LEGISLATIVE BILL 195

Approved by the Governor April 28, 1971

Introduced by Richard F. Proud, 12th District; Calvin
        F. Carsten, 2nd District; William Skarda,
        Jr., 7th District; John S. Savage, 10th
        District; Glenn A. Goodrich, 20th District

AN ACT to establish a procedure for the acquisition of
        an electric distribution system by a city or
        village from a public power district.
Be it enacted by the people of the State of Nebraska,

        Section 1. If requested to do so at any time
hereafter by a city or village, any public power
district or public power and irrigation district, formed
after May 4, 1945, and providing electrical service at
retail to a city of the metropolitan class, owning a
distribution system in such city or village and also
owning generating plants and transmission lines or both,
shall inform the city or village of the minimum price at
which the district is permitted to sell that portion of
its distribution system within the corporate limits of
such city or village to such city or village under the
agreements of the district entered into with the holders
of obligations issued by such district. For the
purposes of this section the term obligations shall
include all bonds, notes, and other evidences of
indebtedness to the payment of which the revenue from
that portion of the distribution system such city or
village desires to acquire have been pledged. There
shall be allowed as a credit upon such minimum price a
sum that bears the same proportion thereto as the amount
of such obligations that have been paid or redeemed and
funded reserves established therefor by the district out
of the net revenue from its operation while such city or
village was within such district bears to the total
amount of such obligations issued by the district since
the date of its formation, excluding the amount of such
obligations that have been refinanced and including the
amount of the refinancing obligations. Such city or
village shall reimburse the district for any costs
necessarily paid by the district to independent
engineers to obtain the minimum price under such
agreements with the holders of the obligations of the
district. At the request of the city or village, the
district shall sell and convey that portion of the
distribution system which is within its corporate limits
to the city or village upon payment of such minimum
price, and the city or village shall contract to

continue to purchase all of its power and energy requirements from the district at least until such time as all obligations of the district outstanding on the date of such sale and conveyance shall have been fully paid and retired or reserves sufficient for the redemption thereof shall have been accumulated, but such transaction shall not be consummated nor become effective until thirty days' notice of the transaction shall have been given by the governing body by publication once each week for three successive weeks in some legal newspaper published and of general circulation in such city or village, or if no such newspaper is published therein, then by posting in five or more public places therein. If, within ninety days after the last publication of such notice or posting thereof, referendum petitions signed by qualified electors of such city or village equal in number to at least twenty per cent of the vote cast at the last general municipal election held therein shall be filed with the municipal clerk, such transaction shall not become effective until it has been approved by a vote of the electors of such municipality at any general or special municipal election. If a majority of the voters voting on the issue vote against such transaction, the transaction shall not become effective. If no such petitions are filed, the transaction shall become effective at the expiration of such ninety-day period. The power district shall charge fair, reasonable, and nondiscriminatory rates so adjusted as, in a fair and equitable manner, to confer upon and distribute among its customers the benefits of a successful and efficient operation and conduct of the business of the district.