

January 15, 1963.

Senate File 11

Passed on File.

*Public Utilities 1/5  
Page 1-30*

By TURNER, CURRAN, DYKHOUSE, ELTHON,  
FLATT, LONG, NOLAN, O'MALLEY, SCHROEDER,  
SCOTT, SHAFF, SHOEMAN, VAN EATON and WILEY.

Passed Senate, Date *2-7-63*

Passed House, Date *4-2-63*

Vote: Ayes *26* Nays *20*

Vote: Ayes *101* Nays *6*

Approved *H-79-63*

*Constitutional Amend  
without Recommendation  
3/13  
Reconsidered vote passed  
by House 4/2  
Laid on table 24/3  
ayes 82  
nays 9*

A BILL FOR

An Act to authorize the Iowa state commerce commission to regulate the rates and services of public utilities, to define public utilities to include those engaged in the furnishing of electricity, gas, water or communications services to the public for compensation, and to provide for appeals from orders and decisions of the Iowa state commerce commission.

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

- 1 Section 1. The Iowa state commerce commission shall have the
- 2 power to regulate the rates and services of public utilities to
- 3 the extent and in the manner hereinafter provided.
- 4 As used in this Act, "public utility" shall include any
- 5 person, partnership, business association, or corporation,
- 6 domestic or foreign, owning or operating any facilities for:
  - 7 1. Furnishing gas by piped distribution system or electricity
  - 8 to the public for compensation.
  - 9 2. Furnishing communications services to the public for
  - 10 compensation.
  - 11 3. Furnishing water by piped distribution system to the
  - 12 public for compensation.
- 13 Mutual telephone companies in which at least fifty percent
- 14 (50%) of the users are owners, telephone companies having less
- 15 than two thousand (2,000) stations, municipally-owned utilities,
- 16 and cooperative corporations or associations shall not be
- 17 subject to the rate regulation provided for in this Act;

18 provided, however, that nothing contained in this Act shall be  
19 construed to apply to municipally-owned water works.

1     Sec. 2. The commission shall have authority to issue  
2 subpoenas and to pay the same fees and mileage as are payable to  
3 witnesses in the courts of record of general jurisdiction and  
4 shall establish all needful, just and reasonable rules and  
5 regulations, not inconsistent with law, to govern the exercise  
6 of its powers and duties, the practice and procedure before it,  
7 who may be a party, and to govern the form, contents and filing  
8 of reports, documents and other papers provided for in this Act  
9 or in the commission's rules and regulations. In the  
10 establishment, amendment, alteration or repeal of any of such  
11 rules and regulations, the commission shall be subject to the  
12 provisions of chapter seventeen A (17A), Code 1962.

13     The commission shall employ at rates of compensation consistent  
14 with current standards in industry such professionally trained  
15 engineers, accountants, attorneys, and skilled examiners and  
16 inspectors, secretaries, clerks, and other employees as it may  
17 find necessary for the full and efficient discharge of its duties  
18 and responsibilities as required by this Act.

1     Sec. 3. Every public utility shall furnish reasonably  
2 adequate service at rates and charges in accordance with tariffs  
3 filed with the commission. Whenever there is filed by the  
4 commission by any person or body politic, or filed by the  
5 commission upon its own motion, a written petition complaining of  
6 anything done or omitted to be done by any public utility subject  
7 to this Act, in contravention of the provisions thereof, such  
8 written complaint thus made shall be forwarded by the commission  
9 to such public utility, who shall be called upon to satisfy the

10 complaint or to answer the same in writing within a reasonable  
11 time to be specified by the commission. If such public utility  
12 shall not satisfy the complaint within the time specified or  
13 there shall appear to be any reasonable ground for investigating  
14 said complaint, it shall be the duty of the commission to  
15 investigate the matter complained of in such manner and by such  
16 means as it shall deem proper. Nothing contained in this section  
17 shall be construed to require the approval of the commission for  
18 the establishment and erection of a municipally-owned utility or  
19 the improvement or extension of any existing municipally-owned  
20 utility.

1     Sec. 4. Every public utility shall file with the commission  
2 tariffs showing the rates and charges for its public utility  
3 services and the rules and regulations under which such services  
4 were furnished immediately prior to the effective date of this  
5 Act, which rates and charges shall be subject to investigation by  
6 the commission as provided in section three (3) hereof, and upon  
7 such investigation the burden of establishing the reasonableness  
8 of such rates and charges shall be upon the public utility  
9 filing the same. These filings shall be made under such rules as  
10 the commission may prescribe within such time and in such form as  
11 the commission may designate. In prescribing rules and  
12 regulations with respect to the form of tariffs, the commission  
13 shall, in the case of public utilities subject to regulation by  
14 any federal agency, give due regard to any corresponding rules  
15 and regulations of such federal agency, to the end that  
16 unnecessary duplication of effort and expense may be avoided so  
17 far as reasonably possible. Each public utility shall keep  
18 copies of its tariffs open to public inspection under such rules

19 as the commission may prescribe.

20 Every rate, charge, rule and regulation contained in any  
21 filing made with the commission on or prior to the effective  
22 date of this Act shall be effective as of such effective date,  
23 subject, however, to investigation as herein provided. If any  
24 such filing is made prior to the time the commission prescribes  
25 rules as aforesaid, and if such filing does not comply as to form  
26 or substance with such rules, then the public utility which filed  
27 the same shall within a reasonable time after the adoption of  
28 such rules make a new filing or filings complying with such  
29 rules, which new filing or filings shall be deemed effective as  
30 of the effective date of this Act.

1 Sec. 5. No public utility subject to rate regulation shall  
2 directly or indirectly charge a greater or less compensation for  
3 its services than that prescribed in its tariffs, and no such  
4 public utility shall make or grant any unreasonable preferences  
5 or advantages as to rates or services to any person or subject  
6 any person to any unreasonable prejudice or disadvantage.

7 Nothing in this section shall be construed to prohibit any  
8 public utility furnishing communications services from providing  
9 any service rendered by it without charge or at reduced rate to  
10 any of its active or retired officers, directors, or employees,  
11 or such officers, directors or employees of other public  
12 utilities furnishing communications services.

1 Sec. 6. No public utility subject to rate regulation shall  
2 make effective any new or changed rate, charge, schedule or  
3 regulation except by filing the same with the commission at least  
4 thirty (30) days prior to the effective date thereof. The  
5 commission, for good cause shown, may allow changes in rates,

6 charges, schedules or regulations to become effective on less  
7 than thirty (30) days' notice.

8 Nothing in this Act shall be taken to prohibit a public utility  
9 from establishing a sliding scale of rates and charges or from  
10 making provision for the automatic adjustment of rates and  
11 charges for public utility service provided that a schedule  
12 showing such sliding scale or automatic adjustment of rates and  
13 charges is first filed with the commission.

14 Whenever there is filed with the commission by any public  
15 utility subject to rate regulation any new or changed rates,  
16 charges, schedules or regulations, the commission may, prior to  
17 the effective date thereof, docket the case as a formal  
18 proceeding and set the case for hearing. The commission shall  
19 give such notice of such formal proceedings as it deems  
20 appropriate.

21 After the initiation of such formal proceedings and pending  
22 the final decision thereon, the commission may, at any time  
23 before they become effective, suspend the operation of such new  
24 or changed rates, charges, schedules or regulations, but not for  
25 a period longer than twelve (12) months from the date when they  
26 would have become effective if not suspended.

27 However, a public utility shall have the right at any time  
28 after said rates, charges, schedules or regulations have been  
29 suspended for ninety (90) days to place in effect any or all of  
30 such suspended rates, charges, schedules or regulations by filing  
31 with the commission a bond or other undertaking approved by the  
32 commission conditioned upon the refund in a manner to be  
33 prescribed by the commission of any amounts collected thereunder  
34 in excess of the amounts which would have been collected under

35 rates, charges, schedules or regulations finally approved by the  
36 commission.

37 If the proceeding is not finally disposed of by decision and  
38 order of the commission by the end of one (1) year from the time  
39 when the rates, charges, schedules or regulations would have  
40 become effective if they had not been suspended, the new or  
41 changed rates, charges, schedules or regulations shall be deemed  
42 to have been approved by the commission and all obligations of  
43 the public utility under bond or other undertaking shall cease.

44 If, after hearing and decision on all issues presented for  
45 determination in such rate proceeding, the commission shall find  
46 the rates, charges, schedules or regulations of the utility to be  
47 unlawful, the same shall be set aside and the commission shall by  
48 order authorize and direct the utility to file rates, charges,  
49 schedules or regulations which, when approved by the commission  
50 and placed in effect, will satisfy the requirements of this Act.  
51 The rates, charges, schedules or regulations so approved shall  
52 be lawful and effective unless changed as herein provided. In  
53 the event a petition for rehearing is filed or an appeal is taken  
54 from an order concerning rates, charges, schedules or regulations  
55 which are in effect under bond, those rates, charges, schedules  
56 or regulations may be continued in effect by the utility under  
57 the terms of a bond or other undertaking pending final  
58 determination of the application for rehearing or appeal from an  
59 order of the commission.

1 Sec. 7. If there shall be filed with the commission by any  
2 public utility an application requesting the commission to  
3 determine the reasonableness of the utility's rates, charges,  
4 schedules, service or regulations, the commission shall promptly

5 initiate a formal proceeding. Such a formal proceeding may be  
6 initiated at any time by the commission on its own motion.  
7 Whenever such a proceeding has been initiated upon application or  
8 motion, the commission shall set the case for hearing and give  
9 such notice thereof as it deems appropriate. Whenever the  
10 commission, after a hearing had after reasonable notice, finds  
11 any public utility's rates, charges, schedules, service or  
12 regulations are unjust, unreasonable, insufficient,  
13 discriminatory or otherwise in violation of any provision of law,  
14 the commission shall determine just, reasonable, sufficient and  
15 non-discriminatory rates, charges, schedules, service or  
16 regulations to be thereafter observed and enforced.

1 Sec. 8. All rates for public utility services shall be just  
2 and reasonable. In carrying out its authority and obligations  
3 under this Act to determine just and reasonable rates, the  
4 commission shall give due consideration to the public need for  
5 adequate, efficient and reasonable service and to the need of the  
6 public utility for revenues sufficient to enable it to meet all  
7 current costs and expenses of furnishing such service. The rates  
8 prescribed by the commission for any public utility shall provide  
9 a fair return upon the fair value of the utility's property  
10 actually used and useful for the convenience of the public.

1 Sec. 9. The commission shall prescribe a system of accounts to  
2 be kept by the public utilities subject to its rate jurisdiction,  
3 and shall prescribe the manner in which such accounts shall be  
4 kept; provided, however, that if a public utility is required to  
5 establish an accounting system by an appropriate federal  
6 regulatory agency, that system of accounting shall be accepted by  
7 the commission for that utility.

1     Sec. 10. Whenever the commission shall deem it necessary in  
2     order to carry out the duties imposed upon it by this Act for the  
3     purpose of determining rate matters to investigate the books,  
4     accounts, practices, and activities of, or make appraisals of the  
5     property of any public utility, or to render any engineering or  
6     accounting services to any public utility, such public utility  
7     shall pay the expense reasonably attributable to such  
8     investigation, appraisal, or service by the commission's regular  
9     and full-time employees. The commission shall ascertain such  
10    expenses, and shall render a bill therefor, by certified mail,  
11    to the public utility, either at the conclusion of the  
12    investigation, appraisal, or services, or from time to time  
13    during its progress, which bill shall constitute notice of said  
14    assessment and demand payment thereof. The total amount of such  
15    expense in any one calendar year, for which any public utility  
16    shall become liable, shall not exceed two-tenths of one percent  
17    of its gross operating revenues derived from intrastate public  
18    utility operations in the last preceding calendar year.

19    Immediately after the effective date of this Act, the  
20    commission shall assess to all public utilities subject to the  
21    provisions of this Act in proportion to their respective gross  
22    operating revenues derived from intrastate public utility  
23    operations during the preceding calendar year, the sum of  
24    three hundred thousand dollars (\$300,000). Thereafter the  
25    commission shall annually, within ninety (90) days after the  
26    close of each fiscal year, ascertain the total of its  
27    expenditures during each year, excluding the total sum necessary  
28    to pay the salaries of the commissioners but including all other  
29    expenses which are reasonably attributable to the performance of

30 its duties under this Act and shall deduct therefrom all amounts  
31 chargeable directly to any specific utility under any law. The  
32 remainder shall be assessed by the commission to the several  
33 public utilities in proportion to their respective gross  
34 operating revenues during the last calendar year derived from  
35 intrastate public utility operations. The total amount which may  
36 be assessed to the public utilities under authority of this  
37 paragraph shall not exceed one-tenth of one percent of the total  
38 gross operating revenues of such public utilities during such  
39 calendar year derived from intrastate public utility operations  
40 and in no event shall the aggregate general assessment exceed  
41 three hundred thousand dollars (\$300,000) per calendar year.

42 Each utility shall pay the commission the amount assessed  
43 against it within thirty (30) days from the time the commission  
44 mails notice to it of the amount due unless it shall file with  
45 the commission objections in writing setting out the grounds  
46 upon which it claims that such assessment is excessive,  
47 erroneous, unlawful, or invalid. Upon the filing of such  
48 objections the commission shall set the matter down for hearing  
49 and issue its order in accordance with its findings in such  
50 proceedings, which order shall be subject to review in the manner  
51 provided in this Act. All amounts collected by the commission  
52 pursuant to the provisions of this section shall be deposited  
53 with the state treasurer and credited to the general fund of the  
54 state.

1 Sec. 11. Whenever toll connection between the lines or  
2 facilities of two or more telephone companies has been made, or  
3 is demanded under the statutes of this state and the companies  
4 concerned cannot agree as to the terms and procedures under which

5 toll communications shall be interchanged, the commission upon  
6 complaint in writing, after hearing had upon reasonable notice,  
7 shall determine such terms and procedures.

1 Sec. 12. Any party, as defined in the rules and regulations  
2 promulgated by the commission as provided in section two (2)  
3 hereof, to a proceeding before the commission may within twenty  
4 (20) days after the entry of the order apply for a rehearing.  
5 The commission shall either grant or refuse an application for  
6 rehearing within twenty (20) days after the filing of the  
7 application, or may after giving the interested parties notice  
8 and opportunity to be heard and after consideration of all the  
9 facts, including those arising since the making of the order,  
10 abrogate or modify its order. A failure by the commission to act  
11 upon such application for rehearing within the above period shall  
12 be deemed a refusal thereof. Neither the filing of an  
13 application for rehearing nor the granting thereof shall stay the  
14 effectiveness of an order unless the commission so directs.

1 Sec. 13. Any party to any proceeding before the commission who  
2 is aggrieved by an order therein may take an appeal by serving a  
3 notice of appeal upon the adverse party or parties and the  
4 commission and by filing said notice of appeal with the clerk of  
5 the district court of any county wherein the order of the  
6 commission or some part thereof is to take effect.

1 Sec. 14. If an application for rehearing has been filed, the  
2 appeal must be filed within thirty (30) days after the  
3 application for rehearing has been refused or deemed refused  
4 because of the commission's failure to act thereon within the  
5 time hereinbefore specified. If an application for rehearing has  
6 not been filed, an appeal must be filed within thirty (30) days

7 after the entry of the commission's order. If an application for  
8 rehearing is granted, an appeal must be filed within thirty (30)  
9 days after the entry of the commission's final order on  
10 rehearing.

1 Sec. 15. Upon appeal being taken, the secretary of the  
2 commission shall immediately make and certify to the district  
3 court a transcript of all papers, records and proceedings in  
4 connection with the matter including (unless there is a  
5 stipulation to the contrary) a transcript of all testimony, all  
6 exhibits or copies thereof, all pleadings, all orders, findings  
7 and opinions entered in the case.

1 Sec. 16. No new or additional evidence shall be introduced  
2 in the district court, but the case shall be determined by the  
3 court without a jury upon the record and evidence transferred;  
4 provided, however, that if any party shall apply to the court  
5 for leave to adduce additional evidence and shall show to the  
6 satisfaction of the court that such evidence is material and  
7 competent and that it could not have been offered before the  
8 commission or that such party was by the commission denied an  
9 opportunity to adduce it, the court shall order such evidence to  
10 be taken before the commission forthwith and shall stay further  
11 proceedings in the appeal pending return to the court of a record  
12 of such evidence.

1 Sec. 17. The court may dismiss the appeal, modify or vacate  
2 the order complained of in whole or in part, or remand the matter  
3 to the commission for such further proceedings as justice may  
4 require. The court shall have jurisdiction to compel commission  
5 action unlawfully withheld or unreasonably delayed and the court  
6 shall have the power to set aside the commission action,

7 findings and conclusions found to be:

8 1. Arbitrary, capricious, an abuse of discretion, or  
9 otherwise not in accordance with law.

10 2. Contrary to constitutional right, power, privilege or  
11 immunity.

12 3. In excess of statutory jurisdiction, authority, or  
13 limitations, or short of statutory right.

14 4. Contrary to the evidence in the record.

1 Sec. 18. During the pendency of an appeal the district court  
2 or supreme court may grant affirmative relief in whole or in  
3 part under bond or other undertaking and pending appeal on such  
4 terms as the court deems just, and in accordance with the  
5 practice of courts administering equity jurisprudence.

1 Sec. 19. Any party may secure a review of any final judgment  
2 of the district court by appeal to the supreme court. Such  
3 appeal shall be taken in the manner provided by law governing  
4 appeals from the district court in other civil cases.

1 Sec. 20. Whenever the commission shall be of the opinion that  
2 any public utility or any other person in violating this Act or  
3 any order of the commission, the commission may commence an  
4 action in the district court for the county in which such  
5 violation is alleged to have occurred, to have such violation  
6 stopped and prevented by injunction, mandamus or other  
7 appropriate remedy.

1 Sec. 21. The jurisdiction and powers of the commission shall  
2 extend as hereinbefore provided to the utility business of public  
3 utilities operating within this state to the full extent  
4 permitted by the constitution and laws of the United States.

1 Sec. 22. The Iowa state commerce commission shall include in

2 its annual report required under sections seventeen point one  
3 (17.1) and seventeen point ten (17.10), Code 1962, among other  
4 matters, to the extent such regulation is conferred upon the  
5 commission by this Act, the following:

6 1. A complete financial report of receipts and expenditures,  
7 including list of public utilities and separately the amount of  
8 total fees and assessments paid by each.

9 2. A list of the applications, subject and disposition of  
10 each docket number under this Act, including commission fees for  
11 such docket assessed by the commission.

1 23. The application of section three hundred ninety-  
2 seven point twenty-eight (397.28), Code 1962, to public  
3 utilities, as defined in this Act, with respect to the regulating  
4 of rates and services of such public utilities to the extent such  
5 jurisdiction and powers are conferred upon the commission in this  
6 Act is hereby repealed. All rights of municipal corporations to  
7 franchise and regulate use of streets, alleys and other public  
8 property, and all rights acquired by franchise or agreement shall  
9 be preserved in such municipalities, excepting only the duties  
10 and jurisdiction conferred upon the commission in this Act. All  
11 other laws and parts of laws inconsistent with this Act are  
12 hereby repealed.

1 24. Nothing herein contained shall be construed to  
2 invalidate any proceedings under statutes existing prior to the  
3 enactment of this Act; nor shall any action, litigation or appeal  
4 pending prior to the effective date of rate regulation of this  
Act be affected hereby.

SENATE FILE 11

1 Amend Senate File 11 as follows:  
2 1. By adding the following to section 2:  
3 "The commission is hereby authorized and empowered to intervene  
4 in any proceedings before the Federal Power Commission or any  
5 other federal or state body when it finds that any decision of  
6 such tribunal would adversely affect the costs of any public  
7 utility service within the state of Iowa."

Filed - *Adopted 2-7*  
February 4, 1963.

By NOLAN.

1 Amend Senate File 11 by adding the following as a new section:  
2 Sec. 25. Section four hundred seventy-four point one (474.1), Code  
3 1962, is hereby repealed and the following is substituted in lieu  
4 thereof: "No person in the employ of any common carrier or other  
5 public utility, or owning any bonds, stock, or property in any  
6 railroad company or other public utility shall be eligible to the  
7 office of Iowa state commerce commissioner or secretary of the  
8 commission; and the entering into the employ of any common carrier  
9 or other public utility or the acquiring of any stock or other  
10 interest in any common carrier or other public utility by such  
11 commissioner or secretary after his appointment shall disqualify  
12 him to hold the office or perform the duties thereof."

Filed - *Adopted 2-7*  
February 5, 1963.

By SHAFF.

1 Amend Senate File 11 by repealing section 8 and inserting  
2 in lieu thereof the following:  
3 Sec. 8. Utility charges and service. Every public  
4 utility is required to furnish reasonably adequate service  
5 and facilities. The charge made by any public utility for any  
6 heat, light, water or power produced, transmitted, delivered or  
7 furnished or any telephone message conveyed or for any service  
8 rendered or to be rendered in connection therewith shall be  
9 reasonable and just, and every unjust or unreasonable charge  
10 for such service is prohibited and declared unlawful. In  
11 determining reasonable and just rates, the commission shall  
12 consider all factors relating to value and shall not be bound by  
13 rate base decisions or rulings made prior to the adoption of this  
14 Act.

Filed - *Adopted 2-7*  
February 5, 1963.

By SHAFF.

1 Senate File 11 is amended by striking section 9  
2 and inserting in lieu thereof the following:  
3 Sec. 9.  
4 1. Every public utility shall keep and render to the  
5 commission in the manner and form prescribed by the commission  
6 uniform accounts of all business transacted.  
7 2. Every public utility engaged directly or indirectly in  
8 any other business than that of the production, transmission or  
9 furnishing of heat, light, water or power or the conveyance of  
10 telephone messages shall, if required by the commission, keep and  
11 render separately to the commission in like manner and form the  
12 accounts of all such other business, in which case all the  
13 provisions of this chapter shall apply to the books, accounts,  
14 papers and records of such other business.  
15 3. Every public utility is required to keep and render its  
16 books, accounts, papers and records accurately and faithfully in  
17 the manner and form prescribed by the commission, and to comply  
18 with all directions of the commission relating to such books,  
19 accounts, papers and records.  
20 4. The commission shall consult with other state and federal  
21 regulatory bodies for the purpose of eliminating accounting  
22 discrepancies with regard to the keeping of public utility accounts  
23 before prescribing any system of accounts to be kept by the public  
24 utility.

Filed - *Adopted 2-7*  
February 5, 1963.

By SHAFF.

- 1 Amend Senate File 11, section 10 by inserting a
- 2 period (.) after the word "service" in line 8
- 3 and striking the remainder of the sentence.

Filed and adopted  
February 7, 1963.

By SHAFF.

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- 1 Amend Senate File 11 by deleting lines 37 through
  - 2 43 in section 6.

Filed and adopted  
February 7, 1963.

By FULTON.

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- 1 Amend Senate File 11 as follows:
  - 2 Amend section 7, line 2, by inserting after the word
  - 3 "utility", the words "person or body politic".

Filed and adopted  
February 7, 1963.

By COLEMAN.

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- 1 Amend Senate File 11, section 20, line 2, by striking the word
  - 2 "in" and inserting in lieu thereof the word "is".

Filed and adopted  
February 7, 1963.

By RIGLER.

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- 1 Amend Senate File 11 as follows:
  - 2 Amend the Nolan amendment to senate file 11 filed February 5,
  - 3 1963, by striking the word and figure "four (4)" in line 14 and
  - 4 inserting in lieu thereof the word and figure "ten (10)".

Filed and lost  
February 7, 1963.

By ELIJAH.

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- 1 Amend the Shaff amendment to Senate File 11, section 8, filed
  - 2 February 6, 1963, by striking all of said amendment after the word
  - 3 "value" in line 12 and inserting in lieu thereof a period (.)

Filed and lost  
February 7, 1963.

By TURNER.

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- 1 Amend the Shaff amendment to Senate File 11, section 8, filed
  - 2 February 5, 1963, as follows:
  - 3 Strike everything after the period (.) in line 5 and
  - 4 insert in lieu thereof the following:
  - 5 "The value of the property of a public utility, as deter-
  - 6 mined by the commission for rate making purposes, shall be the
  - 7 money honestly and prudently invested therein by the utility less
  - 8 accrued depreciation. Such property shall be that actually used
  - 9 and useful for the convenience of the public. The value of
  - 10 public utility property for rate making purposes shall not
  - 11 include or be affected by good will value; going concern value;
  - 12 or franchise value in excess of payments made therefor. The
  - 13 commission in determining the rates to be charged by any utility
  - 14 under its jurisdiction shall ascertain whether an advanced or
  - 15 fictitious cost price, or a price in excess of the fair market
  - 16 value of any commodity, machinery, equipment, material, or
  - 17 service has been paid or is being paid, or charged, by said
  - 18 public utility. If it shall appear that any such fictitious or
  - 19 advanced price has been or is being paid or charged, the commis-
  - 20 sion shall fix and allow as a part of the valuation or rate basis
  - 21 only the reasonable and fair market price of such items, at the
  - 22 time of purchase, eliminating all such fictitious or excessive
  - 23 prices or values."

Filed and lost  
February 7, 1963.

By HILL.

1 Amend Senate File 11 as follows:  
2 1. Amend section 23 by striking lines 10 through 12 thereof  
3 and inserting in lieu thereof the following: "and jurisdiction  
4 conferred upon the commission in this Act. Whenever the corpo-  
5 rate boundaries of any city or town are extended utility ser-  
6 vice, as defined in section 1 hereof, shall be provided in such  
7 extended area by the public utility or the municipally owned  
8 utility serving such city or town immediately prior to the ex-  
9 tension of such boundaries. In the event service is provided  
10 in such extended area, at the time of the extension of the cor-  
11 porate boundaries, by a public utility which does not have a  
12 municipal franchise for such city or town, the facilities lo-  
13 cated within such extended area shall be purchased within  
14 four (4) years from the date the corporate boundaries shall  
15 have been extended by the franchised public utility of such  
16 city or town or by the municipal utility serving such city or  
17 town and the municipal franchised public utility or munici-  
18 pally owned utility shall furnish such service without inter-  
19 ruption upon the acquisition thereof. If the purchase price  
20 cannot be agreed upon between the parties the commission,  
21 upon written application, by either party, and after due no-  
22 tice and hearing shall determine such purchase price. Pendi-  
23 ng the determination of such purchase price, by the commis-  
24 sion, the facilities shall remain in place and service to  
25 the public shall be maintained by the owner thereof. Any  
26 party aggrieved by the decision of the commission may appeal  
27 therefrom, within thirty (30) days, to the district court  
28 wherein said city or town is located. Such appeal shall be  
29 triable by a jury, if so requested, the same as an appeal in  
30 eminent domain proceedings as provided in chapter four  
31 hundred seventy-two (472), Code of Iowa 1962. All other laws  
32 and parts of laws inconsistent with this Act are hereby re-  
33 pealed."

Filed - *Adopted 2-7*  
February 5, 1963.

By NOLAN.

1 Amend Senate File 11 by adding to section 10 the  
2 following:  
3 "Such amounts shall be spent in accordance with the  
4 provisions of chapter eight (8) of the Code."

Filed - *Adopted 2-7*  
February 5, 1963.

By SHAFF.

1 Amend Senate File 11, section 3, line 3, by striking  
2 the word "by" and inserting in lieu thereof the word "with".

Filed - *Adopted 2-7*  
February 5, 1963.

By WILSON.

1 Amend line 13 of the Nolan amendment to  
2 Senate File 11, by inserting after  
3 the word "area" the following:  
4 " , except production, generation, high voltage trans-  
5 mission facilities and high voltage transformers owned by  
6 a utility in territory annexed to a city or town shall be  
7 exempt from the operation of this section."

Filed and adopted  
February 7, 1963.

By WILEY.

1 Amend Senate File 11 as follows:  
2 Amend section 2 by adding the following:  
3 "The commission shall have authority to inquire  
4 into the management of the business of all  
5 public utilities, and shall keep itself  
6 informed as to the manner and method in  
7 which the same is conducted, and may obtain  
8 from any public utility all necessary infor-  
9 mation to enable the commission to perform  
10 its duties."

Filed and adopted  
February 7, 1963.

By SHAFF.

SENATE FILE 11

1 Amend Senate File 11 as follows:  
2 Section one (1), subsection three (3), is hereby amended  
3 by adding after the word "utilities," in line fifteen (15),  
4 the following: "unincorporated villages which own their own  
5 distribution system."

Filed  
March 27, 1963.

*adopted 4/2*  
SWISHER of Johnson.  
COFFMAN of Iowa.

SENATE FILE 11

1 Amend Senate File 11 as follows:  
2 1. Amend Section 1 by striking from lines fourteen (14) and  
3 fifteen (15) the words "telephone companies having less than  
4 two thousand (2,000) stations."  
5 2. Amend by striking all of Section 3 and substituting  
6 therefor the following:  
7 "Sec. 3. Every public utility shall furnish reasonably  
8 adequate service at rates and charges in accordance with  
9 tariffs filed with the commission. Whenever there is filed  
10 with the commission by any person or body politic, or filed  
11 by the commission upon its own motion, a written complaint  
12 requesting the commission to determine the reasonableness of  
13 the rates, charges, schedules, service, regulations, or  
14 anything done or omitted to be done by any public utility  
15 subject to this Act, in contravention of the provisions thereof,  
16 such written complaint thus made shall be forwarded by the  
17 commission to such public utility, which shall be called upon  
18 to satisfy the complaint or to answer the same in writing  
19 within a reasonable time to be specified by the commission.  
20 If such public utility shall not satisfy the commission with  
21 respect to the complaint within the time specified and there  
22 shall appear to be any reasonable ground for investigating  
23 said complaint, it shall be the duty of the commission to  
24 promptly initiate a formal proceeding. Such a formal proceeding  
25 may be initiated at any time by the commission on its own  
26 motion. Whenever such a proceeding has been initiated upon  
27 application or motion, the commission shall set the case for  
28 hearing and give such notice thereof as it deems appropriate.  
29 Whenever the commission, after a hearing had after reasonable  
30 notice, finds any public utility's rates, charges, schedules,  
31 service or regulations are unjust, unreasonable, discriminatory  
32 or otherwise in violation of any provision of law, the  
33 commission shall determine just, reasonable and non-discriminatory  
34 rates, charges, schedules, service or regulations to be  
35 thereafter observed and enforced."

36 3. Amend Section 7 by striking from line two (2) "person  
37 or body politic".

38 4. Amend Section 8 by inserting in line three (3) after the  
39 word "light", the word "gas,".

40 5. Amend Section 9 by striking subsection two (2) thereof  
41 and inserting in lieu thereof the following:

42 "2. Every public utility engaged directly or indirectly  
43 in any other business than that of production, transmission  
44 or furnishing of heat, light, water, gas or power or the  
45 conveyance of telephone messages shall keep separate  
46 accounts to show all profits or losses resulting from such  
47 other business. Such profit or loss shall not be taken into  
48 consideration by the commission in arriving at any rate to be  
49 charged for service by any such public utility."

50 6. Further amend by adding a new Section 26 as follows:  
51 "Sec. 26. Nothing contained in this Act shall be construed  
52 to require the approval of the commission for the establishment  
53 and erection of municipally or cooperatively owned generating  
54 facilities or the improvement or extension of any existing  
55 municipally or cooperatively owned generating facilities."

Filed  
March 28, 1963.

*adopted as amended 4/2*  
FISHER of Greene.  
SWISHER of Johnson.  
CARSTENSEN of Clinton.

SENATE FILE 11

1 Amend Senate File 11 as follows:  
2 1. Amend Section 2 by striking from line seven (7) the words  
3 "who may be a party,".  
4 2. Amend Section 2 by inserting in line twenty-one (21)  
5 after the word "state" the word "regulatory".

Filed  
March 28, 1963.

*adopted 4/2*  
COMMITTEE ON PUBLIC UTILITIES,  
FISHER of Greene, Chairman.

SENATE FILE 11

1 Amend Senate File 11 as follows:

2 1. Amend section 23 by striking the comma at the end of line  
3 18 and all of lines 19 through 22 and by substituting therefor:  
4 "shall be purchased at the end of six (6) years from the date".

5 2. Amend section 23 by striking therefrom commencing at  
6 line 27, the sentence now reading: "If the purchase price  
7 cannot be agreed upon between the parties the commission,  
8 upon written application, by either party, and after due  
9 notice and hearing shall determine such purchase price."  
10 and substituting therefor the following: "The franchised  
11 or municipally owned utility shall pay to the utility  
12 serving in the annexed area the fair and reasonable value  
13 of its properties within such annexed area by exchange of  
14 other electric utility property outside such city or town  
15 on a fair and reasonable basis giving due consideration to  
16 revenue from and value of the respective properties. In the  
17 event the public utilities involved are unable to agree as  
18 to the terms of such exchange, either utility may file an  
19 application with the commission requesting that the commission  
20 determine such fair and reasonable terms for such exchange.  
21 After notice and hearing the commission shall determine  
22 fair and reasonable terms for such exchange, or in the event  
23 no appropriate properties can be exchanged the commission  
24 shall fix and determine the fair and reasonable value of  
25 the property within the annexed area, and such transfer  
26 shall be made as directed by the commission."

*filed 4/1  
Fisher  
Frazier*

27 3. Amend section 23 by striking therefrom commencing at  
28 line 30 the sentence now reading: "Pending the determination  
29 of such purchase price by the commission, the facilities  
30 shall remain in place and service to the public shall be  
31 maintained by the owner thereof." and substituting therefor  
32 the following: "Until such determination by the commission,  
33 the facilities shall remain in place and service to the public  
34 shall be maintained by the owner. However, the utility  
35 not having a municipal franchise and serving such annexed  
36 area shall not extend service to any additional point of  
37 delivery within such annexed area if the commission, after  
38 notice and hearing, with due consideration of any unnecessary  
39 duplication of facilities, shall determine that such extension  
40 is not in the public interest."

*adopted  
4/2*

41 4. Amend section 23 by striking therefrom commencing at  
42 line 33, the sentence reading: "Any party aggrieved by the  
43 decision of the commission may appeal therefrom, within  
44 thirty (30) days, to the district court wherein said city  
45 or town is located. Such appeal shall be triable by a jury,  
46 if so requested, the same as an appeal in eminent domain  
47 proceedings as provided in chapter four hundred seventy-two  
48 (472), Code, 1962." and substituting therefor the following:  
49 "Provided, however, that production, generation, high-voltage  
50 transmission facilities and high-voltage transformers owned  
51 by a utility in territory annexed to a city or town shall  
52 be exempt from the operation of this section, and provided  
53 further that if a public utility not having a municipal  
54 franchise at the time of the extension of the corporate  
55 boundaries subsequently acquires a municipal franchise as  
56 contemplated by Chapter 397, Code 1962, within six (6) years  
57 of the extension of the corporate boundaries such utility  
58 shall be exempt from the operation of this section."

59 5. Amend after section 23 by inserting the following  
60 new section 24 and by renumbering the existing section:  
61 "Sec. 24. No public utility shall construct or extend  
62 facilities or furnish or offer to furnish electric service to  
63 the point of delivery to any consumer already receiving electric  
64 service from another public utility. No public utility shall  
65 construct or extend facilities or furnish electric service  
66 to a prospective customer not presently being served unless its  
67 existing service facilities are nearer the proposed point of  
68 delivery than the service facilities of any other utility.  
69 Notwithstanding the foregoing provisions of this section, any public  
70 utility may extend electric service and transmission lines to its  
71 own utility property and facilities or to another public utility  
72 for resale, or in case the public utility closest to or presently  
73 serving the delivery point consents thereto in writing or the  
74 commission after notice and hearing, and due consideration of  
75 the preference of the consumer, finds that service from a utility  
76 other than the closest utility is in the public interest."

*adopted  
4/2*

April 3, 1963.

Senate File 11

By TURNER, CURRAN, DYKHOUSE, ELTHON, FLATT, LONG, NOLAN, O'MALLEY, SCHROEDER, SCOTT, SHAFF, SHOEMAN, VAN EATON and WILEY.

(As Amended and Passed by the House.)

Passed Senate, Date 4-15-63

Passed House, Date 4-5-63

Vote: Ayes 49 Nays 1

Vote: Ayes 89 Nays 6

Approved.....

Laid on table 4/3  
Take from table 4/5  
Reconsider Senate Vote 4/5  
Reconsider House Vote 4/5

A BILL FOR

An Act to authorize the Iowa state commerce commission to regulate the rates and services of public utilities, to define public utilities to include those engaged in the furnishing of electricity, gas, water or communications services to the public for compensation, and to provide for appeals from orders and decisions of the Iowa state commerce commission.

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

- 1 Section 1. The Iowa state commerce commission shall
- 2 regulate the rates and services of public utilities to
- 3 the extent and in the manner hereinafter provided.
- 4 As used in this Act, "public utility" shall include any
- 5 person, partnership, business association, or corporation,
- 6 domestic or foreign, owning or operating any facilities for:
  - 7 1. Furnishing gas by piped distribution system or electricity
  - 8 to the public for compensation.
  - 9 2. Furnishing communications services to the public for
  - 10 compensation.
  - 11 3. Furnishing water by piped distribution system to the
  - 12 public for compensation.
- 13 Mutual telephone companies in which at least fifty percent
- 14 (50%) of the users are owners, telephone companies having less
- 15 than two thousand (2,000) stations, municipally-owned utilities,
- 16 unincorporated villages which own their own distribution system,

SENATE FILE 11

- 1 Amend Senate File 11, as amended by the House, as follows:
- 2 Section 1, by striking from line twenty (20) the word "except"
- 3 and from line twenty-one (21) the words "that telephone companies"
- 4 and inserting in lieu thereof the following: "Telephone companies
- 5 otherwise exempt from rate regulation and".

Filed and adopted April 5, 1963.

Senate concurred 4/15

FISHER of Greene.

17 and cooperative corporations or associations shall not be  
18 subject to the rate regulation provided for in this Act;  
19 provided, however, that nothing contained in this Act shall be  
20 construed to apply to municipally-owned water works, except  
21 that telephone companies having telephone exchange facilities  
22 which cross state lines may elect, in writing, filed with the  
23 commission, to have their rates regulated by the commission.  
24 When such election, in writing, has been filed with the commission,  
25 the commission shall assume rate regulation jurisdiction over  
26 said companies.

1 Sec. 2. The commission shall have broad general powers to  
2 effect the purposes of this Act notwithstanding the fact that  
3 certain specific powers are hereinafter set forth.  
4 The commission shall have authority to issue  
5 subpoenas and to pay the same fees and mileage as are payable to  
6 witnesses in the courts of record of general jurisdiction and  
7 shall establish all needful, just and reasonable rules and  
8 regulations, not inconsistent with law, to govern the exercise  
9 of its powers and duties, the practice and procedure before it,  
10 and to govern the form, contents and filing  
11 of reports, documents and other papers provided for in this Act  
12 or in the commission's rules and regulations. In the  
13 establishment, amendment, alteration or repeal of any of such  
14 rules and regulations, the commission shall be subject to the  
15 provisions of chapter seventeen A (17A), Code 1962.  
16 The commission shall employ at rates of compensation consistent  
17 with current standards in industry such professionally trained  
18 engineers, accountants, attorneys, and skilled examiners and

19 inspectors, secretaries, clerks, and other employees as it may  
20 find necessary for the full and efficient discharge of its duties  
21 and responsibilities as required by this Act.

22 The commission is hereby authorized and empowered to  
23 intervene in any proceedings before the Federal Power Commission  
24 or any other federal or state regulatory body when it finds that  
25 any decision of such tribunal would adversely affect the costs  
26 of any public utility service within the state of Iowa.

27 The commission shall have authority to inquire into the  
28 management of the business of all public utilities, and shall keep  
29 itself informed as to the manner and method in which the same is  
30 conducted, and may obtain from any public utility all necessary  
31 information to enable the commission to perform its duties.

1 Sec. 3. Every public utility shall furnish reasonably adequate  
2 service at rates and charges in accordance with tariffs filed  
3 with the commission. Whenever there is filed with the commission  
4 by any person or body politic, or filed by the commission upon  
5 its own motion, a written complaint requesting the commission  
6 to determine the reasonableness of the rates, charges, schedules,  
7 service, regulations, or anything done or omitted to be done by  
8 any public utility subject to this Act, in contravention of the  
9 provisions thereof, such written complaint thus made shall be  
10 forwarded by the commission to such public utility, which shall  
11 be called upon to satisfy the complaint or to answer the same in  
12 writing within a reasonable time to be specified by the commission.  
13 If such public utility shall not satisfy the commission with  
14 respect to the complaint within the time specified and there  
15 shall appear to be any reasonable ground for investigating said  
16 complaint, it shall be the duty of the commission to promptly

17 initiate a formal proceeding. Such a formal proceeding may be  
18 initiated at any time by the commission on its own motion.  
19 Whenever such a proceeding has been initiated upon application  
20 or motion, the commission shall set the case for hearing and give  
21 such notice thereof as it deems appropriate. Whenever the  
22 commission, after a hearing held after reasonable notice, finds  
23 any public utility's rates, charges, schedules, service or  
24 regulations are unjust, unreasonable, discriminatory or otherwise  
25 in violation of any provision of law, the commission shall  
26 determine just, reasonable and nondiscriminatory rates, charges,  
27 schedules, service or regulations to be thereafter observed and  
28 enforced.

1 Sec. 4. Every public utility shall file with the commission  
2 tariffs showing the rates and charges for its public utility  
3 services and the rules and regulations under which such services  
4 were furnished, on April 1, 1963,  
5 which rates and charges shall be subject to investigation by  
6 the commission as provided in section three (3) hereof, and upon  
7 such investigation the burden of establishing the reasonableness  
8 of such rates and charges shall be upon the public utility  
9 filing the same. These filings shall be made under such rules as  
10 the commission may prescribe within such time and in such form as  
11 the commission may designate. In prescribing rules and  
12 regulations with respect to the form of tariffs, the commission  
13 shall, in the case of public utilities subject to regulation by  
14 any federal agency, give due regard to any corresponding rules  
15 and regulations of such federal agency, to the end that  
16 unnecessary duplication of effort and expense may be avoided so  
17 far as reasonably possible. Each public utility shall keep

18 copies of its tariffs open to public inspection under such rules  
19 as the commission may prescribe.

20 Every rate, charge, rule and regulation contained in any  
21 filing made with the commission on or prior to the effective  
22 date of this Act shall be effective as of such effective date,  
23 subject, however, to investigation as herein provided. If any  
24 such filing is made prior to the time the commission prescribes  
25 rules as aforesaid, and if such filing does not comply as to form  
26 or substance with such rules, then the public utility which filed  
27 the same shall within a reasonable time after the adoption of  
28 such rules make a new filing or filings complying with such  
29 rules, which new filing or filings shall be deemed effective as  
30 of the effective date of this Act.

1 Sec. 5. No public utility subject to rate regulation shall  
2 directly or indirectly charge a greater or less compensation for  
3 its services than that prescribed in its tariffs, and no such  
4 public utility shall make or grant any unreasonable preferences  
5 or advantages as to rates or services to any person or subject  
6 any person to any unreasonable prejudice or disadvantage.

7 Nothing in this section shall be construed to prohibit any  
8 public utility furnishing communications services from providing  
9 any service rendered by it without charge or at reduced rate to  
10 any of its active or retired officers, directors, or employees,  
11 or such officers, directors or employees of other public  
12 utilities furnishing communication services. Provided, however,  
13 said service is for personal use, and not for engaging in a  
14 business for profit.

1 Sec. 6. No public utility subject to rate regulation shall  
2 make effective any new or changed rate, charge, schedule or

3 regulation except by filing the same with the commission at least  
4 thirty (30) days prior to the effective date thereof. The  
5 commission, for good cause shown, may allow changes in rates,  
6 charges, schedules or regulations to become effective on less  
7 than thirty (30) days' notice.

8 Nothing in this Act shall be taken to prohibit a public utility  
9 from establishing a sliding scale of rates and charges or from  
10 making provision for the automatic adjustment of rates and  
11 charges for public utility service provided that a schedule  
12 showing such sliding scale or automatic adjustment of rates and  
13 charges is first filed with the commission.

14 Whenever there is filed with the commission by any public  
15 utility subject to rate regulation any new or changed rates,  
16 charges, schedules or regulations, the commission may, prior to  
17 the effective date thereof, docket the case as a formal  
18 proceeding and set the case for hearing. The commission shall  
19 give such notice of such formal proceedings as it deems  
20 appropriate.

21 After the initiation of such formal proceedings and pending  
22 the final decision thereon, the commission may, at any time  
23 before they become effective, suspend the operation of such new  
24 or changed rates, charges, schedules or regulations, but not for  
25 a period longer than twelve (12) months from the date when they  
26 would have become effective if not suspended.

27 However, a public utility shall have the right at any time  
28 after said rates, charges, schedules or regulations have been  
29 suspended for ninety (90) days to place in effect any or all of  
30 such suspended rates, charges, schedules or regulations by filing  
31 with the commission a bond or other undertaking approved by the

32 commission conditioned upon the refund in a manner to be  
33 prescribed by the commission of any amounts collected thereunder  
34 in excess of the amounts which would have been collected under  
35 rates, charges, schedules or regulations finally approved by the  
36 commission.

37 If, after hearing and decision on all issues presented for  
38 determination in such rate proceeding, the commission shall find  
39 the rates, charges, schedules or regulations of the utility to be  
40 unlawful, the same shall be set aside and the commission shall by  
41 order authorize and direct the utility to file rates, charges,  
42 schedules or regulations which, when approved by the commission  
43 and placed in effect, will satisfy the requirements of this Act.  
44 The rates, charges, schedules or regulations so approved shall  
45 be lawful and effective unless changed as herein provided. In  
46 the event a petition for rehearing is filed or an appeal is taken  
47 from an order concerning rates, charges, schedules or regulations  
48 which are in effect under bond, those rates, charges, schedules  
49 or regulations may be continued in effect by the utility under  
50 the terms of a bond or other undertaking pending final  
51 determination of the application for rehearing or appeal from an  
52 order of the commission.

1 Sec. 7. If there shall be filed with the commission by any  
2 public utility an application requesting  
3 the commission to  
4 determine the reasonableness of the utility's rates, charges,  
5 schedules, service or regulations, the commission shall promptly  
6 initiate a formal proceeding. Such a formal proceeding may be  
7 initiated at any time by the commission on its own motion.

8 Whenever such a proceeding has been initiated upon application or  
9 motion, the commission shall set the case for hearing and give  
10 such notice thereof as it deems appropriate. Whenever the  
11 commission, after a hearing held after reasonable notice, finds  
12 any public utility's rates, charges, schedules, service or  
13 regulations are unjust, unreasonable, insufficient,  
14 discriminatory or otherwise in violation of any provision of law,  
15 the commission shall determine just, reasonable, sufficient and  
16 non-discriminatory rates, charges, schedules, service or  
17 regulations to be thereafter observed and enforced.

1 Sec. 8. Utility charges and service. Every public utility  
2 is required to furnish reasonably adequate service and facilities.  
3 The charge made by any public utility for any heat, light, gas,  
4 water or power produced, transmitted, delivered or furnished  
5 , or communications services, or for any service rendered  
6 or to be rendered in connection therewith shall be reasonable and  
7 just, and every unjust or unreasonable charge for such service  
8 is prohibited and declared unlawful. In determining reasonable  
9 and just rates, the commission shall consider all factors relating  
10 to value and shall not be bound by rate base decisions or rulings  
11 made prior to the adoption of this Act.

12 The commission, in determining the value of materials or  
13 services to be included in valuations or costs of operations for  
14 rate-making purposes, may disallow any unreasonable profit made  
15 in the sale of materials to or services supplied for any public  
16 utility by any firm or corporation owned or controlled directly  
17 or indirectly by such utility or any affiliate, subsidiary, parent  
18 company, associate or any corporation whose controlling  
19 stockholders are also controlling stockholders of such utility.

20 The burden of proof shall be on the public utility to prove that  
21 no unreasonable profit is made.

1 Sec. 9.

2 1. Every public utility shall keep and render to the  
3 commission in the manner and form prescribed by the commission  
4 uniform accounts of all business transacted.

5 2. Every public utility engaged directly or indirectly in  
6 any other business than that of the production, transmission or  
7 furnishing of heat, light, water or power or furnishing communica-  
8 services to the public shall, if required by the commission, keep and  
9 render separately to the commission in like manner and form the  
10 accounts of all such other business, in which case all the  
11 provisions of this chapter shall apply to the books, accounts,  
12 papers and records of such other business and all profits  
13 and losses may be taken into consideration by the commission if  
14 deemed relevant to the general fiscal condition of the public  
15 utility.

16 3. Every public utility is required to keep and render its  
17 books, accounts, papers and records accurately and faithfully in  
18 the manner and form prescribed by the commission, and to comply  
19 with all directions of the commission relating to such books,  
20 accounts, papers and records.

21 4. The commission shall consult with other state and federal  
22 regulatory bodies for the purpose of eliminating accounting  
23 discrepancies with regard to the keeping of public utility accounts  
24 before prescribing any system of accounts to be kept by the public  
25 utility.

1 Sec. 10. Whenever the commission shall deem it necessary in

2 order to carry out the duties imposed upon it by this Act for the  
3 purpose of determining rate matters to investigate the books,  
4 accounts, practices, and activities of, or make appraisals of the  
5 property of any public utility, or to render any engineering or  
6 accounting services to any public utility, such public utility  
7 shall pay the expense reasonably attributable to such  
8 investigation, appraisal, or service. The commission shall ascertain  
9 such expenses, and shall render a bill therefor, by certified mail,  
10 to the public utility, either at the conclusion of the  
11 investigation, appraisal, or services, or from time to time  
12 during its progress, which bill shall constitute notice of said  
13 assessment and demand payment thereof. The total amount of such  
14 expense in any one calendar year, for which any public utility  
15 shall become liable, shall not exceed two-tenths of one percent  
16 of its gross operating revenues derived from intrastate public  
17 utility operations in the last preceding calendar year.

18 Immediately after the effective date of this Act, the  
19 commission shall assess to all public utilities subject to the  
20 provisions of this Act in proportion to their respective gross  
21 operating revenues derived from intrastate public utility  
22 operations during the preceding calendar year, the sum of  
23 three hundred thousand dollars (\$300,000). Thereafter the  
24 commission shall annually, within ninety (90) days after the  
25 close of each fiscal year, ascertain the total of its  
26 expenditures during each year, excluding the total sum necessary  
27 to pay the salaries of the commissioners but including all other  
28 expenses which are reasonably attributable to the performance of  
29 its duties under this Act and shall deduct therefrom all amounts

30 chargeable directly to any specific utility under any law. The  
31 remainder shall be assessed by the commission to the several  
32 public utilities in proportion to their respective gross  
33 operating revenues during the last calendar year derived from  
34 intrastate public utility operations. The total amount which may  
35 be assessed to the public utilities under authority of this  
36 paragraph shall not exceed one-tenth of one percent of the total  
37 gross operating revenues of such public utilities during such  
38 calendar year derived from intrastate public utility operations  
39 and in no event shall the aggregate general assessment exceed  
40 three hundred thousand dollars (\$300,000) per calendar year. For  
41 public utilities exempted from rate regulation under this Act,  
42 the assessments under this paragraph shall be computed at one-  
43 half ( $\frac{1}{2}$ ) the rate used in computing the assessment for other  
44 utilities.

45 Each utility shall pay the commission the amount assessed  
46 against it within thirty (30) days from the time the commission  
47 mails notice to it of the amount due unless it shall file with  
48 the commission objections in writing setting out the grounds  
49 upon which it claims that such assessment is excessive,  
50 erroneous, unlawful, or invalid. Upon the filing of such  
51 objections the commission shall set the matter down for hearing  
52 and issue its order in accordance with its findings in such  
53 proceedings, which order shall be subject to review in the manner  
54 provided in this Act. All amounts collected by the commission  
55 pursuant to the provisions of this section shall be deposited  
56 with the state treasurer and credited to the general fund of the  
57 state. Such amounts shall be spent in accordance with the  
58 provisions of chapter eight (8) of the Code.

1     Sec. 11. Whenever toll connection between the lines or  
2 facilities of two or more telephone companies has been made, or  
3 is demanded under the statutes of this state and the companies  
4 concerned cannot agree as to the terms and procedures under which  
5 toll communications shall be interchanged, the commission upon  
6 complaint in writing, after hearing had upon reasonable notice,  
7 shall determine such terms and procedures.

1     Sec. 12. Any party, as defined in the rules and regulations  
2 promulgated by the commission as provided in section two (2)  
3 hereof, to a proceeding before the commission may within twenty  
4 (20) days after the entry of the order apply for a rehearing.  
5 The commission shall either grant or refuse an application for  
6 rehearing within twenty (20) days after the filing of the  
7 application, or may after giving the interested parties notice  
8 and opportunity to be heard and after consideration of all the  
9 facts, including those arising since the making of the order,  
10 abrogate or modify its order. A failure by the commission to act  
11 upon such application for rehearing within the above period shall  
12 be deemed a refusal thereof. Neither the filing of an  
13 application for rehearing nor the granting thereof shall stay the  
14 effectiveness of an order unless the commission so directs.

1     Sec. 13. Any party to any proceeding before the commission who  
2 is aggrieved by an order therein may take an appeal by serving a  
3 notice of appeal upon the adverse party or parties and the  
4 commission and by filing said notice of appeal with the clerk of  
5 the district court of any county wherein the order of the  
6 commission or some part thereof is to take effect.

1     Sec. 14. If an application for rehearing has been filed, the  
2 appeal must be filed within thirty (30) days after the

3 application for rehearing has been refused or deemed refused  
4 because of the commission's failure to act thereon within the  
5 time hereinbefore specified. If an application for rehearing has  
6 not been filed, an appeal must be filed within thirty (30) days  
7 after the entry of the commission's order. If an application for  
8 rehearing is granted, an appeal must be filed within thirty (30)  
9 days after the entry of the commission's final order on  
10 rehearing.

1 Sec. 15. Upon appeal being taken, the secretary of the  
2 commission shall immediately make and certify to the district  
3 court a transcript of all papers, records and proceedings in  
4 connection with the matter including (unless there is a  
5 stipulation to the contrary) a transcript of all testimony, all  
6 exhibits or copies thereof, all pleadings, all orders, findings  
7 and opinions entered in the case.

1 Sec. 16. No new or additional evidence shall be introduced  
2 in the district court, but the case shall be determined by the  
3 court without a jury upon the record and evidence transferred;  
4 provided, however, that if any party shall apply to the court  
5 for leave to adduce additional evidence and shall show to the  
6 satisfaction of the court that such evidence is material and  
7 competent and that it could not have been offered before the  
8 commission or that such party was by the commission denied an  
9 opportunity to adduce it, the court shall order such evidence to  
10 be taken before the commission forthwith and shall stay further  
11 proceedings in the appeal pending return to the court of a record  
12 of such evidence.

1 Sec. 17. The court may dismiss the appeal, modify or vacate  
2 the order complained of in whole or in part, or remand the matter

3 to the commission for such further proceedings as justice may  
4 require. The court shall have jurisdiction to compel commission  
5 action unlawfully withheld or unreasonably delayed and the court  
6 shall have the power to set aside the commission action,  
7 findings and conclusions found to be:

8 1. Arbitrary, capricious, an abuse of discretion, or  
9 otherwise not in accordance with law.

10 2. Contrary to constitutional right, power, privilege or  
11 immunity.

12 3. In excess of statutory jurisdiction, authority, or  
13 limitations, or short of statutory right.

14 4. Unsupported by substantial evidence in view of the entire  
15 record as submitted.

1 Sec. 18. During the pendency of an appeal the district court  
2 or supreme court may grant affirmative relief in whole or in  
3 part under bond or other undertaking and pending appeal on such  
4 terms as the court deems just, and in accordance with the  
5 practice of courts administering equity jurisprudence.

1 Sec. 19. Any party may secure a review of any final judgment  
2 of the district court by appeal to the supreme court. Such  
3 appeal shall be taken in the manner provided by law governing  
4 appeals from the district court in other civil cases.

1 Sec. 20. Whenever the commission shall be of the opinion that  
2 any public utility or any other person is violating this Act or  
3 any order of the commission, the commission may commence an  
4 action in the district court for the county in which such  
5 violation is alleged to have occurred, to have such violation  
6 stopped and prevented by injunction, mandamus or other  
7 appropriate remedy.

1     Sec. 21. The jurisdiction and powers of the commission shall  
2 extend as hereinbefore provided to the utility business of public  
3 utilities operating within this state to the full extent  
4 permitted by the constitution and laws of the United States.

1     Sec. 22. The Iowa state commerce commission shall include in  
2 its annual report required under sections seventeen point one  
3 (17.1) and seventeen point ten (17.10), Code 1962, among other  
4 matters, to the extent such regulation is conferred upon the  
5 commission by this Act, the following:

6     1. A complete financial report of receipts and expenditures,  
7 including list of public utilities and separately the amount of  
8 total fees and assessments paid by each.

9     2. A list of the applications, subject and disposition of  
10 each docket number under this Act, including commission fees for  
11 such docket assessed by the commission.

1     Sec. 23. The application of section three hundred ninety-  
2 seven point twenty-eight (397.28), Code 1962, to public  
3 utilities, as defined in this Act, with respect to the regulating  
4 of rates and services of such public utilities to the extent such  
5 jurisdiction and powers are conferred upon the commission in this  
6 Act is hereby repealed. All rights of municipal corporations to  
7 franchise and regulate use of streets, alleys and other public  
8 property, and all rights acquired by franchise or agreement shall  
9 be preserved in such municipalities, excepting only the duties  
10 and jurisdiction conferred upon the commission in this Act.  
11 Whenever the corporate boundaries of any city or town are extended  
12 utility service, as defined in section one (1) hereof, shall be provided  
13 in such extended area by the public utility or the municipally owned  
14 utility serving such city or town immediately prior to the extension

15 of such boundaries. In the event service is provided, in such  
16 extended area, at the time of the extension of the corporate bound-  
17 by a public utility which does not have a municipal franchise for  
18 such city or town, the facilities located within such extended area,  
19 shall be purchased at the end of six (6) years from the date  
20 the corporate boundaries shall have been extended by the franchised  
21 public utility of such city or town or by the municipal utility serving  
22 such city or town and the municipal franchised public utility or  
23 municipally owned utility shall furnish such service without  
24 interruption upon the acquisition thereof. The franchised or  
25 municipally owned utility shall pay to the utility serving in  
26 the annexed area the fair and reasonable value of its properties  
27 within such annexed area by exchange of other electric utility  
28 property outside such city or town on a fair and reasonable  
29 basis giving due consideration to revenue from and value of the  
30 respective properties. In the event the public utilities  
31 involved are unable to agree as to the terms of such exchange,  
32 either utility may file an application with the commission re-  
33 questing that the commission determine such fair and reasonable  
34 terms for such exchange. After notice and hearing the commission  
35 shall determine fair and reasonable terms for such exchange, or  
36 in the event no appropriate properties can be exchanged the  
37 commission shall fix and determine the fair and reasonable value  
38 of the property within the annexed area, and such transfer shall  
39 be made as directed by the commission. Until such determination  
40 by the commission, the facilities shall remain in place and  
41 service to the public shall be maintained by the owner. However,  
42 the utility not having a municipal franchise and serving such  
43 annexed area shall not extend service to any additional points of

44 delivery within such annexed area if the commission, after notice  
45 and hearing, with due consideration of any unnecessary duplica-  
46 tion of facilities, shall determine that such extension is not  
47 in the public interest. Provided, however, that production,  
48 generation, high-voltage transmission facilities and high-voltage  
49 transformers owned by a utility in territory annexed to a city  
50 or town shall be exempt from the operation of this section, and  
51 provided further that if a public utility not having a municipal  
52 franchise at the time of the extension of the corporate boundaries  
53 subsequently acquires a municipal franchise as contemplated by  
54 chapter three hundred ninety-seven (397), Code 1962, within six  
55 (6) years of the extension of the corporate boundaries such  
56 utility shall be exempt from the operation of this section. All  
57 other laws and parts of laws inconsistent with this Act are hereby  
58 repealed; provided, however, that nothing in this Act shall be  
59 construed to repeal or impair any provision of chapter three  
60 hundred ninety-seven (397) of the Code, except as expressly  
61 provided in this section with respect to section three hundred  
62 ninety-seven point twenty-eight (397.28) of the Code.

1     Sec. 24. No public utility shall construct or extend facilities  
2 or furnish or offer to furnish electric service to the point of  
3 delivery to any consumer already receiving electric service from  
4 another public utility. No public utility shall construct or  
5 extend facilities or furnish electric service to a prospective  
6 customer not presently being served unless its existing service  
7 facilities are nearer the proposed point of delivery than the  
8 service facilities of any other utility. Notwithstanding the  
9 foregoing provisions of this section, any public utility may

10 extend electric service and transmission lines to its own utility  
11 property and facilities or to another public utility for resale,  
12 or in case the public utility closest to or presently serving  
13 the delivery point consents thereto in writing or the commission  
14 after notice and hearing, and due consideration of the preference  
15 of the consumer, finds that service from a utility other than the  
16 closest utility is in the public interest.

1 Sec. 25. Nothing herein contained shall be construed to  
2 invalidate any proceedings under statutes existing prior to the  
3 enactment of this Act; nor shall any action, litigation or appeal  
4 pending prior to the effective date of rate regulation of this  
5 Act be affected hereby.

1 Sec. 26. Section four hundred seventy-four point one (474.1),  
2 Code 1962, is hereby repealed and the following is substituted in  
3 lieu thereof: "No person in the employ of any common carrier or  
4 other public utility, or owning any bonds, stock, or property in any  
5 railroad company or other public utility shall be eligible to the  
6 office of Iowa state commerce commissioner or secretary of the  
7 commission; and the entering into the employ of any common carrier  
8 or other public utility or the acquiring of any stock or other  
9 interest in any common carrier or other public utility by such  
10 commissioner or secretary after his appointment shall disqualify  
11 him to hold the office or perform the duties thereof.

1 Sec. 27. No utility shall, except in cases of emergency,  
2 discontinue, reduce, or impair service to a community, or a  
3 part of a community, except for nonpayment of account or violation  
4 of rules and regulations, unless and until there shall have been  
5 first obtained from the commission permission to do so.

1 Sec. 28. Nothing contained in this Act shall be construed  
2 to require the approval of the commission for the establishment  
3 and erection of any generating facilities or the improvement or  
4 extension of any existing generating facilities.

SENATE FILE 11

filed 4/1  
Swisher  
adopted 4/2

- 1 Amend Senate File 11 as follows:
- 2 1. Amend section one (1) by striking from lines one (1) and
- 3 two (2) the words "have the power to".
- 4 2. Amend section two (2) by inserting the following new
- 5 sentence at the beginning of said section: "The commission shall
- 6 have broad general powers to effect the purposes of this Act
- 7 notwithstanding the fact that certain specific powers are
- 8 hereinafter set forth."
- 9 3. Amend section four (4), lines four (4) and five (5), by
- 10 striking the words "immediately prior to the effective date of
- 11 this Act," and inserting in lieu thereof the words ", on April 1,
- 12 1963."
- 13 4. Amend section eight (8), line five (5), by striking the
- 14 words "or any telephone message conveyed" and inserting the words
- 15 "or communications services."
- 16 5. Further amend section eight (8), by adding the following
- 17 paragraph:
- 18 "The commission, in determining the value of materials or
- 19 services to be included in valuations or costs of operations for
- 20 rate-making purposes, may disallow any unreasonable profit made
- 21 in the sale of materials to or services supplied for any public
- 22 utility by any firm or corporation owned or controlled directly
- 23 or indirectly by such utility or any affiliate, subsidiary, parent
- 24 company, associate or any corporation whose controlling
- 25 stockholders are also controlling stockholders of such utility.
- 26 The burden of proof shall be on the public utility to prove that
- 27 no unreasonable profit is made."
- 28 6. Amend section seventeen (17) by striking subsection four
- 29 (4) and inserting in lieu thereof the following:
- 30 "4. Unsupported by substantial evidence in view of the entire
- 31 record as submitted."

adopted 4/2

filed 4/1  
Swisher

filed 4/1  
Swisher  
adopted 4/2

4/4 adopted 4/2

filed 4/1  
Swisher

Div. 5  
adopted 4/2

filed 4/1  
Swisher

32 7. Further amend Senate File 11 by adding a new section as

33 follows:

34 "Sec. 26. No utility shall, except in cases of emergency,

35 discontinue, reduce, or impair service to a community, or a part

36 of a community, except for nonpayment of account or violation of

37 rules and regulations, unless and until there shall have been

38 first obtained from the commission permission to do so.

Filed  
April 1, 1963.

Div. 7 adopted 4/2

SWISHER of Johnson.

SENATE FILE 11

- 1 Amend the amendment filed by Fisher of Greene, Swisher
- 2 and Carstensen on March 28 to Senate File 11 as follows:
- 3 1. By striking from line twenty-nine (29) the word "had"
- 4 and insert in lieu thereof the word "held"
- 5 2. By striking in line fifty-three (53) the words
- 6 "municipally or cooperatively owned" and insert in lieu
- 7 thereof the word "any".
- 8 3. By striking in line fifty-five (55) the words
- 9 "municipally or cooperatively owned".

filed 4/1  
Fisher -  
Frazier  
adopted 4/2

adopted 4/2

Filed  
April 1, 1963.

FISHER of Greene.  
FRAZIER of Lee.

SENATE FILE 11

- 1 Amend Senate File 11 as follows:
- 2 1. Amend section one (1), subsection three (3) by
- 3 adding after the word "works" in line nineteen (19), the
- 4 following:
- 5 " , except that telephone companies having telephone
- 6 exchange facilities which cross state lines may elect, in
- 7 writing, filed with the commission, to have their rates
- 8 regulated by the commission. When such election, in writing,
- 9 has been filed with the commission, the commission shall
- 10 assume rate regulation jurisdiction over said companies."

Filed  
April 1, 1963.

adopted 4/2

NELSON of Winnebago.

SENATE FILE 11

- 1 Amend Senate File 11. Section 5, by adding the following:
- 2 Provided, however, said service is for personal use, and
- 3 not for engaging in a business for profit.

Filed and adopted  
April 2, 1963.

VERMEER of Marion.

SENATE FILE 11

- 1 Amend Senate File 11 as follows:
- 2 Amend section seven (7), line eleven (11) by striking the
- 3 word "had" and insert in lieu thereof the word "held".

Filed and adopted  
April 2, 1963.

FISHER of Greene.

SENATE FILE 11

- 1 Amend Senate File 11, section 9, line twelve (12), by
- 2 striking the period and inserting the following: "and all
- 3 profits and losses may be taken into consideration by the
- 4 commission if deemed relevant to the general fiscal condition
- 5 of the public utility."

Filed and adopted  
April 2, 1963.

SWISHER of Johnson.

SENATE FILE 11

- 1 Amend Senate File 11, section 9, lines seven (7) and eight
- 2 striking the words "the conveyance of telephone messages"
- 3 and inserting in lieu thereof the words "furnishing communications
- 4 services to the public".

Filed and adopted  
April 2, 1963.

SWISHER of Johnson.

SENATE FILE 11

- 1 Amend Senate File 11 as follows:
- 2 In section twenty-three (23), insert the following after
- 3 the word "repealed" in line thirty-nine (39):
- 4 " ; provided, however, that nothing in this Act shall be
- 5 construed to repeal or impair any provision of chapter
- 6 three hundred ninety-seven (397) of the Code, except as
- 7 expressly provided in this section with respect to section
- 8 three hundred ninety-seven point twenty-eight (397.28) of the
- 9 Code".

Filed  
April 1, 1963.

*adopted  
4/2*

STANLEY of Muscatine.

SENATE FILE 11

- 1 Amend Senate File 11 as follows:
- 2 By striking from section one (1), lines thirteen (13),
- 3 fourteen (14), fifteen (15), sixteen (16), and seventeen (17).

Filed  
April 1, 1963.

*Note says 11  
says 91  
Lost 4/2*  
FISCHER of Grundy.

SENATE FILE 11

- 1 Amend Senate File 11 as follows:
- 2 1. Amend section ten (10), line forty (40), by inserting after
- 3 the word "year." the following:
- 4 "For public utilities exempted from rate regulation under this
- 5 Act, the assessments under this paragraph shall be computed at
- 6 one-half ( $\frac{1}{2}$ ) the rate used in computing the assessment for
- 7 other utilities."

Filed  
April 1, 1963.

*adopted  
4/2*

STANLEY of Muscatine.

SENATE FILE 11

- 1 Amend the amendment filed by Fisher of Greene and Frazier of
- 2 Lee, April 1, as follows:
- 3 1. By striking from lines thirty-four (34) and thirty-five
- 4 (35) of division three (3) the words "the utility now having a
- 5 municipal franchise and" and inserting in lieu thereof the words
- 6 "the nonfranchised utility".
- 7 2. By striking the word "if" in line thirty-seven (37) of
- 8 division three (3) and inserting in lieu thereof the word
- 9 "unless".
- 10 3. By striking line forty (40) and inserting in lieu thereof
- 11 the following: "is in the public interest and unless the franchised
- 12 utility consents to such extension."

Filed and lost  
April 2, 1963.

REPPERT of Polk.