

LEGISLATURE OF NEBRASKA

ONE HUNDRED SECOND LEGISLATURE

SECOND SESSION

**LEGISLATIVE BILL 1043**

Final Reading

Introduced by Langemeier, 23.

Read first time January 18, 2012

Committee: Natural Resources

A BILL

1 FOR AN ACT relating to public power districts; to amend section  
2 70-655, Reissue Revised Statutes of Nebraska; to  
3 eliminate provisions relating to contracts or agreements  
4 for discounted rates; to repeal the original section; and  
5 to declare an emergency.

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

1           Section 1. Section 70-655, Reissue Revised Statutes of  
2 Nebraska, is amended to read:

3           70-655 (1) Except as otherwise provided in this section,  
4 the board of directors of any district organized under or subject to  
5 Chapter 70, article 6, shall have the power and be required to fix,  
6 establish, and collect adequate rates, tolls, rents, and other  
7 charges for electrical energy, water service, water storage, and for  
8 any and all other commodities, including ethanol and hydrogen,  
9 services, or facilities sold, furnished, or supplied by the district,  
10 which rates, tolls, rents, and charges shall be fair, reasonable,  
11 nondiscriminatory, and so adjusted as in a fair and equitable manner  
12 to confer upon and distribute among the users and consumers of  
13 commodities and services furnished or sold by the district the  
14 benefits of a successful and profitable operation and conduct of the  
15 business of the district.

16           (2) The board of directors may negotiate, fix, establish,  
17 and collect rates, tolls, rents, and other charges for users and  
18 consumers of electrical energy and associated services or facilities  
19 different from those of other users and consumers. Any negotiated  
20 rates, tolls, rents, and other charges for a commercial or industrial  
21 customer shall be effective for no more than five years and in no  
22 case shall such rates, tolls, rents, and charges ~~be~~include a  
23 production component that is less than the incremental production  
24 cost of supplying such services if (a) such customer has entered an  
25 agreement with the state or any political subdivision to provide an

1 economic development project pursuant to state or local law and (b)  
2 such economic development project has projected new or additional  
3 electrical load requirements greater than five hundred kilowatts and  
4 a minimum annual load demand factor of sixty percent during the  
5 applicable billing period. ~~Any negotiated contract or agreement~~  
6 ~~entered into pursuant to this section shall contain a provision~~  
7 ~~stating that any general retail rate increase approved by the board~~  
8 ~~of directors shall include the parties to a contract or agreement for~~  
9 ~~a discounted rate.~~ This subsection shall also apply to any nonprofit  
10 corporation organized for the purpose of furnishing electric service  
11 pursuant to the Electric Cooperative Corporation Act or the Nebraska  
12 Nonprofit Corporation Act, any agency created pursuant to the  
13 Municipal Cooperative Financing Act, and any municipality engaged in  
14 furnishing electrical service to customers at retail or wholesale.

15 (3) In order to facilitate the merger and consolidation  
16 of districts, the board of directors of a merged or consolidated  
17 district may negotiate, fix, establish, and collect rates, tolls,  
18 rents, and other charges for consumers in the service area of one or  
19 more of the predecessor districts which are different than rates,  
20 tolls, rents, and other charges for consumers in the remaining  
21 service area of the merged or consolidated district. Any different  
22 rates, tolls, rents, and other charges pursuant to this subsection  
23 shall be effective for no more than five years after the date of  
24 merger or consolidation and shall be based on cost of service or  
25 other rate studies showing that adoption of dissimilar rates for

1 consumers in otherwise similar rate classes is needed to effectuate  
2 the merger or consolidation. This subsection shall also apply in the  
3 event of a merger or consolidation of any nonprofit corporation  
4 organized for the purpose of furnishing electric service pursuant to  
5 the Electric Cooperative Corporation Act or the Nebraska Nonprofit  
6 Corporation Act.

7           Sec. 2. Original section 70-655, Reissue Revised Statutes  
8 of Nebraska, is repealed.

9           Sec. 3. Since an emergency exists, this act takes effect  
10 when passed and approved according to law.