

# **Bond Case Briefs**

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## **ANNEXATION - NEBRASKA**

### **In re City of Neligh**

**Supreme Court of Nebraska - March 30, 2018 - N.W.2d - 299 Neb. 517 - 2018 WL 1559816**

City filed application seeking to transfer two newly annexed territories from electrical service supplier to city's electrical service area and to determine the total economic impact of the transfer to the supplier.

The Power Review Board transferred the services and assessed the economic impact. Supplier appealed.

The Supreme Court of Nebraska held that Board acted in arbitrary, capricious, and unreasonable manner when it failed to award compensation for reintegration costs to supplier for lost substation circuit as result of transfer.

Power Review Board acted in arbitrary, capricious, and unreasonable manner when it failed to award compensation for reintegration costs to electrical service supplier for lost substation circuit as result of transfer of two newly annexed territories from supplier to city's electrical service area. Supplier was entitled to have its system restored to unity following the annexation, Board conflated revenue due for the load with reintegration costs when two types of compensation were distinct, and Board focused its analysis solely on preferred option for restoring unity to supplier's system without also considering alternative proposals or determining city's liability for injury caused to supplier's system.