

Question:

In III.A. Purpose and Background of the RFQ, it says, inter alia, that “No person owning stocks or bonds in a corporation subject in whole or in part to regulation by the Nebraska Public Service Commission or who has any pecuniary interest in such corporation is eligible for appointment as the Public Advocate.”

The prohibition as worded appears to not be limited to jurisdictional utilities under the State Natural Gas Regulation Act, but would also require non-ownership or divestiture of any stocks or bonds of railroads, telephone companies, motor carriers, warehouses, etc. operating in Nebraska. Is it intended to be that broad?

Whether expansive or limited, when would divestiture have to occur? Prior to submittal? Prior to appointment if selected? If the equities or debentures in the regulated company are held by a mutual fund in which one is invested, would that be considered as “owning [such] stocks or bonds”?

Response:

It is the opinion of the Commission that the prohibition upon the owning of stock or bonds of a regulated entity by the Public Advocate applies to any entity subject to regulation by the Commission, not just a jurisdictional utility.

It is the position of the Executive Director that section 66-1830 (3) requires the divestiture of any prohibited ownership interest prior to appointment of the Public Advocate, and that the ownership of a mutual fund that holds stocks or bonds of a regulated entity is not the “ownership” of stocks or bonds in a regulated utility for purposes of section 66-1830 (3).

If necessary the Executive Director will seek the guidance of the Nebraska Accountability and Disclosure Commission to resolve any specific issue of concern or question of financial conflict possessed by the individual selected to be the Public Advocate prior to their appointment.

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