

LEGISLATIVE BILL 243

Approved by the Governor May 25, 2001

Introduced by Schrock, 38; Bruning, 3; Hudkins, 21; Jones, 43; Kremer, 34;
Preister, 5; Stuhr, 24

AN ACT relating to public power and irrigation districts; to amend section 70-655, Reissue Revised Statutes of Nebraska; to change rate provisions for negotiated rates and for merged or consolidated districts; to repeal the original section; and to declare an emergency.

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

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

70-655. (1) Except as otherwise provided in subsection (2) of this section, the board of directors of any district organized under or subject to Chapter 70, article 6, shall have the power and be required to fix, establish, and collect adequate rates, tolls, rents, and other charges for electrical energy, water service, water storage, and for any and all other commodities, including ethanol, services, or facilities sold, furnished, or supplied by the district, which rates, tolls, rents, and charges shall be fair, reasonable, nondiscriminatory, and so adjusted as in a fair and equitable manner to confer upon and distribute among the users and consumers of commodities and services furnished or sold by the district the benefits of a successful and profitable operation and conduct of the business of the district.

(2) ~~In order to help stimulate economic development, the board of directors of a district may, but shall not be required to, negotiate, fix, establish, and collect rates, tolls, rents, and other charges different from those of other users and consumers for electrical energy and associated services or facilities. The different rates, tolls, rents, and other charges would be effective for a period not to exceed five years, for services, commodities, and facilities sold, furnished, or supplied to or for the benefit of any project approved pursuant to the Quality Jobs Act beginning operation on or after July 1, 1995, that has new or additional energy consumption with a minimum electrical demand of five thousand kilowatts during the applicable billing demand period with a minimum annual load factor of fifty-five percent. In no case shall such charges be less than the cost of supplying such services. The board of directors may negotiate, fix, establish, and collect rates, tolls, rents, and other charges for users and consumers of electrical energy and associated services or facilities different from those of other users and consumers. Any negotiated rates, tolls, rents, and other charges for a commercial or industrial customer shall be effective for no more than five years and in no case shall such rates, tolls, rents, and charges be less than the cost of supplying such services if (a) such customer has entered an agreement with the state or any political subdivision to provide an economic development project pursuant to state or local law and (b) such economic development project has projected new or additional electrical load requirements greater than five hundred kilowatts and a minimum annual load demand factor of sixty percent during the applicable billing period. Any negotiated contract or agreement entered into pursuant to this section shall contain a provision stating that any general retail rate increase approved by the board of directors shall include the parties to a contract or agreement for a discounted rate. This subsection shall also apply to any nonprofit corporation organized for the purpose of furnishing electric service pursuant to the Electric Cooperative Corporation Act or the Nebraska Nonprofit Corporation Act.~~

(3) In order to facilitate the merger and consolidation of districts, the board of directors of a merged or consolidated district may negotiate, fix, establish, and collect rates, tolls, rents, and other charges for consumers in the service area of one or more of the predecessor districts which are different than rates, tolls, rents, and other charges for consumers in the remaining service area of the merged or consolidated district. Any different rates, tolls, rents, and other charges pursuant to this subsection shall be effective for no more than five years after the date of merger or consolidation and shall be based on cost of service or other rate studies showing that adoption of dissimilar rates for consumers in otherwise similar rate classes is needed to effectuate the merger or consolidation. This subsection shall also apply in the event of a merger or consolidation of any nonprofit corporation organized for the purpose of furnishing electric service

pursuant to the Electric Cooperative Corporation Act or the Nebraska Nonprofit Corporation Act.

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

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