

476.23 Electric service conflicts — certificates of authority.

1. An electric utility shall not construct or extend facilities or furnish or offer to furnish electric service to the existing point of delivery of any customer already receiving electric service from another electric utility without having first filed with the commission the express written agreement of the electric utility presently serving this customer, except as otherwise provided in [this section](#). Any municipal corporation, after being authorized by a vote of the people, or any electric utility may file a petition with the commission requesting a certificate of authority to furnish electric service to the existing point of delivery of any customer already receiving electric service from another electric utility. If, after notice by the commission to the electric utility currently serving the customer, objection to the petition is not filed and investigation is not deemed necessary, the commission shall issue a certificate within thirty days of the filing of the petition. When an objection is filed, if the commission, after notice and opportunity for hearing, determines that service to the customer by the petitioner is in the public interest, including consideration of any unnecessary duplication of facilities, it shall grant this certificate in whole or in part, upon such terms, conditions, and restrictions as may be justified. Whether or not an objection is filed, any certificate issued shall require that the petitioner pay to the electric utility presently serving the customer, the reasonable price for facilities serving the customer. This price determination by the commission shall include due consideration of the cost of the facilities being acquired; any necessary generating capacity and transmission capacity dedicated to the customer, including, but not limited to, electric power generating facilities and alternate energy production facilities not yet in service but for which the commission has issued an order pursuant to [section 476.53](#), and electric power generating facility emissions plan budgets approved by the commission pursuant to [section 476.6, subsection 19](#); depreciation; loss of revenue; and the cost of facilities necessary to reintegrate the system of the utility after detaching the portion sold.

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

3. Notwithstanding [subsections 1 and 2 of this section](#), any electric utility may extend electric service and transmission lines to its own utility property and facilities.

4. If not inconsistent with the provisions of [this subchapter](#), all of the following apply:

a. All rights of municipal corporations under [chapter 364](#) to grant a person a franchise to erect, maintain, and operate plants and systems for electric light and power within the corporate boundaries, and rights acquired by franchise or agreement shall be preserved in these municipal corporations.

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

c. All rights of city utilities and joint electric utilities under [chapter 390](#) shall be preserved in these city utilities and joint electric utilities.

d. All rights of cities under [chapter 6B](#) are preserved. However, prior to the institution of condemnation proceedings, the city shall obtain a certificate of authority from the commission in accordance with [this subchapter](#) and the commission's determination of price under [this subchapter](#) shall be conclusive evidence of damages in these condemnation proceedings.

[C66, 71, 73, 75, §490A.23, 490A.24; C77, 79, 81, §476.23]

2003 Acts, ch 29, §1, 6; 2014 Acts, ch 1026, §143; 2022 Acts, ch 1032, §73; 2024 Acts, ch 1170, §369

Referred to in [§437A.3](#), [476.1A](#), [476.1B](#)