Nebraska Public Service Commission

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EXECUTIVE DIRECTOR:
MICHAEL G. HYBL

300 The Atrium, 1200 N Street, Lincoln, NE 68508
Post Office Box 94927, Lincoln, NE 68509-4927
Website: www.psc.state.ne.us
Phone: (402) 471-3101
Fax: (402) 471-0254

NEBRASKA CONSUMER HOTLINE:
1-800-526-0017

December 5, 2011

Mr. Michael Calvert
Director
Legislative Fiscal Office
P.O. Box 94604
Lincoln, NE 68509-4604

Dear Mr. Calvert:

The provisions of LB 1, the Major Oil Pipeline Siting Act, passed in the Special Session of the Legislature, provided authority for the Public Service Commission to review future pipeline applications in the State of Nebraska. Section 7 of the bill created the Pipeline Regulation Fund, and provided that the Commission could assess applicants for the expenses reasonably attributable to the investigation and hearing regarding pipeline applications.

Our staff has worked closely with Scott Danigole, during the session, on the impact of the bill's provisions, the need for implementation of rules and regulations and the estimated spending authority needed for the cash fund. Since there was no A-bill associated with LB 1, we now need to address these issues at the same time that our staff will be implementing rules to carry-out the provisions of the bill.

The estimated general fund cost for implementing the rules and regulations in FY 2011-12 is $10,225, with a provision for personal services of $9,474. Details of these costs have been provided to Scott, and our staff is currently working on these proposed rules and regulations.

We also provided a fiscal impact statement on the spending authority needed for the Pipeline Regulation Fund. Since we have no authority in the fund at this time, this will be our initial request with the assumption that an application could be filed under LB 1 this current fiscal year. Our estimated authority for FY 2011-12 is $541,687, and for FY 2012-13 is $542,643. The details and assumptions in these estimates are included in the fiscal note we filed during the special session.

Please let me know if there are questions or any further information your staff needs to review our estimates above. Thank you for your consideration in these matters.

Yours truly,

Mike Hybl
Executive Director

cc: Mr. Scott Danigole
Mr. Gary Bush

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