

SENATE FILE 2043
BY PRIEBE and SCOTT

FILED JAN 10 1990

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act regulating the sale of liquefied petroleum gas, and making
2 penalties applicable.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25

S.F. 2043

1 Section 1. Section 476.1, subsection 1, Code 1989, is
2 amended to read as follows:

3 1. Furnishing liquefied petroleum gas, gas by piped
4 distribution system, or electricity to the public for
5 compensation. As used in this subsection "liquefied petroleum
6 gas" means material used for fuel composed of the following
7 hydrocarbons or the following mixture of hydrocarbons:
8 propane, propylene, normal butanes, isobutanes, or butylenes.

9 EXPLANATION

10 This bill provides that a person furnishing liquefied
11 petroleum gas to the public for compensation is a public
12 utility for purposes of chapter 476, therefore subjecting such
13 persons to regulation by the utilities division of the
14 department of commerce. Special regulations for gas public
15 utilities having less than two thousand customers are cur-
16 rently provided under section 476.1C and would apply to
17 liquefied petroleum gas sales under the bill. Section 476.1C
18 requires notice to customers of proposed increased rates,
19 charges, schedules, or regulations. Customers have a right to
20 petition the utilities board, and the board is authorized to
21 make a determination of just and reasonable rates. A civil
22 penalty is made applicable to persons violating the provisions
23 of the bill.

24
25
26
27
28
29
30
31
32
33
34
35

SENATE FILE 2043
FISCAL NOTE

A fiscal note for Senate File 2043 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

Senate File 2043 provides that a person furnishing liquefied petroleum gas to the public for compensation is a public utility for purposes of Chapter 476, therefore subjecting such persons to regulation by the Utilities Division of the Department of Commerce. Special regulations for gas public utilities having less than two thousand customers are currently provided under Section 476.1C and would apply to liquefied petroleum gas sales under the bill. However, smaller utility companies would be rate-regulated if 100 customers petition for regulation. A civil penalty would apply to persons violating the provisions of the bill.

ASSUMPTIONS: There are approximately 460 LP dealers in Iowa. Most of these will have fewer than 2,000 customers and therefore fall within the regulatory exemption of 476.1(c). Only about 5 are large enough to be rate-regulated. However, smaller utilities would be rate-regulated if 100 customers petition for regulation.

FISCAL IMPACT: This bill will would not have a direct General Fund impact. However, it would require an additional 4 FTE positions and \$155,066 in salaries and support to be paid from the Utilities Division Revolving Fund for FY 1991. The FY 1992 cost for salaries and support would be \$125,066. The Utilities Division would recoup these costs by billing the persons or companies being regulated.

Source: (Department of Commerce,
Utilities Division)

(LSB 7688s, MAS)

FILED FEBRUARY 20, 1990

BY DENNIS PROUTY, FISCAL DIRECTOR