

HOUSE BILL NO. HB0237

Local rate option for cooperative utilities-2.

Sponsored by: Representative(s) Petersen, Baker, Buchanan, Diercks, Hageman, Philp and Powers and Senator(s) Decaria and Geis

A BILL

for

1 AN ACT relating to public utilities; creating an exemption  
2 to public service commission retail rate regulation for  
3 cooperative electric utilities; providing procedures for  
4 exemption, rate adoption, complaints and return to  
5 commission regulation; providing a legislative declaration;  
6 and providing for an effective date.

7

8 *Be It Enacted by the Legislature of the State of Wyoming:*

9

10 **Section 1.** W.S. 37-17-101 through 37-17-106 are  
11 created to read:

12

13

CHAPTER 17

14

RATE REGULATION OF COOPERATIVE ELECTRIC UTILITIES

15

16

**37-17-101. Definitions.**

1

2 (a) As used in this chapter:

3

4 (i) "Cooperative electric utility" means any  
5 nonprofit, member-owned cooperative organized under the  
6 laws of the state of Wyoming and engaged in the business of  
7 distributing electric energy in the state of Wyoming;

8

9 (ii) "Member consumers" means cooperative  
10 electric utility owners that use and pay retail electric  
11 rates for electricity distributed by the cooperative  
12 electric utility.

13

14 **37-17-102. Retail rate regulation; exemption.**

15

16 (a) Any cooperative electric utility exempt from  
17 public service commission retail rate regulation shall  
18 remain subject to this chapter, all other provisions of  
19 Wyoming public utility law and the authority of the  
20 commission.

21

22 (b) Nothing in this chapter shall be construed to  
23 alter the certificated service territory of a cooperative  
24 electric utility.

1

2           **37-17-103. Procedures for exemption.**

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4           (a) The board of directors of any cooperative  
5 electric utility may adopt a resolution for exemption from  
6 the public service commission retail rate regulation and  
7 submit the resolution to the member consumers for a vote.  
8 The notices, meetings, election and approval provisions  
9 shall be pursuant to the terms and conditions set forth in  
10 the bylaws of the utility. Upon an affirmative vote of a  
11 majority of the members voting on the resolution, the  
12 election results shall be filed with the commission. On the  
13 date of filing, the exemption shall become effective.

14

15           (b) No cooperative electric utility may vote more  
16 than once a year on the exemption.

17

18           **37-17-104. Adoption of retail rates; notice and**  
19 **hearing; filing.**

20

21 A cooperative electric utility exempted under W.S.  
22 37-17-103 shall give notice, including procedures for  
23 member consumers to comment on proposed rates, and hearing  
24 to member consumers of any proposed retail rate adjustment.

1 The cooperative electric utility shall follow cost of  
2 service principles in setting prices and designing rates.

3 The cooperative electric utility shall adopt all necessary  
4 retail rates and file all retail rates with the public  
5 service commission.

6

7 **37-17-105. Retail rate adjustment; complaint;**  
8 **investigation; resolution.**

9

10 If within six (6) months of final implementation of a  
11 retail rate adjustment a complaint signed by not less than  
12 one percent (1%) of all the member consumers, or the  
13 greater of ten percent (10%) or three (3) members in a  
14 particular rate class, is filed with the commission, the  
15 commission shall investigate the rate adjustment, provided  
16 that the complaint was first filed with the cooperative  
17 electric utility and the complaint has not been resolved.

18 The complaint filed with the commission shall be resolved  
19 pursuant to commission hearing and enforcement procedures.

20 The commission is authorized to require the utility to  
21 revise its rates if the commission finds, after  
22 investigation, that the rates are inadequate or  
23 unremunerative, or unjust, or unreasonable, or unjustly  
24 discriminatory, or unduly preferential or otherwise in any

1 respect in violation of any provision of this chapter. The  
2 existing rates of the utility shall remain in effect while  
3 the rates are under investigation.

4

5 **37-17-106. Return to public service commission rate**  
6 **regulation.**

7

8 (a) A cooperative electric utility shall return to  
9 commission retail rate regulation upon an affirmative vote  
10 of a majority of the member consumers voting on the  
11 question submitted upon resolution of the board of  
12 directors or upon a petition signed by at least ten percent  
13 (10%) of the member consumers requesting the return to  
14 commission rate regulation. The election shall be conducted  
15 according to the provisions of W.S. 37-17-103(a).

16

17 (b) No cooperative electric utility may vote more  
18 than once a year on the question of returning to commission  
19 retail rate regulation.

20

21 **Section 2.** W.S. 37-1-101(a) (intro) is amended to read:

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23 **37-1-101. Definitions.**

24

1 (a) As used in chapters 1, 2, 3, ~~and 12~~ and 17 of  
2 this title:

3

4 **Section 3.**

5

6 The legislature hereby finds and declares that cooperative  
7 electric utilities are owned by the member consumers they  
8 serve and are regulated by the member consumers themselves,  
9 acting through an elected governing body. It is further  
10 declared that the regulation of retail electric rates by  
11 the public service commission under this title may be  
12 duplicative of the self-regulation by the utilities and may  
13 be neither necessary nor cost effective. It is therefore  
14 the purpose of this chapter to allow cooperative electric  
15 utilities to exempt themselves from regulation of retail  
16 rates by the public service commission, subject to the  
17 provisions of this chapter. It is further found that with  
18 the exception of retail rate regulation, cooperative  
19 electric utilities shall continue to be subject to all of  
20 the other terms and conditions of title 37 of the Wyoming  
21 statutes pertaining to public utilities.

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1       **Section 4.** This act is effective July 1, 2003.

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(END)