

Senate File 2308 - Introduced

SENATE FILE 2308
BY WESTRICH

A BILL FOR

- 1 An Act relating to certain charges for utility service.
- 2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 476.1A, subsection 1, Code 2026, is
2 amended by adding the following new paragraph:

3 NEW PARAGRAPH. f. Allowable charges to customers, as set
4 forth in section 476.6B.

5 Sec. 2. Section 476.1B, subsection 1, Code 2026, is amended
6 by adding the following new paragraph:

7 NEW PARAGRAPH. g. Allowable charges to customers, as set
8 forth in section 476.6B.

9 Sec. 3. Section 476.1C, subsection 1, paragraph a, Code 2026,
10 is amended to read as follows:

11 a. Are not subject to the regulation authority of the
12 utilities commission under this chapter unless otherwise
13 specifically provided. Sections 476.6B, 476.10, 476.20, 476.21,
14 and 476.51 apply to such gas utilities.

15 Sec. 4. NEW SECTION. **476.8A Allowable charges to**
16 **customers.**

17 1. The general assembly finds the following:

18 a. Water, electricity, and natural gas are essential services
19 necessary for life, health, and safety.

20 b. Public utility customers in Iowa generally have no
21 meaningful ability to choose among competing providers due to the
22 monopolistic nature of utility service territories.

23 c. Utility bills in Iowa increasingly include charges that
24 are not directly related to the actual consumption of utility
25 service, including but not limited to franchise fees, meter fees,
26 customer charges, and per-unit or per-meter surcharges.

27 d. Nonusage fees described in paragraph "c" significantly
28 increase utility bills without increasing the amount of utility
29 service received.

30 e. Iowa residents currently pay among the highest utility
31 rates in the nation, and additional nonusage fees further burden
32 households, renters, homeowners, and small businesses.

33 2. a. Notwithstanding any other provision of law, a public
34 utility shall not impose, collect, or bill any nonusage fee
35 or surcharge to a customer. A utility bill issued to a

1 customer in this state shall consist of only the following
2 charges, regardless of the number of meters serving a property
3 or the number of dwelling units or tenants served by a single
4 connection:

5 (1) Usage charges based on actual consumption.

6 (2) Late payment charges, if applicable.

7 b. A public utility shall not condition the provision or
8 continuation of service on payment of any nonusage fee.

9 3. Notwithstanding any other provision of law, a utility
10 shall not recover, pass through, itemize, or otherwise charge a
11 customer for any franchise fee, franchise assessment, or similar
12 payment made to a municipality or other governmental entity.
13 Any franchise fee obligation shall be borne by the utility as
14 a cost of doing business and shall not be recovered directly or
15 indirectly from customers.

16 4. a. The commission shall adopt rules as necessary to
17 implement and enforce this section.

18 b. The commission shall review all existing tariffs, rate
19 schedules, and billing practices to ensure compliance with this
20 section.

21 c. Any tariff, rule, or billing practice inconsistent with
22 this section is void.

23 5. a. A public utility that violates this section is subject
24 to all the following:

25 (1) Administrative penalties as determined by the commission.

26 (2) Refunds or bill credits to affected customers.

27 (3) Enforcement action by the attorney general under
28 applicable consumer protection laws.

29 b. Each billing statement containing a prohibited fee
30 constitutes a separate violation.

31 6. Notwithstanding section 476.1, subsection 3, this section
32 applies to all municipally owned waterworks, waterworks having
33 less than two thousand customers, joint water utilities
34 established pursuant to chapter 389, rural water districts
35 incorporated and organized pursuant to chapters 357A and 504,

1 and cooperative water associations incorporated and organized
2 pursuant to chapter 499 in addition to other public utilities
3 providing gas or electric service.

4 EXPLANATION

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

7 This bill relates to certain charges for utility service.

8 The bill provides legislative findings stating that water,
9 electricity, and natural gas are essential services, that
10 utility customers generally lack choice due to the monopolistic
11 nature of service territories, that utility bills increasingly
12 include nonusage fees that significantly increase costs without
13 increasing service, and that such nonusage fees place a burden on
14 Iowa residents.

15 The bill prohibits a public utility from imposing, collecting,
16 or billing any nonusage fee or surcharge to a customer, and
17 provides that a utility bill may include only charges based on
18 actual consumption and late payment charges. The bill prohibits
19 a public utility from conditioning the provision or continuation
20 of service on the payment of a nonusage fee.

21 The bill prohibits utilities from charging customers, through
22 any method, for franchise fees or similar payments made to a
23 municipality or governmental entity.

24 The bill directs the Iowa utilities commission to adopt rules
25 to implement and enforce the new bill and to review all existing
26 tariffs, rate schedules, and billing practices for compliance.
27 Any tariff, rule, or billing practice inconsistent with the bill
28 is void.

29 The bill provides enforcement mechanisms for violations,
30 including administrative penalties determined by the commission,
31 refunds or bill credits to affected customers, and enforcement
32 actions by the attorney general. Each billing statement
33 containing a prohibited fee constitutes a separate violation.

34 The bill applies to certain public utilities, including those
35 that are otherwise not subject to full rate regulation by the

1 utilities commission.

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