

Senate File 535 - Introduced

SENATE FILE 535
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO SSB 1157)

A BILL FOR

1 An Act relating to the regulation of specified gas and electric
2 utilities.

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

1 Section 1. Section 476.1A, Code 2023, is amended to read as
2 follows:

3 **476.1A Applicability of authority — certain electric**
4 **utilities.**

5 1. Electric public utilities having fewer than ten
6 thousand customers and electric cooperative corporations and
7 associations are not subject to the regulation authority of the
8 board, except for regulatory action pertaining to all of the
9 following:

10 a. Assessment of fees for the support of the division and
11 the office of consumer advocate, pursuant to [section 476.10](#).

12 b. Safety standards and engineering standards ~~for equipment,~~
13 ~~operations, and procedures.~~

14 c. Assigned ~~area~~ areas of service, as set forth in sections
15 476.22 through 476.26.

16 ~~d. Pilot projects of the board~~ Public utility railroad
17 crossings, as set forth in 476.27.

18 e. Filing alternate energy purchase program plans with the
19 board, and offering such programs to customers, pursuant to
20 section 476.47.

21 2. However, [sections 476.20, subsections 1 through 4,](#)
22 [476.21, 476.51, 476.56, 476.58, 476.62, and 476.66](#) and chapters
23 476A and [478](#), to the extent applicable, apply to such electric
24 utilities.

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

31 4. The board of directors or the membership of an electric
32 cooperative corporation or association otherwise exempt
33 from rate regulation may elect to have the cooperative's
34 rates regulated by the board. The board shall adopt rules
35 prescribing the manner in which the board of directors or the

1 membership of an electric cooperative may so elect. If the
2 board of directors or the membership of an electric cooperative
3 has elected to have the cooperative's rates regulated by the
4 board, after two years have elapsed from the effective date of
5 such election the board of directors or the membership of the
6 electric cooperative may elect to exempt the cooperative from
7 the rate regulation authority of the board, provided, however,
8 that if the membership elected to have the cooperative's rates
9 regulated by the board, only the membership may elect to exempt
10 the cooperative from the rate regulation authority of the
11 board.

12 5. An electric utility subject to regulatory action
13 pursuant to this section is subject to complaints and
14 investigations as set forth in section 476.3, but only with
15 regard to matters within the regulatory authority of the board
16 as set forth in subsections 1 and 2.

17 6. As used in this section:

18 a. "Engineering standards" means standards adopted by the
19 American national standards institute, or the institute of
20 electrical and electronics engineers, rural utilities service,
21 or comparable engineering organization or engineering standards
22 adopted by the board.

23 b. "Rates" means the same as defined in section 384.80
24 and includes all charges or fees imposed or collected for the
25 provision of or incidental to utility service.

26 c. "Safety standards" means applicable regulations
27 promulgated by the United States occupational safety and health
28 administration and by Iowa occupational safety and health by
29 the administration. Safety standards for electric utilities
30 subject to this section also include outage notifications,
31 safety standards contained in the national electric safety
32 code, as published by the institute of electrical and
33 electronic engineers, inc., and electric safety standards
34 approved by the American national standards institute.

35 Sec. 2. Section 476.1B, Code 2023, is amended to read as

1 follows:

2 **476.1B Applicability of authority — municipally owned**
3 **utilities.**

4 1. ~~Unless otherwise specifically provided by statute, a~~
5 A municipally owned utility furnishing gas or electricity is
6 not subject to the regulation by authority of the board under
7 ~~this chapter~~, except for regulatory action pertaining to the
8 following:

9 a. Assessment of fees for the support of the division
10 and the office of consumer advocate, as set forth in section
11 476.10.

12 b. Safety standards.

13 c. Assigned areas of service, as set forth in sections
14 476.22 through 476.26.

15 ~~d. Enforcement of civil penalties pursuant to section~~
16 ~~476.51.~~

17 ~~e. Disconnection of service, as set forth in section 476.20,~~
18 ~~subsections 1 through 4.~~

19 ~~f. Encouragement of alternate energy production facilities,~~
20 ~~as set forth in sections 476.41 through 476.45.~~

21 ~~g. Enforcement of section 476.56.~~

22 ~~h. Enforcement of section 476.66.~~

23 ~~i. Enforcement of section 476.62.~~

24 d. Public utility railroad crossings, as set forth in
25 section 476.27.

26 ~~j. e.~~ An electric power agency as defined in chapter
27 28F and section 390.9 that includes as a member a city or
28 municipally owned utility that builds transmission facilities
29 after July 1, 2001, is subject to applicable transmission
30 reliability rules or standards adopted by the board for those
31 facilities.

32 ~~k. f.~~ Filing alternate energy purchase program plans with
33 the board, and offering such programs to customers, pursuant
34 to section 476.47.

35 2. ~~The board may waive all or part of the energy efficiency~~

1 ~~filing and review requirements for municipally owned utilities~~
2 ~~which demonstrate superior results with existing energy~~
3 ~~efficiency efforts~~ Sections 476.20, subsections 1 through 4,
4 476.51, 476.56, 476.58, 476.62, and 476.66 and chapters 476A
5 and 478, to the extent applicable, apply to such electric and
6 gas utilities.

7 3. ~~Unless otherwise specifically provided by statute, a~~ A
8 municipally owned utility providing local exchange services
9 is not subject to the regulation by authority of the board
10 ~~under this chapter~~ except for regulatory action pertaining to
11 the enforcement of sections 476.10, 476.95, 476.95A, 476.95B,
12 476.100, and 476.102, and 476.103.

13 4. An electric utility subject to regulatory action
14 pursuant to this section is subject to complaints and
15 investigations as set forth in section 476.3, but only with
16 regard to matters within the regulatory authority of the board
17 as set forth in subsections 1 and 2.

18 Sec. 3. Section 476.20, subsection 3, paragraph a, Code
19 2023, is amended to read as follows:

20 a. The board shall ~~establish~~ adopt rules which shall be
21 uniform with respect to ~~all~~ rate-regulated public utilities
22 furnishing gas or electricity relating to disconnection
23 of service. The board shall adopt rules with respect to
24 electric and gas utilities subject to sections 476.1A and
25 476.1B that prescribe the procedures and notice requirements
26 for the disconnection of service consistent with the rules
27 for rate-regulated public utilities, but such rules shall
28 not regulate the rates of such utilities. This subsection
29 ~~applies both to regulated~~ rate-regulated utilities, utilities
30 subject to regulation under sections 476.1A and 476.1B, and to
31 ~~municipally owned utilities and unincorporated villages which~~
32 ~~own their own distribution systems, and violations.~~ Violations
33 of this subsection may subject the utilities a utility to civil
34 penalties under section 476.51.

35 Sec. 4. Section 476.20, subsection 5, paragraph a,

1 unnumbered paragraph 1, Code 2023, is amended to read as
2 follows:

3 The board shall establish rules which shall be uniform with
4 respect to ~~all~~ rate-regulated public utilities furnishing gas
5 or electricity relating to deposits which may be required by
6 the public utility for the initiation or reinstatement of
7 service. **This subsection** shall not apply to utilities subject
8 to section 476.1A, or to municipally owned utilities, which
9 shall be governed by the provisions of **section 384.84** with
10 respect to deposits and payment plans for delinquent amounts
11 owed. ~~Municipally owned utilities and electric utilities~~
12 ~~that are not required to be rate-regulated~~ utilities subject
13 to section 476.1A shall not be subject to the board's rules
14 ~~in regards~~ regard to deposits, rates and charges for the
15 disconnection or reinstatement of service, and payment plans
16 for delinquent amounts owed and repayment of past due debt.
17 ~~Municipally owned utilities and electric utilities that are~~
18 ~~not required to be rate-regulated~~ utilities subject to section
19 476.1A shall be subject to the board's rules in regards to
20 payment plans made prior to the disconnection of services.

21 Sec. 5. Section 592.9, Code 2023, is amended to read as
22 follows:

23 **592.9 City ~~waterworks~~ utilities and utility boards.**

24 All proceedings taken prior to ~~January 1, 1961~~ the effective
25 date of this Act purporting to provide for the establishment,
26 organization, formation, operation, or maintenance of a city
27 ~~waterworks~~ utility or utility board and not previously declared
28 invalid by any court, are legalized, validated and confirmed.
29 All such proceedings are declared to be legally sufficient to
30 create, establish and authorize the maintenance and operation
31 of ~~a city waterworks~~ as a city utility, as defined in section
32 362.2, subsection 6.

33

EXPLANATION

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

1 This bill relates to the regulation of specified gas and
2 electric utilities.

3 The bill provides that electric public utilities having
4 fewer than 10,000 customers and electric cooperative
5 corporations and associations are subject to regulatory action
6 from the Iowa utilities board (board) regarding public utility
7 railroad crossings. The bill removes regulation authority
8 from the board for electric public utilities having fewer
9 than 10,000 customers and electric cooperative corporations
10 and associations regarding pilot projects of the board. The
11 bill provides that such utilities are subject to complaint and
12 investigation procedures set forth in Code section 476.3. The
13 bill provides definitions for "engineering standards", "rates",
14 and "safety standards".

15 With regard to municipally owned utilities furnishing gas or
16 electricity, the bill similarly provides that such utilities
17 are subject to regulation authority regarding public utility
18 railroad crossings. The bill strikes provisions relating to
19 waiver of energy efficiency filing and review requirements,
20 civil penalties in Code section 476.51, disconnection
21 of service, encouragement of alternate energy production
22 facilities, enforcement of the energy costs provided in Code
23 section 476.56, enforcement of the customer contribution
24 fund provided in Code section 476.66, and enforcement of
25 energy-efficient lighting requirements provided in Code
26 section 476.62. The bill adds that the board has regulatory
27 authority over a municipally owned utility providing local
28 exchange services regarding Code section 476.10, relating
29 to investigations, and Code section 476.103, relating to
30 unauthorized change in service. The bill provides that
31 disconnection of services in Code section 476.20, subsections
32 1 through 4, civil penalties in Code section 476.51,
33 encouragement of alternate energy production facilities, energy
34 cost requirements, safety of distributed generation facilities,
35 customer contribution fund requirements, and energy-efficient

1 lighting requirements, Code chapter 476A relating to electric
2 power generation and transmission, and Code chapter 478
3 relating to electric transmission lines, also apply to
4 municipally owned utilities furnishing gas or electricity. The
5 bill provides that disconnection of services in Code section
6 476.20, subsections 1 through 4, civil penalties in Code
7 section 476.51, encouragement of alternate energy production
8 facilities, energy cost requirements, safety of distributed
9 generation facilities, customer contribution fund requirements,
10 and energy-efficient lighting requirements, Code chapter 476A
11 relating to electric power generation and transmission, and
12 Code chapter 478 relating to electric transmission lines,
13 also apply to municipally owned utilities furnishing gas or
14 electricity.

15 The bill changes the applicability of deposit-related
16 uniform rules established by the board from all public
17 utilities furnishing gas or electricity to rate-regulated
18 public utilities furnishing gas or electricity and excludes
19 utilities subject to Code section 476.1A. The bill provides
20 that municipally owned utilities and utilities subject to Code
21 section 476.1A shall not be subject to the board's rules in
22 regards to deposits, rates, charges for the disconnection or
23 reinstatement of service, and payment plans for delinquent
24 amounts owed and repayment of past-due debt, but are subject to
25 rules regarding payment plans made prior to the disconnection
26 of services.

27 The bill provides that all proceedings taking place
28 before the effective date of the bill for the establishment,
29 organization, formation, operation, or maintenance of a city
30 utility or utility board that were not previously declared
31 invalid shall be determined to be legally sufficient to create,
32 establish, and authorize the maintenance and operation of a
33 city utility. Current law provides for the procedure to apply
34 exclusively to city waterworks processed before January 1,
35 1961.