

LB 223, sponsored by Senator Lewis and I, relates to territorial disputes and...between power entities and also to the duties of the Power Review Board. Section 1 of the bill initially eliminates existing language relative to zoning and service areas as they apply to municipals. The existing service areas, and it makes some new changes...the existing service areas as this bill would...if this bill were enacted the existing service areas would be filed with and approved by the Power Review Board, and they will remain, shall remain and be established as certified service areas. Secondly, a municipally electric system, serving such municipal, has the right to serve after the application to and approval by the Board, newly annexed areas. The value of the electric distribution facilities and the customers of another supplier in this new area must be repaid. Acquisition and payment by the municipal must be made within one year of the annexation, or the municipal's right is waived. And thirdly, retail power suppliers with adjoining service areas are required to engage in joint planning with respect to customers, facilities and services. Section 2 eliminates language which gives municipals some preference in zoning areas, and puts in new language, which states when a supplier on the date of enactment has customers or electric distribution facilities in another supplier's certified service area, these facilities and customers may be acquired by negotiation, or by application to the Board to decide ownership. Actual acquisition may be made by mutual agreement, or subject to a decision of the Power Review Board. Section 3, some new language. Besides the Power Review Board having the authority to modify service areas upon application, the Power Review Board shall have the authority to determine the value of any transferred customers and facilities, if the two parties cannot agree. The Board shall determine a price based on, but not limited to the following criteria. The current reproduction cost...new, if the facilities are new, less depreciation of 3 percent on a straightline basis, that cannot exceed 70 percent. The second criteria is an amount equal to nonbetterment costs of constructing facilities to reintegrate the system outside the transferred area minus the portion sold, and (c) an amount equal to 2.5 times the annual revenue received in power sales from customers in the transferred area, except this will be a...there will be...this will be five times the net revenue for large commercial or industrial customers during the twelve months preceding the date of filing with the Board for service area modification. This section also instructs new language, or institutes new language. It says, after a determination is made, payment of the established price must be made with one year...within one year of the final order. And finally, no transfer of facilities and customers shall be made or