

Senate Study Bill 3099 - Introduced

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

A BILL FOR

1 An Act including certain sanitary sewage or storm water
2 drainage disposal system providers under public utility
3 regulation.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 476.1, subsection 3, Code 2016, is
2 amended by adding the following new paragraph:

3 NEW PARAGRAPH. *d.* Furnishing sanitary sewage or storm water
4 drainage disposal by piped collection system to the public for
5 compensation.

6 Sec. 2. Section 476.1, subsection 5, Code 2016, is amended
7 to read as follows:

8 5. **This chapter** does not apply to waterworks having less
9 than two thousand customers, municipally owned waterworks,
10 joint water utilities established pursuant to **chapter 389**,
11 rural water districts incorporated and organized pursuant
12 to **chapters 357A** and **504**, cooperative water associations
13 incorporated and organized pursuant to **chapter 499**, municipally
14 owned sanitary sewage or storm water drainage systems, sanitary
15 districts incorporated and organized pursuant to chapter 358,
16 rural water districts granted a franchise by a city pursuant
17 to section 357A.23, or to a person furnishing electricity to
18 five or fewer customers either by secondary line or from an
19 alternate energy production facility or small hydro facility,
20 from electricity that is produced primarily for the person's
21 own use.

22 Sec. 3. Section 476.8, unnumbered paragraph 1, Code 2016,
23 is amended to read as follows:

24 Every public utility is required to furnish reasonably
25 adequate service and facilities. *“Reasonably adequate service*
26 *and facilities”* for public utilities furnishing gas or
27 electricity includes programs for customers to encourage the
28 use of energy efficiency and renewable energy sources. The
29 charge made by any public utility for any heat, light, gas,
30 energy efficiency and renewable energy programs, water or
31 power produced, transmitted, delivered or furnished, sanitary
32 sewage or storm water collected and treated, or communications
33 services, or for any service rendered or to be rendered in
34 connection therewith shall be reasonable and just, and every
35 unjust or unreasonable charge for such service is prohibited

1 and declared unlawful. In determining reasonable and just
2 rates, the board shall consider all factors relating to value
3 and shall not be bound by rate base decisions or rulings made
4 prior to the adoption of [this chapter](#).

5 Sec. 4. Section 476.9, subsection 2, Code 2016, is amended
6 to read as follows:

7 2. Every public utility engaged directly or indirectly in
8 any other business than that of the production, transmission,
9 or furnishing of heat, light, water, or power, the collection
10 and treatment of sanitary sewage or storm water, or the
11 furnishing of communications services to the public shall,
12 if required by the board, keep and render separately to the
13 board in like manner and form the accounts of all such other
14 business, in which case all the provisions of [this chapter](#)
15 shall apply to the books, accounts, papers and records of such
16 other business and all profits and losses may be taken into
17 consideration by the board if deemed relevant to the general
18 fiscal condition of the public utility.

19 EXPLANATION

20 The inclusion of this explanation does not constitute agreement with
21 the explanation's substance by the members of the general assembly.

22 This bill modifies the definition of a public utility for
23 purposes of the regulatory authority of the Iowa utilities
24 board.

25 Currently, a "public utility" is defined in Code chapter 476
26 to include any person, partnership, business association, or
27 domestic or foreign corporation owning or operating facilities
28 for the furnishing of specified services to the public for
29 compensation. The services include furnishing gas by piped
30 distribution system, electricity, communications services, and
31 water by piped distribution system. The bill adds to this
32 list the furnishing of sanitary sewage or storm water drainage
33 disposal by piped collection system. The bill provides,
34 however, that Code chapter 476 shall not apply to a municipally
35 owned sanitary sewage or storm water drainage system, sanitary

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1 districts incorporated and organized pursuant to Code chapter
2 358, or a rural water district granted a franchise by a city.

3 The bill makes conforming changes to include sanitary sewage
4 or storm water collection and treatment in provisions requiring
5 public utilities to furnish reasonably adequate service and
6 facilities and in provisions requiring unrelated business
7 accounting by utilities to the Iowa utilities board.