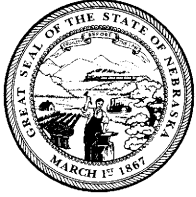


STATE OF NEBRASKA

POWER REVIEW BOARD



Pete Ricketts
Governor

March 15, 2021

Timothy J. Texel
Executive Director
and General Counsel
301 Centennial Mall South
P.O. Box 94713
Lincoln, Nebraska 68509-4713
Phone: (402) 471-2301
Fax: (402) 471-3715
www.powerreview.nebraska.gov

To All Nebraska Electric Power Suppliers
With a Retail Service Area

Dear Nebraska Power Supplier:

The Nebraska Power Review Board (the Board) is sending this letter to every electric power supplier in Nebraska with a retail service area to remind them of their obligation to engage in joint planning activities.

Based on several recent hearings, it appears to the Board that at least some power suppliers may not be coordinating with suppliers with which they share a retail service area boundary. Engaging in joint planning, although causing power suppliers to incur some additional work, can help ensure that any service area issues are resolved prior to the matter needing to be addressed at a hearing before the Board or through litigation.

The Board reminds all power suppliers that under Nebraska law it is a duty to engage in joint planning with their adjoining suppliers. Specifically, Neb. Rev. Stat. section 70-1008(3) states the following:

All retail power suppliers having adjoining service areas shall engage in joint planning with respect to customers, facilities, and services, taking into account the considerations specified in section 70-1007, including the possibility that an area may be annexed by a municipality within a reasonable period of time.

As indicated in the above statute, the duty to engage in joint planning is especially incumbent upon municipalities. Municipal systems often have exclusive knowledge regarding if and when they may annex territory. Annexations that affect territory outside a municipality's service area have a direct impact on their neighboring suppliers' service area boundaries, as well as the customers and facilities in the annexed territory. Failure of either party to meaningfully engage in joint planning can make it difficult and costly when the service area boundary is modified and customers and/or facilities must be

MEMBERS

Frank J. Reida
Omaha
Chair

Chuck Hutchison
Bellevue
Vice Chair

Dennis E. Grennan
Columbus

Elizabeth A. Loutzenhiser
Gering

Greg Moen
Norfolk

March 15, 2021

Page 2 of 2

transferred. If a municipality does not offer to engage in joint planning on a reasonable timetable, public power districts and cooperatives holding the rights to a retail service area adjoining a municipal system should initiate the request to engage in joint planning. In the hopefully rare instances when a power supplier indicates it does not wish to participate in joint planning, or fails to respond to a request, the other power supplier with adjoining service area should contact the Board so that appropriate action can be taken to ensure both systems' participation.

It is in the best interests of every retail power supplier, their customers, and the State of Nebraska for adjoining retail suppliers to meaningfully participate in joint planning activities on a regular basis. The Board realizes that some power suppliers may not expect to amend their service area boundary, and some municipalities may have no plans to annex additional territory. If so, the joint planning session between the power suppliers could be quite brief. It is better for the lines of communication to be open so both suppliers are aware of what plans may exist, or that there are no expected annexations or other changes in the foreseeable future. The Board also acknowledges that some power suppliers serve municipalities at retail, and those power suppliers must rely on the municipality to provide them with information regarding potential annexations. That might create additional challenges for the retail power supplier, but such difficulties should not prevent joint planning from occurring. Joint planning should not create a need to hire consultants or engage in extraordinary actions. It only means the two utilities need to make contact with each other regarding their plans, probably on an annual basis. It can be as formal or informal as the two utilities would like. As a general rule, Nebraska's power suppliers exemplify a spirit of cooperation and public responsibility. The Board wants to make sure that the issue of joint planning is no exception to that rule.

No response to this letter is necessary. If you have any questions, please feel free to contact me through the Board's office, or you can speak with Tim Texel, the Board's executive director and general counsel.

Sincerely,

A handwritten signature in black ink, appearing to read 'F. Reida', with a stylized flourish at the end.

Frank Reida
Board Chairman