

## CHAPTER 1200

## ELECTRIC UTILITY SERVICE

S. F. 1258

AN ACT relating to the establishment of electric utility service areas and to the regulation of rural electric cooperative rates by the state commerce commission.

*Be It Enacted by the General Assembly of the State of Iowa:*

1 SECTION 1. Section four hundred thirty-seven point fourteen (437.14),  
2 subsection three (3), Code 1975, is amended to read as follows:

3 3. Any electric lines and associated facilities described in this section which are  
4 included within the boundaries of a city as a result of annexation, incorporation  
5 or otherwise, shall be valued, assessed and taxed in the manner provided for  
6 valuation, assessment and taxation of transmission lines under this section ~~and~~  
7 ~~may continue service to premises of existing customers as of May 14, 1971, or to~~  
8 ~~premises of customers included by subsequent annexation or incorporation within~~  
9 ~~such area under the provisions of section 490A.23, except that such lines used to~~  
10 ~~serve the premises of such existing customers shall be exchanged or shall be~~  
11 ~~purchased at the end of six years from the date the corporate boundaries are so~~  
12 ~~extended only upon the voluntary agreement of the utilities involved and~~  
13 ~~notwithstanding section 490A.1, all rates charged by a co-operative corporation or~~  
14 ~~association to various classes of consumers within the annexed area shall be~~  
15 ~~regulated by the Iowa state commerce commission under chapter 490A. Any such~~  
16 electric lines, whether transmission or distribution lines, located within the  
17 boundaries of a city shall be listed and assessed for taxation as provided in  
18 section 437.13 and shall be subject to all ordinances of the city including the  
19 authority of any such city to impose taxes, charges or fees as provided by law.

1 SEC. 2. Section four hundred ninety A point one (490A.1), unnumbered  
2 paragraph three (3), Code 1975, is amended to read as follows:

3 Mutual telephone companies in which at least fifty percent of the users are  
4 owners, *cooperative telephone corporations or associations*, telephone companies  
5 having less than two thousand stations, municipally-owned utilities, *and*  
6 unincorporated villages which own their own distribution system; ~~and co-~~  
7 ~~operative corporations or associations~~ shall not be subject to the rate regulation  
8 provided for in this chapter; provided, however, that nothing contained in this  
9 chapter shall be construed to apply to municipally-owned water works or rural  
10 water districts incorporated and organized pursuant to chapters 357A and 504A.  
11 Telephone companies otherwise exempt from rate regulation and having  
12 telephone exchange facilities which cross state lines may elect, in writing, filed  
13 with the commission, to have their rates regulated by the commission. When such  
14 election, in writing, has been filed with the commission, the commission shall  
15 assume rate regulation jurisdiction over said companies.

1 SEC. 3. Chapter four hundred ninety A (490A), Code 1975, is amended by  
2 adding sections four (4) through eight (8) of this Act.

1 SEC. 4. NEW SECTION. **Definition.** As used in sections five (5) through eight  
2 (8) of this Act, unless the context otherwise requires, "electric utility" includes a  
3 public utility furnishing electricity as defined in section four hundred ninety A  
4 point one (490A.1) of the Code and a city utility as defined in section three  
5 hundred ninety point one (390.1) of the Code.

1 SEC. 5. NEW SECTION. **Electric service conflicts—certificates of authority.**

2 1. An electric utility shall not construct or extend facilities or furnish or offer to  
3 furnish electric service to the existing point of delivery of any customer already

4 receiving electric service from another electric utility without having first filed  
 5 with the commission the express written agreement of the electric utility presently  
 6 serving this customer, except as otherwise provided in this section. Any municipal  
 7 corporation, after being authorized by a vote of the people, or any electric utility  
 8 may file a petition with the commission requesting a certificate of authority to  
 9 furnish electric service to the existing point of delivery of any customer already  
 10 receiving electric service from another electric utility. If, after notice by the  
 11 commission to the electric utility currently serving the customer, objection to the  
 12 petition is not filed and investigation is not deemed necessary, the commission  
 13 shall issue a certificate within thirty days of the filing of the petition. When an  
 14 objection is filed, if the commission, after notice and opportunity for hearing,  
 15 determines that service to the customer by the petitioner is in the public interest,  
 16 including consideration of any unnecessary duplication of facilities, it shall grant  
 17 this certificate in whole or in part, upon such terms, conditions, and restrictions  
 18 as may be justified. Whether or not an objection is filed, any certificate issued  
 19 shall require that the petitioner pay to the electric utility presently serving the  
 20 customer, the reasonable price for facilities serving the customer. This price  
 21 determination by the commission shall include due consideration of the cost of  
 22 the facilities being acquired, any necessary generating capacity and transmission  
 23 capacity dedicated to the customer, depreciation, loss of revenue, and the cost of  
 24 facilities necessary to reintegrate the system of the utility after detaching the  
 25 portion sold.

26 2. An electric utility shall not construct or extend facilities or furnish electric  
 27 service to a prospective customer not presently being served, unless its existing  
 28 service facilities are nearer the proposed point of delivery than the service  
 29 facilities of any other utility. However, an electric utility may extend electric  
 30 service and transmission lines if the electric utility closest to the delivery point  
 31 consents to this extension in writing and a copy of the agreement is filed with the  
 32 commission or, if the commission, after notice and opportunity for hearing and  
 33 after giving due consideration to the prevention of unnecessary duplication of  
 34 facilities, finds that service from an electric utility, other than the closest utility, is  
 35 in the public interest. This subsection shall not apply if the prospective customers  
 36 are within an exclusive service area assigned to an electric utility as provided in  
 37 this Act.

38 3. Notwithstanding subsections one (1) and two (2) of this section, any electric  
 39 utility may extend electric service and transmission lines to its own utility  
 40 property and facilities.

41 4. If not inconsistent with the provisions of this Act:

42 a. All rights of municipal corporations under chapter three hundred sixty-four  
 43 (364) of the Code to grant a person a franchise to erect, maintain, and operate  
 44 plants and systems for electric light and power within the corporate boundaries,  
 45 and rights acquired by franchise or agreement shall be preserved in these  
 46 municipal corporations;

47 b. All rights of city utilities under the city code shall be preserved in these city  
 48 utilities;

49 c. All rights of city utilities and joint electric utilities under chapter three  
 50 hundred ninety (390) of the Code shall be preserved in these city utilities and  
 51 joint electric utilities; and

52 d. All rights of cities under chapter four hundred seventy-two (472) of the Code  
 53 are preserved. However, prior to the institution of condemnation proceedings, the  
 54 city shall obtain a certificate of authority from the commission in accordance  
 55 with this Act and the commission's determination of price under this Act shall be  
 56 conclusive evidence of damages in these condemnation proceedings.

1 **SEC. 6. NEW SECTION. Electric utility service area maps.**

2 1. On or before July 1, 1977, and subsequently whenever requested by the  
 3 commission, electric utilities furnishing electricity to the public for compensation

4 in this state shall file, jointly or severally, with the commission detailed maps of  
5 their service area drawn to a scale of not less than one inch per mile or drawn to  
6 a larger scale if required for clarity showing all of the following:

7 a. The locations of an electric utility's generation, franchised transmission lines,  
8 distribution lines, and related facilities as of January 1, 1976.

9 b. All state and federal highways and other public roads within the electric  
10 utility's service area.

11 c. All section lines and numbers and township and range numbers within the  
12 electric utility's service area.

13 d. The corporate boundaries of all cities within the electric utility's service area.

14 e. All lakes and rivers within the electric utility's service area.

15 f. All railroads within the electric utility's service area.

16 g. Any additional information requested by the commission.

17 2. On or before July 1, 1978, and subsequently when deemed by the  
18 commission to be necessary, the commission shall prepare or cause to have  
19 prepared a composite map of this state showing the service areas of electric  
20 utilities as submitted by the electric utilities. The form and detail of all maps shall  
21 be determined by the commission.

1 SEC. 7. NEW SECTION. **Assigned service areas—electric utilities—legislative**  
2 **policy.** It is declared to be in the public interest to encourage the development of  
3 coordinated statewide electric service at retail, to eliminate or avoid unnecessary  
4 duplication of electric utility facilities, and to promote economical, efficient, and  
5 adequate electric service to the public. In order to effect that public interest, the  
6 commission may establish service areas within which specified electric utilities  
7 shall provide electric service to customers on an exclusive basis. Except for good  
8 cause expressed through formal public statement, the commission shall establish  
9 these exclusive service areas on or before July 1, 1979. These exclusive service  
10 area boundaries shall be established by the commission upon the following basis:

11 1. The service area boundaries shall be in a line approximately equidistant  
12 between the electric distribution lines of adjacent electric utilities as they existed  
13 on January 1, 1976, and as shown by the maps filed in accordance with this Act.  
14 However, those boundaries may be modified by the commission to promote the  
15 public interest, to preserve existing service areas and electric utilities' rights to  
16 serve existing customers, and to prevent unnecessary duplication of facilities, to  
17 take account of natural and physical barriers which would make electric service  
18 beyond these barriers uneconomic and impractical and those boundaries shall be  
19 modified by the commission to take account of the contracts between electric  
20 utilities which have been approved by the commission pursuant to subsection two  
21 (2) of this section. When an electric utility's exclusive service area is established  
22 by the commission to include existing customers presently served by the facilities  
23 of another electric utility, unless a voluntary exchange of facilities is agreed upon  
24 by the electric utilities involved and approved by the commission, the commission  
25 after notice and opportunity for hearing, shall require the purchase of those  
26 facilities presently serving these customers at a reasonable price to be determined  
27 by the commission. The commission, on its own motion or at the request of an  
28 electric utility or municipal corporation, after notice and opportunity for hearing,  
29 may modify the boundaries of an electric utility exclusive service area which it  
30 has previously established if this modification, including consideration of the  
31 factors noted in this subsection, is found to be in the public interest.

32 2. Contracts between electric utilities to designate service areas and customers  
33 to be served by the electric utilities or for the exchange of customers between  
34 electric utilities, when approved by the commission, shall be valid and enforceable  
35 and shall be incorporated into the appropriate exclusive service areas established  
36 pursuant to subsection one (1) of this section. The commission shall approve a  
37 contract if it finds that the contract will eliminate or avoid unnecessary  
38 duplication of facilities, will provide adequate electric service to all areas and

39 customers affected, will promote the efficient and economical use and  
 40 development of the electric systems of the contracting electric utilities, and is in  
 41 the public interest.

1     **SEC. 8. NEW SECTION. Effect of incorporation, annexation or consolidation.**  
 2     The inclusion by incorporation, consolidation, or annexation of any facilities or  
 3     service area of an electric utility within the boundaries of any city shall not by  
 4     such inclusion impair or affect in any respect the rights of the electric utility to  
 5     continue to provide electric utility service and to extend electric service to  
 6     prospective customers in accordance with the provisions of this Act.

1     **SEC. 9.** Section four hundred ninety A point twenty-three (490A.23), as  
 2     amended by Acts of the Sixty-sixth General Assembly, 1975 Session, chapter  
 3     sixty-seven (67), section forty-four (44), and section four hundred ninety A point  
 4     twenty-four (490A.24), Code 1975, are repealed.

Approved May 20, 1976

## CHAPTER 1201

### DEPUTY ASSESSORS CERTIFICATION

S. F. 1063

AN ACT relating to the certification of deputy assessors.

*Be It Enacted by the General Assembly of the State of Iowa:*

1     **SECTION 1.** Acts of the Sixty-fifth General Assembly, 1974 Session, chapter  
 2     one thousand two hundred thirty (1230), section seven (7), amending section four  
 3     hundred forty-one point eleven (441.11), Code 1973, is amended to read as  
 4     follows:

5     **Sec. 7.** Section four hundred forty-one point eleven (441.11), Code 1973, is  
 6     amended by striking the section and inserting in lieu thereof the following:

7     **441.11 Incumbent assessors and deputies.** The director of revenue shall grant  
 8     a restricted certificate to any city or county assessor *or deputy assessor* holding  
 9     office as of January 1, 1976. An assessor possessing such a certificate shall be  
 10    considered eligible to remain in his or her present position and to be reappointed  
 11    to that position as provided in section four hundred forty-one point eight (441.8)  
 12    *and four hundred forty-one point ten (441.10)* of the Code. *A deputy assessor*  
 13    *possessing such a certificate shall be considered eligible to remain in his or her present*  
 14    *position.* To become eligible for another assessor *or deputy assessor* position,  
 15    however, an assessor *or deputy assessor* presently holding office is required to  
 16    obtain certification as provided for in section four hundred forty-one point five  
 17    (441.5) of the Code.

1     **SEC. 2.** This Act, being deemed of immediate importance, shall take effect  
 2     and be in force from and after its publication in The Union, a newspaper  
 3     published in West Union, Iowa, and in the Hampton Chronicle, a newspaper  
 4     published in Hampton, Iowa.

Approved March 1, 1976

Pursuant to the authority vested in the undersigned, Secretary of State of Iowa, under the provisions of Section 3.9 Code of Iowa, 1975, there being no newspaper by the name of The Union, published in West Union, Iowa, I hereby designate The Fayette County Union, published in West Union, Iowa, to publish the foregoing Act, Senate File 1063.

MELVIN D. SYNHORST, *Secretary of State*