

Senate File 2300 - Introduced

SENATE FILE 2300
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO SSB 3075)

A BILL FOR

1 An Act relating to public utilities, including energy
2 production, public utility affiliates, and cable and video
3 service.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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DIVISION I

ENERGY PRODUCTION

Section 1. Section 476.42, subsection 1, paragraph a, subparagraph (1), Code 2024, is amended to read as follows:

(1) A solar, wind turbine, electric storage unit, nuclear, waste management, resource recovery, refuse-derived fuel, agricultural crops or residues, or woodburning facility. For purposes of this definition only, "waste management" includes a facility using plasma gasification to produce synthetic gas, either as a stand-alone fuel or for blending with natural gas, the output of which is used to generate electricity or steam. For purposes of this definition only, "plasma gasification" means the thermal dissociation of carbonaceous material into fragments of compounds in an oxygen-starved environment.

Sec. 2. Section 476.48, subsection 6, Code 2024, is amended by striking the subsection.

Sec. 3. Section 476A.1, subsection 5, Code 2024, is amended to read as follows:

5. "Facility" means any electric power generating plant, electric storage unit, or a combination of plants or units at a single site, owned by any person, with a total capacity of twenty-five megawatts of electricity for plants or twenty-five or more megawatt hours of electricity for electric storage units, and those associated transmission lines connecting the generating plant or electric storage unit to either a power transmission system or an interconnected primary transmission system or both. Transmission lines subject to the provisions of [this subchapter](#) shall not require a franchise under chapter 478.

DIVISION II

PUBLIC UTILITY AFFILIATES

Sec. 4. Section 476.74, subsection 5, Code 2024, is amended to read as follows:

5. *Exemption.* The provisions of [this section](#) requiring filing of contracts or agreements with the board shall not

1 apply to transactions with an affiliate where the amount of
2 consideration involved is not in excess of ~~fifty thousand~~
3 ~~dollars or five percent of the capital equity of the utility,~~
4 ~~whichever is smaller~~ two hundred fifty thousand dollars.
5 However, regularly recurring payments under a general or
6 continuing arrangement ~~which~~ that aggregate a greater annual
7 amount shall not be broken down into a series of transactions
8 to come within this exemption. In any proceeding involving
9 the rates, charges, or practices of the public utility, the
10 board may exclude from the accounts of the public utility
11 any unreasonable payment or compensation made pursuant to
12 any contract or arrangement ~~which~~ that is not required to be
13 filed under this subsection. All contracts or agreements
14 between a public utility and an affiliate are subject to
15 the cross-subsidization prohibition under section 476.78,
16 regardless of whether the filing of information is required by
17 this section.

18 DIVISION III

19 CABLE OR VIDEO SERVICE

20 Sec. 5. Section 474.1, subsection 4, Code 2024, is amended
21 to read as follows:

22 4. As used in [this chapter](#) and [chapters 475A, 476, 476A,](#)
23 [477A, 477C, 478, 479, 479A, and 479B,](#) "board" and "utilities
24 board" mean the Iowa utilities board.

25 Sec. 6. Section 477A.1, Code 2024, is amended by adding the
26 following new subsections:

27 NEW SUBSECTION. 2A. "*Cable or video service*" includes the
28 terms "*cable service*", "*cable system*", and "*video service*".

29 NEW SUBSECTION. 4A. "*Competitive cable or video service*
30 *provider*" includes the terms "*competitive cable service provider*"
31 and "*competitive video service providers*".

32 Sec. 7. Section 477A.1, subsection 7, Code 2024, is amended
33 to read as follows:

34 7. "*Franchise*" means an initial authorization, or renewal
35 of an authorization, issued by the board or a municipality,

1 regardless of whether the authorization is designated as a
2 franchise, permit, license, resolution, contract, certificate,
3 agreement, or otherwise, that authorizes the ~~construction and~~
4 ~~operation of a cable system~~ person to erect, maintain, and
5 operate plants and systems for the provision of a cable or
6 video service provider's network in a public right-of-way.

7 Sec. 8. Section 477A.1, subsection 9, paragraph a, Code
8 2024, is amended to read as follows:

9 a. "*Gross revenues*" means all consideration of any kind or
10 nature, including but not limited to cash, credits, property,
11 and in-kind contributions, received from subscribers for the
12 provision of cable ~~service over a cable system by a competitive~~
13 ~~cable service provider or for the provision of~~ or video service
14 by a competitive cable or video service provider within a
15 municipality's jurisdiction. Gross revenues are limited to the
16 following:

- 17 (1) Recurring charges for cable ~~service~~ or video service.
- 18 (2) Event-based charges for cable ~~service~~ or video service,
19 including but not limited to pay-per-view and video-on-demand
20 charges.
- 21 (3) Rental of set-top boxes and other cable ~~service~~ or video
22 service equipment.
- 23 (4) Service charges related to the provision of cable
24 ~~service~~ or video service, including but not limited to
25 activation, installation, and repair charges.
- 26 (5) Administrative charges related to the provision of
27 cable ~~service~~ or video service, including but not limited to
28 service order and service termination charges.
- 29 (6) A pro rata portion of all revenue derived, less refunds,
30 rebates, or discounts, by a cable ~~service provider~~ or a video
31 service provider for advertising over the cable ~~service~~ or
32 video service network to subscribers within the franchise area
33 where the numerator is the number of subscribers within the
34 franchise area, and the denominator is the total number of
35 subscribers reached by such advertising. This subparagraph

1 applies only to municipalities that include this provision in
2 their franchise agreements as of January 1, 2007.

3 Sec. 9. Section 477A.1, subsection 9, paragraph b,
4 subparagraphs (2), (4), (5), (6), (7), (8), (9), and (11), Code
5 2024, are amended to read as follows:

6 (2) Revenues received by any affiliate or any other person
7 in exchange for supplying goods or services used by the person
8 providing cable ~~service~~ or video service.

9 (4) Regardless of whether the services are bundled,
10 packaged, or functionally integrated with cable ~~service~~
11 or video service, any revenues derived by the holder of
12 a certificate of franchise authority from services not
13 classified as cable ~~service~~ or video service, including,
14 without limitation, revenue received from telecommunications
15 services, revenue received from information services, revenue
16 received in connection with home-shopping services, or any
17 other revenues attributed by the competitive cable ~~service~~
18 ~~provider~~ or ~~competitive~~ video service provider to noncable
19 ~~service~~ or nonvideo service in accordance with the holder's
20 books and records kept in the regular course of business and
21 any applicable rules, regulations, standards, or orders.

22 (5) Revenues paid by subscribers to home-shopping
23 programmers directly from the sale of merchandise through any
24 home-shopping channel offered as part of the cable ~~services~~ or
25 video services.

26 (6) Revenues from the sale of cable ~~services~~ or video
27 services for resale in which the purchaser is required to
28 collect the franchise fee from the purchaser's customer.

29 (7) Revenues from any tax of general applicability imposed
30 upon the competitive cable ~~service-provider~~ or ~~competitive~~
31 video service provider or upon subscribers by a city, state,
32 federal, or any other governmental entity and required to
33 be collected by the competitive cable ~~service-provider~~ or
34 ~~competitive~~ video service provider and remitted to the taxing
35 entity, including but not limited to sales or use tax, gross

1 receipts tax, excise tax, utility users tax, public service
2 tax, and communication taxes, and including the franchise fee
3 imposed under [section 477A.7](#).

4 (8) Revenues forgone from the provision of cable ~~services~~
5 or video services to public institutions, public schools, or
6 governmental entities at no charge.

7 (9) Revenues forgone from the competitive cable ~~service~~
8 ~~provider's~~ or ~~competitive~~ video service provider's provision of
9 free or reduced-cost video service to any person, including,
10 without limitation, any municipality and other public
11 institutions or other institutions.

12 (11) Revenues from reimbursements by programmers of
13 marketing costs incurred by the competitive cable ~~service~~
14 ~~provider~~ or ~~competitive~~ video service provider for the
15 introduction or promotion of new programming.

16 Sec. 10. Section 477A.2, Code 2024, is amended to read as
17 follows:

18 **477A.2 Certificate of franchise authority requirement.**

19 1. After July 1, 2007, a person providing cable ~~service~~
20 or video service in this state shall not provide such service
21 without a franchise. The franchise may be issued by either the
22 board pursuant to [section 477A.3](#) or by a municipality pursuant
23 to [section 364.2](#).

24 2. *a.* A person providing cable ~~service~~ or video service
25 under a franchise agreement with a municipality prior to July
26 1, 2007, is not subject to [this section](#) with respect to such
27 municipality until the franchise agreement expires or is
28 converted pursuant to [subsection 6](#).

29 *b.* Upon expiration of a franchise, a person may choose to
30 renegotiate a franchise agreement with a municipality or may
31 choose to obtain a certificate of franchise authority under
32 this chapter. An application for a certificate of franchise
33 authority pursuant to [this subsection](#) may be filed within
34 sixty days prior to the expiration of a municipal franchise
35 agreement. A certificate of franchise authority obtained

1 pursuant to an application filed prior to the expiration of
2 a municipal franchise agreement shall take effect upon the
3 expiration date of the municipal franchise agreement.

4 c. A municipal utility that provides cable ~~service~~ or
5 video service in this state is not subject to [this section](#) and
6 shall not be required to obtain a certificate of franchise
7 authority pursuant to [this chapter](#) in the municipality in
8 which the provision of cable ~~service~~ or video service by that
9 municipality was originally approved.

10 3. For purposes of [this section](#), a person providing
11 cable ~~service~~ or video service is deemed to have executed a
12 franchise agreement to provide cable ~~service~~ or video service
13 with a specific municipality if an affiliate or predecessor
14 of the person providing cable ~~service~~ or video service has
15 or had executed an unexpired franchise agreement with that
16 municipality as of May 29, 2007.

17 4. A competitive cable ~~service provider~~ or competitive
18 video service provider shall provide at least thirty days'
19 notice to each municipality with authority to grant a franchise
20 in the service area, and to the incumbent cable or video
21 service provider, in which the competitive cable ~~service~~
22 ~~provider~~ or competitive video service provider is granted
23 authority to provide service under a certificate of franchise
24 authority that the competitive cable ~~service provider~~ or
25 ~~competitive~~ video service provider will offer cable ~~services~~
26 or video services within the jurisdiction of the municipality,
27 and shall not provide service without having provided such
28 thirty days' notice. A copy of the notice shall be filed with
29 the board on the date that the notice is provided. All notices
30 required by [this subsection](#) shall be sent by certified mail.

31 5. As used in [this section](#), "affiliate" includes but is
32 not limited to a person that directly, or indirectly through
33 one or more intermediaries, controls, is controlled by, or is
34 under common control with a person receiving, obtaining, or
35 operating under a franchise agreement with a municipality to

1 provide cable ~~service~~ or video service through merger, sale,
2 assignment, restructuring, or any other type of transaction.
3 6. If a competitive cable ~~service provider~~ or a ~~competitive~~
4 video service provider applies for a certificate of franchise
5 authority to operate within a municipality, the incumbent
6 cable provider may, at its discretion, apply for a certificate
7 of franchise authority for that same municipality. Such
8 application shall be automatically granted on the same day
9 as a competitive cable ~~service provider~~ or ~~competitive~~ video
10 service provider files a thirty days' notice of offering
11 service as required pursuant to [subsection 4](#). The franchise
12 agreement with the municipality is terminated on the date the
13 board issues the certificate of franchise authority to an
14 incumbent cable provider. The terms and conditions of the
15 certificate of franchise authority shall be the same as the
16 terms and conditions of a competitive cable ~~service provider~~ or
17 a ~~competitive~~ video service provider pursuant to [this chapter](#)
18 and shall replace the terms and conditions of the franchise
19 agreement previously granted by the municipality.

20 Sec. 11. Section 477A.3, subsection 1, paragraphs a, c, d,
21 and f, Code 2024, are amended to read as follows:

22 *a.* That the applicant has filed or will timely file with
23 the federal communications commission all forms required by
24 the commission in advance of offering cable ~~service~~ or video
25 service in this state.

26 *c.* That the applicant agrees to comply with all applicable
27 state laws and nondiscriminatory municipal ordinances and
28 regulations regarding the use and occupation of a public
29 right-of-way in the delivery of the cable ~~service~~ or video
30 service, to the extent consistent with [this chapter](#), including
31 the police powers of the municipalities in which the service
32 is delivered.

33 *d.* A description of the service area to be served and the
34 municipalities to be served by the applicant, which may include
35 certain designations of unincorporated areas. This description

1 shall be updated by the applicant prior to the expansion of
2 cable ~~service~~ or video service to a previously undesignated
3 service area and, upon such expansion, notice shall be given to
4 the board of the service area to be served by the applicant.

5 *f.* Documentation that the applicant possesses sufficient
6 managerial, technical, and financial capability to provide the
7 cable ~~service~~ or video service proposed in the service area.

8 Sec. 12. Section 477A.3, subsection 1, paragraph g, Code
9 2024, is amended by striking the paragraph.

10 Sec. 13. Section 477A.3, subsections 5 and 9, Code 2024, are
11 amended to read as follows:

12 5. The certificate of franchise authority issued by the
13 board shall contain all of the following:

14 *a.* A grant of authority to provide cable ~~service~~ or video
15 service in the service area designated in the application.

16 *b.* A grant of authority to use and occupy the public
17 right-of-way ~~in the delivery~~ for the purpose of erecting,
18 maintaining, and operating plants and systems for the provision
19 of cable ~~service~~ or video service, subject to the laws of this
20 state, including the police powers of the municipalities in
21 which the service is delivered.

22 *c.* A statement that the grant of authority provided by the
23 certificate is subject to the lawful operation of the cable
24 ~~service~~ or video service by the applicant or the applicant's
25 successor.

26 *d.* A statement that the franchise is for a term of ~~ten~~
27 twenty-five years, is renewable under the terms of this
28 section, and is nonexclusive.

29 9. The certificate of franchise authority issued by the
30 board may be terminated by a person providing cable ~~service~~ or
31 video service by submitting written notice to the board and
32 any affected municipality. Neither the board nor an affected
33 municipality shall have authority to review or require approval
34 of such termination.

35 Sec. 14. Section 477A.3, subsection 6, paragraph a, Code

1 2024, is amended to read as follows:

2 *a.* If the holder of a certificate of franchise authority
3 fails to commence operation of a cable ~~system~~ or video service
4 network within twelve months from the date the application is
5 granted, the board may determine that the applicant is not in
6 compliance with the certificate of franchise authority and may
7 revoke the certificate.

8 Sec. 15. Section 477A.3, subsection 7, paragraph a, Code
9 2024, is amended to read as follows:

10 *a.* In the event that an applicant granted a certificate
11 of franchise authority subsequently ceases to engage in
12 construction or operation of a cable ~~system~~ or video service
13 network and is no longer providing service, the applicant
14 shall notify the municipality, the board, and the incumbent
15 cable provider on the date that construction or service is
16 terminated.

17 Sec. 16. Section 477A.4, Code 2024, is amended to read as
18 follows:

19 **477A.4 Applicability to federal law.**

20 To the extent required by applicable law, a certificate of
21 franchise authority issued under [this chapter](#) shall constitute
22 a "franchise" for the purposes of 47 U.S.C. §541(b)(1). To
23 the extent required for the purposes of 47 U.S.C. §521 –
24 561, only the state of Iowa shall constitute the exclusive
25 franchising authority for competitive cable ~~service providers~~
26 and ~~competitive~~ video service providers in this state.

27 Sec. 17. Section 477A.6, subsections 1 and 2, Code 2024, are
28 amended to read as follows:

29 1. Not later than one hundred eighty days after a request by
30 a municipality in which a competitive cable ~~service provider~~ or
31 a ~~competitive~~ video service provider is providing cable ~~service~~
32 or video service, the holder of the certificate of authority
33 for that municipality shall designate a sufficient amount of
34 capacity on the certificate holder's communications network
35 to allow the provision of a comparable number of public,

1 educational, and governmental channels that the incumbent cable
2 provider in the municipality has activated and provided in the
3 municipality under the terms of a franchise agreement with a
4 municipality prior to July 1, 2007. If no such channels are
5 active, the municipality may request a maximum of three public,
6 educational, and governmental channels for a municipality
7 with a population of at least fifty thousand, and a maximum
8 of two public, educational, and governmental channels for a
9 municipality with a population of less than fifty thousand.

10 a. The public, educational, and governmental content to
11 be provided pursuant to [this section](#) and the operation of
12 the public, educational, and governmental channels shall be
13 the responsibility of the municipality receiving the benefit
14 of such capacity. The holder of a certificate of franchise
15 authority shall be responsible only for the transmission of
16 such content, subject to technological restraints.

17 b. The municipality receiving capacity under [this section](#)
18 shall ensure that all transmissions, content, or programming to
19 be transmitted by the holder of the certificate of franchise
20 authority are provided or submitted to the competitive
21 ~~cable service provider~~ or ~~competitive~~ video service provider
22 in a manner or form that is capable of being accepted and
23 transmitted by the competitive cable ~~service provider~~ or
24 ~~competitive~~ video service provider, without requirement for
25 additional alteration or change in the content, over the
26 particular network of the competitive cable ~~service provider~~
27 or ~~competitive~~ video service provider, which is compatible
28 with the technology or protocol utilized by the competitive
29 cable ~~service provider~~ or ~~competitive~~ video service provider
30 to deliver services. At its election the municipality may
31 reasonably request any cable ~~service provider~~ or video service
32 provider to make any necessary change to the form of any
33 programming, furnished for transmission, which shall be charged
34 to the municipality, not to exceed the provider's incremental
35 costs. The municipality shall have up to twelve months to

1 reimburse the cable ~~service provider~~ or video service provider.
2 The provision of such transmissions, content, or programming
3 to the competitive cable ~~service provider~~ or ~~competitive~~ video
4 service provider shall constitute authorization for such
5 holder to carry such transmissions, content, or programming,
6 at the holder's option, beyond the jurisdictional boundaries
7 stipulated in any franchise agreement.

8 2. Where technically feasible, a competitive cable ~~service~~
9 ~~provider~~ or ~~competitive~~ video service provider that is a holder
10 of a certificate of franchise authority and an incumbent
11 cable provider shall use reasonable efforts to interconnect
12 the cable or video communications network systems of the
13 certificate holder and incumbent cable provider for the purpose
14 of providing public, educational, and governmental programming.
15 Interconnection may be accomplished by direct cable, microwave
16 link, satellite, or other reasonable method of connection. A
17 holder of a certificate of franchise authority and an incumbent
18 cable provider shall negotiate in good faith and an incumbent
19 cable provider shall not withhold interconnection of public,
20 educational, or governmental channels.

21 Sec. 18. Section 477A.7, subsections 1 and 3, Code 2024, are
22 amended to read as follows:

23 1. a. In any service area in which a competitive cable
24 ~~service provider~~ or a ~~competitive~~ video service provider
25 holding a certificate of franchise authority offers or provides
26 cable ~~service~~ or video service, the competitive cable ~~service~~
27 ~~provider~~ or ~~competitive~~ video service provider shall calculate
28 and pay a franchise fee to the municipality with authority to
29 grant a certificate of franchise authority in that service area
30 upon the municipality's written request. If the municipality
31 makes such a request, the franchise fee shall be due and paid
32 to the municipality on a quarterly basis, not later than
33 forty-five days after the close of the quarter, and shall be
34 calculated as a percentage of gross revenues. The municipality
35 shall not demand any additional franchise fees from the

1 competitive cable ~~service provider~~ or competitive video service
2 provider, and shall not demand the use of any other calculation
3 method for the franchise fee.

4 *b.* All cable ~~service providers~~ and video service providers
5 shall pay a franchise fee at the same percent of gross revenues
6 as had been assessed on the incumbent cable provider by the
7 municipality as of January 1, 2007, and such percentage shall
8 continue to apply for the period of the remaining term of the
9 existing franchise agreement with the municipality. Upon
10 expiration of the period of the remaining term of the agreement
11 with the incumbent cable service provider, a municipality may
12 request an increase in the franchise fee up to five percent of
13 gross revenues.

14 *c.* A provider who is both a competitive cable ~~service~~
15 ~~provider~~ and a competitive video service provider shall be
16 subject to and only be required to pay one franchise fee to a
17 municipality under [this subsection](#) regardless of whether the
18 provider provides both cable service and video service.

19 *d.* At the request of a municipality and not more than once
20 per year, an independent auditor may perform reasonable audits
21 of the competitive cable ~~service provider's~~ or competitive
22 video service provider's calculation of the franchise fee under
23 this subsection. The municipality shall bear the costs of
24 any audit requested pursuant to [this subsection](#), unless the
25 audit discloses that the competitive cable ~~service provider~~ or
26 ~~competitive~~ video service provider has underpaid franchise fees
27 by more than five percent, in which case the competitive cable
28 ~~service provider~~ or competitive video service provider shall
29 pay all of the reasonable and actual costs of the audit.

30 *e.* A competitive cable ~~service provider~~ or competitive video
31 service provider may identify and collect the amount of the
32 franchise fee as a separate line item on the regular bill of
33 each subscriber.

34 3. *a.* If an incumbent cable provider is required by
35 a franchise agreement as of January 1, 2007, to provide

1 institutional network capacity to a municipality for use by
2 the municipality for noncommercial purposes, the incumbent
3 cable provider and any subsequent holder of a certificate of
4 franchise authority shall provide support only for the existing
5 institutional network on a pro rata basis per customer. Any
6 financial support provided for an institutional network shall
7 be limited to ongoing maintenance and support of the existing
8 institutional network. [This subsection](#) shall be applicable
9 only to a cable ~~service provider's~~ or video service provider's
10 first certificate of franchise authority issued under this
11 chapter, and shall not apply to any subsequent renewals. For
12 the purposes of [this subsection](#), maintenance and support shall
13 only include the reasonable incremental cost of moves, changes,
14 and restoring connectivity of the fiber or coaxial cable lines
15 up to a demarcation point at the building.

16 *b.* For purposes of [this subsection](#), the number of customers
17 of a cable ~~service provider~~ or video service provider shall
18 be determined based on the relative number of subscribers in
19 that municipality at the end of the prior calendar year as
20 reported to the municipality by all incumbent cable providers
21 and holders of a certificate of franchise authority. Any
22 records showing the number of subscribers shall be considered
23 confidential records pursuant to [section 22.7](#). The incumbent
24 cable provider shall provide to the municipality, on an annual
25 basis, the maintenance and support costs of the institutional
26 network, subject to an independent audit. A municipality
27 acting under [this subsection](#) shall notify and present a bill
28 to competitive cable ~~service providers~~ or competitive video
29 service providers for the amount of such support on an annual
30 basis, beginning one year after issuance of the certificate of
31 franchise authority. The annual institutional network support
32 shall be due and paid by the providers to the municipality in
33 four quarterly payments, not later than forty-five days after
34 the close of each quarter. The municipality shall reimburse
35 the incumbent cable provider for the amounts received from

1 competitive cable ~~service providers~~ or competitive video
2 service providers.

3 *c.* **This subsection** shall not apply if the incumbent
4 cable service provider is a municipal utility providing
5 telecommunications services under **section 388.10**.

6 Sec. 19. Section 477A.10, subsection 2, Code 2024, is
7 amended to read as follows:

8 2. A competitive cable ~~service provider~~ or competitive
9 video service provider holding a certificate of franchise
10 authority shall not deny access to any group of potential
11 residential subscribers because of the income of residents in
12 the local area in which such group resides.

13 Sec. 20. Section 477A.10, subsection 3, paragraph a,
14 subparagraph (3), Code 2024, is amended to read as follows:

15 (3) These dwelling units do not have cable or video service
16 available from another cable ~~service provider~~ or video service
17 provider.

18 Sec. 21. Section 477A.10, subsection 3, paragraph b, Code
19 2024, is amended to read as follows:

20 *b.* **This subsection** shall be applicable only after the first
21 date on which the video service provider operating under a
22 certificate of franchise authority is providing cable ~~service~~
23 or video service to more than fifty percent of all cable and
24 video subscribers receiving cable or video service from the
25 holders of certificates of franchise authority and any other
26 providers of cable or video services operating under franchise
27 agreements with a municipality.

28 EXPLANATION

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

31 This bill relates to public utilities, including energy
32 production, public utility affiliates, and cable and video
33 service.

34 DIVISION I. Division I of the bill relates to energy
35 production. Current law defines an "alternate energy

1 production facility" as a solar, wind turbine, waste
2 management, resource recovery, refuse-derived fuel,
3 agricultural crops or residues, or woodburning facility. The
4 bill adds an electric storage unit facility and a nuclear
5 facility to the definition.

6 Under current law, the Iowa utilities board (IUB)
7 administers a small wind innovation zone program to optimize
8 local, regional, and state benefits from wind energy and to
9 facilitate and expedite interconnection of small wind energy
10 systems with electric utilities throughout Iowa. IUB is
11 required to submit to the general assembly an annual report
12 summarizing the number of applications received from political
13 subdivisions seeking to be designated a small wind innovation
14 zone, the number of applications granted, the number of small
15 wind energy systems generating electricity within each small
16 wind innovation zone, and the amount of wind energy produced.
17 The bill strikes the reporting requirement.

18 Current law defines "facility", for purposes of electric
19 power generating and transmission, as any electric power
20 generating plant or a combination of plants at a single site,
21 owned by any person, with a total capacity of 25 megawatts of
22 electricity or more and those associated transmission lines
23 connecting the generating plant to either a power transmission
24 system or an interconnected primary transmission system or
25 both. The bill includes in the definition of "facility" an
26 electric storage unit with a capacity of 25 or more megawatt
27 hours of electricity.

28 DIVISION II. Division II of the bill relates to public
29 utility affiliates. A public utility affiliate is a party that
30 directly, or indirectly through one or more intermediaries,
31 controls, is controlled by, or is under common control with a
32 rate-regulated public utility. Under current law, a public
33 utility affiliate is required to file documents relating to
34 certain transactions with IUB on an annual basis unless,
35 subject to certain restrictions, the amount of consideration

1 involved is not in excess of \$50,000 or 5 percent of the
2 capital equity of the utility, whichever is smaller. The
3 bill changes the threshold amount to \$250,000 regardless of
4 the capital equity of the utility. A contract or agreement
5 between a public utility and an affiliate is subject to a
6 cross-subsidization prohibition.

7 DIVISION III. Division III of the bill relates to the
8 provision of cable and video service. The bill defines the
9 phrases "cable or video service" and "competitive cable or
10 video service provider" to indicate the inclusion of terms
11 defined in current law.

12 Current law defines "franchise", in relation to cable or
13 video service, as an initial authorization, or renewal of an
14 authorization, issued by IUB or a municipality, to construct
15 and operate a cable system or video service provider's network
16 in a public right-of-way. The bill removes "construction
17 and operation" from the definition and instead refers to the
18 authorization of a person to erect, maintain, and operate
19 plants and systems for the provision of a cable or video
20 service provider's network in a public right-of-way.

21 Current law requires an applicant for a certificate of
22 franchise authority to include in its application copies of
23 advertisements or news releases announcing the applicant's
24 intent to provide cable service or video service in the service
25 area intended for release if the certificate of franchise
26 authority is granted. The bill strikes that requirement.

27 Current law requires a certificate of franchise authority
28 to include a grant of authority to use and occupy the public
29 right-of-way in the delivery of cable or video service, subject
30 to the laws of this state, including the police powers of the
31 municipalities in which the service is delivered. The bill
32 amends this requirement so the certificate instead grants
33 authority to use and occupy the public right-of-way for the
34 purpose of erecting, maintaining, and operating plants and
35 systems for the provision of cable or video service. Current

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1 law also requires the certificate to include a statement that
2 the franchise is for a term of 10 years, is renewable under
3 the terms of this Code section, and is nonexclusive. The bill
4 lengthens the term of a franchise to 25 years.