

ONE HUNDRED FOURTH LEGISLATURE - SECOND SESSION - 2016
COMMITTEE STATEMENT
LB1068

Hearing Date: Tuesday February 23, 2016
Committee On: Transportation and Telecommunications
Introducer: Haar
One Liner: Adopt the Electric Customer Protection Act and provide duties for the Public Service Commission

Roll Call Vote - Final Committee Action:
Indefinitely postponed

Vote Results:

Aye:	7	Senators Brasch, Friesen, Garrett, McCoy, Murante, Seiler, Smith
Nay:		
Absent:		
Present Not Voting:	1	Senator Davis

Verbal Testimony:

Proponents:

Ken Haar
James Cavanaugh
Catharine Carne
Nancy Meyer
Alan Meyer
Gary Aksamit
Mark Loscutoff
Janece Mollhoff
John Pollack
Tonya Ward

Representing:

Introducer
Nebraska Chapter Sierra Club
Omaha Together One Community
Self
Self
Aksamit Resource Management
Omaha Home Energy Analysis and Testing Company
Self
Self
Energy Rescue, Inc.

Opponents:

Chris Dibbern
Daniel Ortiz

Shelley Sahling-Zart
Paul Neil
Bernie Fehringer
John McClure
Tom Richards

Representing:

NMPP Energy
City of Kimball, League of Nebraska Municipalities,
Municipal Energy Agency of Nebraska
Lincoln Electric System
Dawson Public Power
Wheat Belt Public Power District
Nebraska Public Power District
Omaha Public Power District

Neutral:

Representing:

Summary of purpose and/or changes:

The bill would adopt the Electric Customer Protection Act. The bill would provide authority to the Nebraska Public Service Commission to review electric retail rate increases to avoid the imposition of unreasonable and unjust electric charges. Section 3 states that no proposed rate increase under review by the Commission shall become effective until the Commission has approved such rate.

The bill establishes the following rate review triggers. The Commission shall review a rate when:

- 1) A petition for review has been filed with the Commission by 2% or more of the affected customers of a utility; or
- 2) An electric utility increases rates by more than 2% in any consecutive 12-month period or proposes to increase any component of its rates by more than 20% in any consecutive 12-month period.

If a rate increase is no greater than the wholesale rate increase charged to the utility by a supplier who provides at least 80% of the electric utilities power supply, and the wholesale rate is subject to review under this act, the retail rate shall not be subject to review by the Commission.

The bill creates the office of customer advocate. The customer advocate shall be an attorney and has the following prescribed duties:

- 1) Investigate charges and practices of electric utilities;
- 2) Initiate or participate in any proceeding involving electric utilities;
- 3) Represent electric ratepayers before the commission;
- 4) Seek appeal of any decision or order of the Commission;
- 5) Represent the ratepayers in any negotiation involving matters before the Commission;

The Commission in the review of any rate shall determine if rates proposed by a utility are fair, reasonable and nondiscriminatory. (Section 8)

The customer advocate in the exercise of their authority to oversee rate increases shall consider all relevant factors, including, but not limited to, the provision of safe, efficient and reliable electric utility services at just and reasonable rates. (Section 11(1))

The bill provides that the cost of administration of the Electric Customer Protection Act shall be assessed by the Commission to electric utilities subject to the jurisdiction of the Act. General expenses relating to the administration of the act shall be assessed to all electric utilities subject to the jurisdiction of the Commission. Specific expenses incurred by the Commission in the conduct of any proceeding generated by an electric utility shall be assessed directly to that utility.

Jim Smith, Chairperson