

FILED MAR 17 '03

SENATE FILE 405
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO SSB 1116)

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

A BILL FOR

1 An Act relating to the authority of a city to acquire equity
2 interests in business entities for the purpose of
3 participating in electric energy transmission service.

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

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

SENATE FILE 405

S-3167

1 Amend Senate File 405 as follows:
2 1. Page 1, by striking lines 3 through 13, and
3 inserting the following:
4 "In addition to the powers conferred upon a city
5 elsewhere in this chapter, any city operating a city
6 electric utility on January 1, 2003, may enter into
7 agreements with and acquire equity interests in
8 independent transmission companies or similar
9 independent transmission entities in which they are
10 participating that are approved by the federal energy
11 regulatory commission. The purpose of such equity
12 investments shall be to mitigate expenses incurred by
13 the city electric utility due to its procurement of
14 electric transmission service or to otherwise
15 facilitate investment in transmission facilities and
16 shall not be for general city or city utility
17 investment purposes."

By BRYAN J. SIEVERS

S-3167 FILED APRIL 8, 2003

ADOPTED 4/8/03

SF 405

1 Section 1. NEW SECTION. 390.8 EQUITY INVESTMENT IN
2 INDEPENDENT TRANSMISSION COMPANY.

3 1. In addition to the powers conferred upon a city
4 elsewhere in this chapter, any city operating a city electric
5 utility on January 1, 2003, may acquire equity interests in
6 independent transmission companies that were approved by the
7 federal energy regulatory commission prior to January 1, 2003,
8 in which the city electric utility is participating.

9 2. The purpose of the equity investment permitted pursuant
10 to subsection 1 shall be solely to offset the city electric
11 utility's expense of procuring electric transmission service
12 from the independent transmission company, and shall not be
13 for general city or city utility investment purposes.

14 EXPLANATION

15 This bill adds a new section to Code chapter 390, relating
16 to city electrical utilities. New Code section 390.8 provides
17 that a city may acquire equity interests in independent
18 transmission organizations approved by the federal energy
19 regulatory commission solely to offset the cost of obtaining
20 transmission service, and not as a general investment.

21
22
23
24
25
26
27
28
29
30
31
32
33
34
35

SENATE FILE 405
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO SSB 1116)

(AS AMENDED AND PASSED BY THE SENATE APRIL 8, 2003)

~~_____~~ - New Language by the Senate

Passed Senate, Date Passed 4/8/03 Passed House, Date 4/22/03
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved 5/9/03

A BILL FOR

1 An Act relating to the authority of a city to acquire equity
2 interests in business entities for the purpose of
3 participating in electric energy transmission service.

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

- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20

S.F. 405

1 Section 1. NEW SECTION. 390.8 EQUITY INVESTMENT IN
2 INDEPENDENT TRANSMISSION COMPANY.

3 In addition to the powers conferred upon a city elsewhere
4 in this chapter, any city operating a city electric utility on
5 January 1, 2003, may enter into agreements with and acquire
6 equity interests in independent transmission companies or
7 similar independent transmission entities in which they are
8 participating that are approved by the federal energy
9 regulatory commission. The purpose of such equity investments
10 shall be to mitigate expenses incurred by the city electric
11 utility due to its procurement of electric transmission
12 service or to otherwise facilitate investment in transmission
13 facilities and shall not be for general city or city utility
14 investment purposes.

15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35

Stevens
Angelo
Bolkcom

Commerce

SSB 1114
Succeeded By
SF/HF 405

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
COMMERCE BILL BY
CHAIRPERSON ANGELO)

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

A BILL FOR

1 An Act relating to the authority of a city to contract with or
2 acquire equity interests in business entities for the purpose
3 of participating in electric energy transmission organizations
4 or implementing open-access tariffs for the use of
5 transmission or distribution facilities.

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

- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23

1 Section 1. NEW SECTION. 390.8 ADDITIONAL MUNICIPAL
2 POWERS.

3 In addition to the powers conferred upon a city elsewhere
4 in this chapter, a city may contract with, enter into an
5 agreement with, or acquire an equity interest in a business
6 corporation, limited liability company, or similar business
7 entity for any of the following purposes:

8 1. Participating with a private power company, electric
9 cooperative, or other independent entity functioning as a
10 regional transmission organization, independent system
11 operator, independent transmission company, or independent
12 transmission operator in a manner approved by the federal
13 energy regulatory commission under one or more provisions of
14 the Federal Power Act or comparable provisions of the laws of
15 this or any other state.

16 2. Implementing the offering of nondiscriminatory, open-
17 access tariffs for the use of electric transmission or
18 distribution facilities in response to or in anticipation of
19 rules or orders by the United States under the Federal Power
20 Act or comparable provisions of the laws of this or any other
21 state.

22 EXPLANATION

23 This bill adds a new section to Code chapter 390, relating
24 to joint electrical utilities. New Code section 390.8
25 provides that a city may enter into contracts or agreements
26 with, or acquire equity interests in a business entity, for
27 the purpose of participating in a regional or independent
28 transmission organization approved by the federal energy
29 regulatory commission, or for implementing the offering of
30 open-access tariffs for transmission of distribution
31 facilities.

32
33
34
35

facilities and shall not be for general city or city utility investment purposes.

SENATE FILE 405

AN ACT

RELATING TO THE AUTHORITY OF A CITY TO ACQUIRE EQUITY INTERESTS
IN BUSINESS ENTITIES FOR THE PURPOSE OF PARTICIPATING IN
ELECTRIC ENERGY TRANSMISSION SERVICE.

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

Section 1. NEW SECTION. 390.8 EQUITY INVESTMENT IN
INDEPENDENT TRANSMISSION COMPANY.

In addition to the powers conferred upon a city elsewhere
in this chapter, any city operating a city electric utility on
January 1, 2003, may enter into agreements with and acquire
equity interests in independent transmission companies or
similar independent transmission entities in which they are
participating that are approved by the federal energy
regulatory commission. The purpose of such equity investments
shall be to mitigate expenses incurred by the city electric
utility due to its procurement of electric transmission
service or to otherwise facilitate investment in transmission

MARY E. KRAMER
President of the Senate

CHRISTOPHER C. RANTS
Speaker of the House

I hereby certify that this bill originated in the Senate and
is known as Senate File 405, Eightieth General Assembly.

MICHAEL E. MARSHALL
Secretary of the Senate

Approved _____, 2003

THOMAS J. VILSACK
Governor