

FEB 20 1986

Place On Calendar

HOUSE FILE 2325
BY COMMITTEE ON ENERGY AND
ENVIRONMENTAL PROTECTION

(Formerly House File 2142)

Passed House, Date 3-6-86 (p.574) Passed Senate, Date 3-25-86 (p.872)

Vote: Ayes 91 Nays 8 Vote: Ayes 50 Nays 0

Approved April 8, 1986 (p.1320)

A BILL FOR

1 An Act exempting electric public utilities having less than ten
2 thousand customers and electric cooperative corporations and
3 associations from the rate regulation authority of the Iowa
4 commerce commission and defining the areas in which such
5 utilities remain subject to regulation.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 2325

1 Section 1. NEW SECTION. 476.1A APPLICABILITY OF
2 AUTHORITY -- CERTAIN ELECTRIC UTILITIES.

3 Electric public utilities having less than ten thousand
4 customers and electric cooperative corporations and
5 associations are not subject to the rate regulation authority
6 of the commission. Such utilities are subject to all other
7 regulation and enforcement activities of the commission,
8 including:

- 9 1. Assessment of fees for the support of the commission.
- 10 2. Safety and engineering standards for equipment,
11 operations, and procedures.
- 12 3. Assigned area of service.
- 13 4. Pilot projects of the commission.

14 However, sections 476.20, 476.21, 476.41 through 476.44,
15 476.51 and 476.61 and chapters 476A and 478, to the extent
16 applicable, apply to such electric utilities.

17 Electric cooperative corporations and associations and
18 electric public utilities exempt from rate regulation under
19 this section shall not make or grant any unreasonable
20 preferences or advantages as to rates or services to any
21 person or subject any person to any unreasonable prejudice or
22 disadvantage.

23 The board of directors or the membership of an electric
24 cooperative corporation or association otherwise exempt from
25 rate regulation may elect to have the cooperative's rates
26 regulated by the commission. The commission shall adopt rules
27 prescribing the manner in which the board of directors or the
28 membership of an electric cooperative may so elect.

29 Sec. 2. The Iowa state commerce commission shall submit
30 copies of its intended action on rules required under section
31 1 of this Act to the administrative rules coordinator pursuant
32 to chapter 17A within thirty days from the effective date of
33 this Act.

34 EXPLANATION

35 This bill exempts from the rate regulation authority of the

1 Iowa state commerce commission electric public utilities
2 having less than 10,000 customers and electric cooperative
3 corporations and associations. However, the board of
4 directors or the membership of an electric cooperative
5 corporation or association may elect to have the cooperative's
6 rates regulated by the commission in accordance with rules
7 adopted by the commission.

8 The utilities are still subject to all other regulation and
9 enforcement activities of the commission. In addition,
10 provisions concerning disconnections of service, dis-
11 crimination against use of renewable energy sources, rates for
12 alternative energy production facilities, civil penalties, and
13 energy conservation improvements still apply to the utilities.

14 The Iowa state commerce commission is to submit copies of
15 its intended action on rules required under the bill to the
16 administrative rules coordinator within 30 days from the
17 effective date of the bill.

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H-5238

1 Amend House File 2325 as follows:

2 1. By striking everything after the enacting
3 clause and inserting the following:

4 "Section 1. NEW SECTION. 476.1A APPLICABILITY OF
5 AUTHORITY -- CERTAIN ELECTRIC UTILITIES.

6 Electric public utilities having less than ten
7 thousand customers are not subject to the rate
8 regulating authority of the commission. Electric
9 cooperative corporations and associations are not
10 subject to the rate regulation authority of the
11 commission if their memberships so elect. Such
12 utilities are subject to all other regulation and
13 enforcement activities of the commission, including:

- 14 1. Assessment of fees for the support of the
15 commission.
- 16 2. Safety and engineering standards for equipment,
17 operations, and procedures.
- 18 3. Assigned area of service.
- 19 4. Pilot projects of the commission.

20 However, sections 476.20, 476.21, 476.41 through
21 476.44, 476.51 and 476.61 and chapters 476A and 478,
22 to the extent applicable, apply to such electric
23 utilities.

24 Electric cooperative corporations and associations
25 and electric public utilities exempt from rate
26 regulation under this section shall not make or grant
27 any unreasonable preferences or advantages as to rates
28 or services to any person or subject any person to any
29 unreasonable prejudice or disadvantage.

The membership of an electric cooperative
31 corporation or association may, by an affirmative vote
32 of a majority of the membership, elect to have the
33 cooperative's rates exempt from regulation by the
34 commission. The commission shall adopt rules
35 prescribing the manner in which the membership of an
36 electric cooperative may so elect.

37 Sec. 2. The Iowa state commerce commission shall
38 submit copies of its intended action on rules required
39 under section 1 of this Act to the administrative
40 rules coordinator pursuant to chapter 17A within
41 thirty days from the effective date of this Act."

42 2. Title page, line 2, by inserting before the
43 word "electric" the word "certain".

H-5238 FILED MARCH 4, 1986 BY STURGEON of Woodbury

Loos 3/6 (p 512)

HOUSE FILE 2325

H-5248

1 Amend House File 2325 as follows:

2 1. Page 1, line 28, by inserting after the word
3 "elect." the following: "If the board of directors or
4 the membership of an electric cooperative has elected
5 to have the cooperative's rates regulated by the
6 commission, after two years have elapsed from the
7 effective date of such election the membership of the
8 electric cooperative may elect to exempt the
9 cooperative from the rate regulation authority of the
10 commission."

H-5248 FILED MARCH 5, 1986 BY SKOW of Guthrie

Adopted 3/6 (p 573)

HOUSE FILE 2325

H-5167

- 1 Amend House File 2325 as follows:
- 2 1. Page 1, lines 3 and 4, by striking the words
- 3 "public utilities having less than ten thousand
- 4 customers and electric".
- 5 2. Page 1, lines 17 and 18, by striking the words
- 6 "and electric public utilities".
- 7 3. Title page, lines 1 and 2, by striking the
- 8 words "electric public utilities having less than ten
- 9 thousand customers and".

H-5167 FILED FEBRUARY 25, 1986 BY KREMER of Buchanan

2/15 3/6 (p. 572)

HOUSE FILE 2325

H-5236

- 1 Amend the amendment H-5167 to House File 2325 as
- 2 follows:
- 3 1. Page 1, by striking lines 2 through 9 and
- 4 inserting the following:
- 5 "1. Page 1, line 28, by inserting after the word
- 6 "elect." the following: "If the board of directors or
- 7 the membership of an electric cooperative have elected
- 8 to have the cooperative's rates regulated by the
- 9 commission, after two years have elapsed from the
- 10 effective date of such election the membership of the
- 11 electric cooperative may elect to exempt the
- 12 cooperative from the rate regulation authority of the
- 13 commission.""

H-5236 FILED MARCH 4, 1986 BY SKOW of Guthrie

Blaine 0/0 3/6 (p. 572)

HOUSE FILE 2325

H-5246

- 1 Amend House File 2325 as follows:
- 2 1. Page 1, lines 3 and 4, by striking the words
- 3 "public utilities having less than ten thousand
- 4 customers and electric".
- 5 2. Page 1, line 5, by inserting after the word
- 6 "associations" the words "having less than ten
- 7 thousand customers".
- 8 3. Page 1, lines 17 and 18, by striking the words
- 9 "and electric public utilities".
- 10 4. Title page, lines 1 and 2, by striking the
- 11 words "electric public utilities having less than ten
- 12 thousand customers and".
- 13 5. Title page, line 3, by inserting after the
- 14 word "associations" the words "having less than ten
- 15 thousand customers".

H-5246 FILED MARCH 5, 1986 BY STURGEON of Woodbury

Low 3/6 (p. 573)

HOUSE FILE 2325
BY COMMITTEE ON ENERGY AND
ENVIRONMENTAL PROTECTION

(As Amended and Passed by the House March 6, 1986)

Passed House, Date 3-6-86 (p. 574) Passed Senate, Date 3-25-86 (p. 872)

Vote: Ayes 91 Nays 8 Vote: Ayes 50 Nays 0

Approved April 8, 1986 (p. 1320)

A BILL FOR

1 An Act exempting electric public utilities having less than ten
2 thousand customers and electric cooperative corporations and
3 associations from the rate regulation authority of the Iowa
4 commerce commission and defining the areas in which such
5 utilities remain subject to regulation.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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House Amendments _____

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1 Section 1. NEW SECTION. 476.1A APPLICABILITY OF
2 AUTHORITY -- CERTAIN ELECTRIC UTILITIES.

3 Electric public utilities having less than ten thousand
4 customers and electric cooperative corporations and
5 associations are not subject to the rate regulation authority
6 of the commission. Such utilities are subject to all other
7 regulation and enforcement activities of the commission,
8 including:

- 9 1. Assessment of fees for the support of the commission.
- 10 2. Safety and engineering standards for equipment,
11 operations, and procedures.
- 12 3. Assigned area of service.
- 13 4. Pilot projects of the commission.

14 However, sections 476.20, 476.21, 476.41 through 476.44,
15 476.51 and 476.61 and chapters 476A and 478, to the extent
16 applicable, apply to such electric utilities.

17 Electric cooperative corporations and associations and
18 electric public utilities exempt from rate regulation under
19 this section shall not make or grant any unreasonable
20 preferences or advantages as to rates or services to any
21 person or subject any person to any unreasonable prejudice or
22 disadvantage.

23 The board of directors or the membership of an electric
24 cooperative corporation or association otherwise exempt from
25 rate regulation may elect to have the cooperative's rates
26 regulated by the commission. The commission shall adopt rules
27 prescribing the manner in which the board of directors or the
28 membership of an electric cooperative may so elect. If the
29 board of directors or the membership of an electric
30 cooperative has elected to have the cooperative's rates
31 regulated by the commission, after two years have elapsed from
32 the effective date of such election the membership of the
33 electric cooperative may elect to exempt the cooperative from
34 the rate regulation authority of the commission.

35 Sec. 2. The Iowa state commerce commission shall submit

1 copies of its intended action on rules required under section
2 1 of this Act to the administrative rules coordinator pursuant
3 to chapter 17A within thirty days from the effective date of
4 this Act.

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HOUSE FILE 2325

AN ACT

EXEMPTING ELECTRIC PUBLIC UTILITIES HAVING LESS THAN TEN THOUSAND CUSTOMERS AND ELECTRIC COOPERATIVE CORPORATIONS AND ASSOCIATIONS FROM THE RATE REGULATION AUTHORITY OF THE IOWA COMMERCE COMMISSION AND DEFINING THE AREAS IN WHICH SUCH UTILITIES REMAIN SUBJECT TO REGULATION.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. NEW SECTION. 476.1A APPLICABILITY OF AUTHORITY -- CERTAIN ELECTRIC UTILITIES.

Electric public utilities having less than ten thousand customers and electric cooperative corporations and associations are not subject to the rate regulation authority of the commission. Such utilities are subject to all other regulation and enforcement activities of the commission, including:

1. Assessment of fees for the support of the commission.
2. Safety and engineering standards for equipment, operations, and procedures.
3. Assigned area of service.
4. Pilot projects of the commission.

However, sections 476.20, 476.21, 476.41 through 476.44, 476.51 and 476.61 and chapters 476A and 478, to the extent applicable, apply to such electric utilities.

Electric cooperative corporations and associations and electric public utilities exempt from rate regulation under this section shall not make or grant any unreasonable preferences or advantages as to rates or services to any person or subject any person to any unreasonable prejudice or disadvantage.

The board of directors or the membership of an electric cooperative corporation or association otherwise exempt from rate regulation may elect to have the cooperative's rates regulated by the commission. The commission shall adopt rules

prescribing the manner in which the board of directors or the membership of an electric cooperative may so elect. If the board of directors or the membership of an electric cooperative has elected to have the cooperative's rates regulated by the commission, after two years have elapsed from the effective date of such election the membership of the electric cooperative may elect to exempt the cooperative from the rate regulation authority of the commission.

Sec. 2. The Iowa state commerce commission shall submit copies of its intended action on rules required under section 1 of this Act to the administrative rules coordinator pursuant to chapter 17A within thirty days from the effective date of this Act.

DONALD D. AVENSON
Speaker of the House

ROBERT T. ANDERSON
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2325, Seventy-first General Assembly.

Approved  1986

JOSEPH O'HERN
Chief Clerk of the House

TERRY E. BRANSTAD
Governor