

ONE HUNDRED SECOND LEGISLATURE - SECOND SESSION - 2012
COMMITTEE STATEMENT
LB1043

Hearing Date: Wednesday February 01, 2012
Committee On: Natural Resources
Introducer: Langemeier
One Liner: Eliminate provisions relating to contracts or agreements for discounted rates involving public power districts

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:

Aye: 8 Senators Carlson, Christensen, Dubas, Haar, Langemeier, McCoy, Schilz, Smith
Nay:
Absent:
Present Not Voting:

Proponents:

Senator Chris Langemeier
John McClure

Tim Burke
Gary Stauffer
Jane Berry
Ron Sedlacek
Dan Mauk
Lance Hedquist
Loran Schmit

Representing:

Introducer
Nebraska Power Association; Nebraska Public Power District
Omaha Public Power District
NMPP Energy
Nebraska Public Power District; City of Aurora
Nebraska Chamber of Commerce
North Platte Chamber and Development Corporation
City of South Sioux City
Association of Nebraska Ethanol Producers

Opponents:

Ken Winston
Mark Vasina

Representing:

Nebraska Sierra Club
Nebraskans for Peace

Neutral:

Representing:

Summary of purpose and/or changes:

LB 1043 would amend the statute that authorizes public power to negotiate rates for certain contracts. Incentive electric rates were created as an economic development tool that could be used to encourage businesses with high electrical loads to locate in Nebraska. This bill would enable eligible businesses to count on a negotiated energy rate for up to five years without the risk of a general retail rate increase. After the five year time limit, the business would revert to paying the applicable standard rate.

Section-by-section description:

Section 1 amends 70-655, which authorizes negotiated rates for public power and irrigation districts, by removing the requirement that a contract or agreement under this section contain a provision that a board-approved retail rate

increase include parties that have contracted or agreed to a discounted rate. Under current language, this negotiated rate would only be available to commercial or industrial customers if (a) the customer is participating in a state economic development project and (b) the economic development project would meet a minimum threshold of size and load factor.

Section 2 repeals the original section.

Explanation of amendments:

The committee amendment would ensure that public power could not charge less than the incremental production cost of service. The amendment will also add that municipal power entities may participate in offering this incentive.

Chris Langemeier, Chairperson