

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 413

Introduced by Clouse, 37.

Read first time January 17, 2025

Committee:

- 1 A BILL FOR AN ACT relating to public power districts, public irrigation
- 2 districts, and public power and irrigation districts; to amend
- 3 section 70-655, Reissue Revised Statutes of Nebraska; to change
- 4 provisions relating to the setting of rates by districts as
- 5 prescribed; and to repeal the original section.
- 6 Be it enacted by the people of the State of Nebraska,

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

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

18 (2) The board of directors may negotiate, fix, establish, and
19 collect rates, tolls, rents, and other charges for users and consumers of
20 electrical energy and associated services or facilities different from
21 those of other users and consumers. Any negotiated rates, tolls, rents,
22 and other charges for a commercial or industrial customer shall be
23 effective for no more than five years and in no case shall such rates,
24 tolls, rents, and charges include a production component that is less
25 than the incremental production cost of supplying such services if (a)
26 such customer has entered an agreement with the state or any political
27 subdivision to provide an economic development project pursuant to state
28 or local law and (b) such economic development project has projected new
29 or additional electrical load requirements greater than five hundred
30 kilowatts and a minimum annual load demand factor of sixty percent during
31 the applicable billing period. This subsection shall also apply to any

1 nonprofit corporation organized for the purpose of furnishing electric
2 service pursuant to the Electric Cooperative Corporation Act or the
3 Nebraska Nonprofit Corporation Act, any agency created pursuant to the
4 Municipal Cooperative Financing Act, and any municipality engaged in
5 furnishing electrical service to customers at retail or wholesale.

6 (3) In order to facilitate the merger and consolidation of
7 districts, the board of directors of a merged or consolidated district
8 may negotiate, fix, establish, and collect rates, tolls, rents, and other
9 charges for consumers in the service area of one or more of the
10 predecessor districts which are different than rates, tolls, rents, and
11 other charges for consumers in the remaining service area of the merged
12 or consolidated district. Any different rates, tolls, rents, and other
13 charges pursuant to this subsection shall be effective for no more than
14 five years after the date of merger or consolidation and shall be based
15 on cost of service or other rate studies showing that adoption of
16 dissimilar rates for consumers in otherwise similar rate classes is
17 needed to effectuate the merger or consolidation. This subsection shall
18 also apply in the event of a merger or consolidation of any nonprofit
19 corporation organized for the purpose of furnishing electric service
20 pursuant to the Electric Cooperative Corporation Act or the Nebraska
21 Nonprofit Corporation Act.

22 **Sec. 2.** Original section 70-655, Reissue Revised Statutes of
23 Nebraska, is repealed.