

WORKING DRAFT

HOUSE BILL NO. _____

Local rate option for cooperative utilities.

Sponsored by: Joint Corporations, Elections and Political
Subdivisions Interim Committee

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

1 **37-17-101. Definitions.**

2

3 (a) As used in this chapter:

4

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

9

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

14

15 **37-17-102. Retail rate regulation; exemption.**

16

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

22

1 (b) Nothing in this chapter shall be construed to
2 alter the certificated service territory of a cooperative
3 electric utility.

4
5 **37-17-103. Procedures for exemption.**

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

17
18 (b) No cooperative electric utility may vote more
19 than once a year on the exemption.

20
21 **37-17-104. Adoption of retail rates; notice and**
22 **hearing; filing.**

23

1 A cooperative electric utility exempted under W.S.
2 37-17-103 shall give notice, including procedures for
3 member consumers to comment on proposed rates, and hearing
4 to member consumers of any proposed retail rate adjustment.
5 The cooperative electric utility shall follow cost of
6 service principles in setting prices and designing rates.
7 The cooperative electric utility shall adopt all necessary
8 retail rates and file all retail rates with the public
9 service commission.

10
11 **37-17-105. Retail rate adjustment; complaint;**
12 **investigation; resolution.**
13

14 If within six (6) months of final implementation of a
15 retail rate adjustment a complaint signed by not less than
16 one percent (1%) of all the member consumers, or the
17 greater of ten percent (10%) or three (3) members in a
18 particular rate class, is filed with the commission, the
19 commission shall investigate the rate adjustment, provided
20 that the complaint was first filed with the cooperative
21 electric utility and the complaint has not been resolved.
22 The complaint filed with the commission shall be resolved
23 pursuant to commission hearing and enforcement procedures.
24 The commission is authorized to require the utility to

1 revise its rates if the commission finds, after
2 investigation, that the rates are inadequate or
3 unremunerative, or unjust, or unreasonable, or unjustly
4 discriminatory, or unduly preferential or otherwise in any
5 respect in violation of any provision of this chapter. The
6 existing rates of the utility shall remain in effect while
7 the rates are under investigation.

8

9 **37-17-106. Return to public service commission rate**
10 **regulation.**

11

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

20

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

24

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

2

3 **37-1-101. Definitions.**

4

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

7

8 **Section 3.** Legislative declaration.

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

1 the other terms and conditions of title 37 of the Wyoming
2 statutes pertaining to public utilities.

3

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

5

6

(END)

DRAFT