15.

The Commission expects to issue a decision on the natural gas rules covered by the October 21 and 28 hearings prior to Thanksgiving.

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