

SENATE/HOUSE FILE _____
BY (PROPOSED UTILITIES BOARD
BILL)

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 any
11 unreasonable payment or compensation made pursuant to any
12 contract or arrangement ~~which~~ that is not required to be filed
13 under this subsection.

14 DIVISION III

15 CABLE OR VIDEO SERVICE

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

18 4. As used in this chapter and chapters 475A, 476, 476A,
19 477A, 477C, 478, 479, 479A, and 479B, "board" and "utilities
20 board" mean the Iowa utilities board.

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

23 NEW SUBSECTION. 2A. "Cable or video service" includes the
24 terms "cable service", "cable system", and "video service".

25 NEW SUBSECTION. 4A. "Competitive cable or video service
26 provider" includes the terms "competitive cable service provider"
27 and "competitive video service providers".

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

30 7. "Franchise" means an initial authorization, or renewal
31 of an authorization, issued by the board or a municipality,
32 regardless of whether the authorization is designated as a
33 franchise, permit, license, resolution, contract, certificate,
34 agreement, or otherwise, that authorizes the ~~construction and~~
35 operation of a cable system person to erect, maintain, and

1 operate plants and systems for the provision of a cable or
2 video service provider's network in a public right-of-way.

3 Sec. 8. Section 477A.1, subsection 9, paragraph a, Code
4 2024, is amended to read as follows:

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

13 (1) Recurring charges for ~~cable service~~ or video service.

14 (2) Event-based charges for ~~cable service~~ or video service,
15 including but not limited to pay-per-view and video-on-demand
16 charges.

17 (3) Rental of set-top boxes and other ~~cable service~~ or video
18 service equipment.

19 (4) Service charges related to the provision of ~~cable~~
20 ~~service~~ or video service, including but not limited to
21 activation, installation, and repair charges.

22 (5) Administrative charges related to the provision of
23 ~~cable service~~ or video service, including but not limited to
24 service order and service termination charges.

25 (6) A pro rata portion of all revenue derived, less refunds,
26 rebates, or discounts, by a ~~cable service provider~~ or a video
27 service provider for advertising over the ~~cable service~~ or
28 video service network to subscribers within the franchise area
29 where the numerator is the number of subscribers within the
30 franchise area, and the denominator is the total number of
31 subscribers reached by such advertising. This subparagraph
32 applies only to municipalities that include this provision in
33 their franchise agreements as of January 1, 2007.

34 Sec. 9. Section 477A.1, subsection 9, paragraph b,
35 subparagraphs (2), (4), (5), (6), (7), (8), (9), and (11), Code

1 2024, are amended to read as follows:

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

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

18 (5) Revenues paid by subscribers to home-shopping
19 programmers directly from the sale of merchandise through any
20 home-shopping channel offered as part of the cable ~~services~~ or
21 video services.

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

25 (7) Revenues from any tax of general applicability imposed
26 upon the competitive cable ~~service-provider~~ or ~~competitive~~
27 video service provider or upon subscribers by a city, state,
28 federal, or any other governmental entity and required to
29 be collected by the competitive cable ~~service-provider~~ or
30 ~~competitive~~ video service provider and remitted to the taxing
31 entity, including but not limited to sales or use tax, gross
32 receipts tax, excise tax, utility users tax, public service
33 tax, and communication taxes, and including the franchise fee
34 imposed under section 477A.7.

35 (8) Revenues forgone from the provision of cable ~~services~~

1 or video services to public institutions, public schools, or
2 governmental entities at no charge.

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

8 (11) Revenues from reimbursements by programmers of
9 marketing costs incurred by the competitive cable ~~service~~
10 ~~provider~~ or competitive video service provider for the
11 introduction or promotion of new programming.

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

14 **477A.2 Certificate of franchise authority requirement.**

15 1. After July 1, 2007, a person providing cable ~~service~~
16 or video service in this state shall not provide such service
17 without a franchise. The franchise may be issued by either the
18 board pursuant to section 477A.3 or by a municipality pursuant
19 to section 364.2.

20 2. *a.* A person providing cable ~~service~~ or video service
21 under a franchise agreement with a municipality prior to July
22 1, 2007, is not subject to this section with respect to such
23 municipality until the franchise agreement expires or is
24 converted pursuant to subsection 6.

25 *b.* Upon expiration of a franchise, a person may choose to
26 renegotiate a franchise agreement with a municipality or may
27 choose to obtain a certificate of franchise authority under
28 this chapter. An application for a certificate of franchise
29 authority pursuant to this subsection may be filed within
30 sixty days prior to the expiration of a municipal franchise
31 agreement. A certificate of franchise authority obtained
32 pursuant to an application filed prior to the expiration of
33 a municipal franchise agreement shall take effect upon the
34 expiration date of the municipal franchise agreement.

35 *c.* A municipal utility that provides cable ~~service~~ or

1 video service in this state is not subject to this section and
2 shall not be required to obtain a certificate of franchise
3 authority pursuant to this chapter in the municipality in
4 which the provision of cable ~~service~~ or video service by that
5 municipality was originally approved.

6 3. For purposes of this section, a person providing
7 cable ~~service~~ or video service is deemed to have executed a
8 franchise agreement to provide cable ~~service~~ or video service
9 with a specific municipality if an affiliate or predecessor
10 of the person providing cable ~~service~~ or video service has
11 or had executed an unexpired franchise agreement with that
12 municipality as of May 29, 2007.

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

27 5. As used in this section, "*affiliate*" includes but is
28 not limited to a person that directly, or indirectly through
29 one or more intermediaries, controls, is controlled by, or is
30 under common control with a person receiving, obtaining, or
31 operating under a franchise agreement with a municipality to
32 provide cable ~~service~~ or video service through merger, sale,
33 assignment, restructuring, or any other type of transaction.

34 6. If a competitive cable ~~service provider~~ or a competitive
35 video service provider applies for a certificate of franchise

1 authority to operate within a municipality, the incumbent
2 cable provider may, at its discretion, apply for a certificate
3 of franchise authority for that same municipality. Such
4 application shall be automatically granted on the same day
5 as a competitive cable ~~service provider~~ or competitive video
6 service provider files a thirty days' notice of offering
7 service as required pursuant to subsection 4. The franchise
8 agreement with the municipality is terminated on the date the
9 board issues the certificate of franchise authority to an
10 incumbent cable provider. The terms and conditions of the
11 certificate of franchise authority shall be the same as the
12 terms and conditions of a competitive cable ~~service provider~~ or
13 a ~~competitive~~ video service provider pursuant to this chapter
14 and shall replace the terms and conditions of the franchise
15 agreement previously granted by the municipality.

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

18 a. That the applicant has filed or will timely file with
19 the federal communications commission all forms required by
20 the commission in advance of offering cable ~~service~~ or video
21 service in this state.

22 c. That the applicant agrees to comply with all applicable
23 state laws and nondiscriminatory municipal ordinances and
24 regulations regarding the use and occupation of a public
25 right-of-way in the delivery of the cable ~~service~~ or video
26 service, to the extent consistent with this chapter, including
27 the police powers of the municipalities in which the service
28 is delivered.

29 d. A description of the service area to be served and the
30 municipalities to be served by the applicant, which may include
31 certain designations of unincorporated areas. This description
32 shall be updated by the applicant prior to the expansion of
33 cable ~~service~~ or video service to a previously undesignated
34 service area and, upon such expansion, notice shall be given to
35 the board of the service area to be served by the applicant.

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

4 Sec. 12. Section 477A.3, subsection 1, paragraph g, Code
5 2024, is amended by striking the paragraph.

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

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

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

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

18 *c.* A statement that the grant of authority provided by the
19 certificate is subject to the lawful operation of the cable
20 ~~service~~ or video service by the applicant or the applicant's
21 successor.

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

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

31 Sec. 14. Section 477A.3, subsection 6, paragraph a, Code
32 2024, is amended to read as follows:

33 *a.* If the holder of a certificate of franchise authority
34 fails to commence operation of a cable ~~system~~ or video service
35 network within twelve months from the date the application is

1 granted, the board may determine that the applicant is not in
2 compliance with the certificate of franchise authority and may
3 revoke the certificate.

4 Sec. 15. Section 477A.3, subsection 7, paragraph a, Code
5 2024, is amended to read as follows:

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

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

15 **477A.4 Applicability to federal law.**

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

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

25 1. Not later than one hundred eighty days after a request by
26 a municipality in which a competitive cable ~~service provider~~ or
27 a ~~competitive~~ video service provider is providing cable ~~service~~
28 or video service, the holder of the certificate of authority
29 for that municipality shall designate a sufficient amount of
30 capacity on the certificate holder's communications network
31 to allow the provision of a comparable number of public,
32 educational, and governmental channels that the incumbent cable
33 provider in the municipality has activated and provided in the
34 municipality under the terms of a franchise agreement with a
35 municipality prior to July 1, 2007. If no such channels are

1 active, the municipality may request a maximum of three public,
2 educational, and governmental channels for a municipality
3 with a population of at least fifty thousand, and a maximum
4 of two public, educational, and governmental channels for a
5 municipality with a population of less than fifty thousand.

6 *a.* The public, educational, and governmental content to
7 be provided pursuant to this section and the operation of
8 the public, educational, and governmental channels shall be
9 the responsibility of the municipality receiving the benefit
10 of such capacity. The holder of a certificate of franchise
11 authority shall be responsible only for the transmission of
12 such content, subject to technological restraints.

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

1 holder to carry such transmissions, content, or programming,
2 at the holder's option, beyond the jurisdictional boundaries
3 stipulated in any franchise agreement.

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

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

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

35 *b.* All cable ~~service providers~~ and video service providers

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

10 c. A provider who is both a competitive cable ~~service~~
11 ~~provider~~ and a competitive video service provider shall be
12 subject to and only be required to pay one franchise fee to a
13 municipality under this subsection regardless of whether the
14 provider provides both cable service and video service.

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

26 e. A competitive cable ~~service provider~~ or competitive video
27 service provider may identify and collect the amount of the
28 franchise fee as a separate line item on the regular bill of
29 each subscriber.

30 3. a. If an incumbent cable provider is required by
31 a franchise agreement as of January 1, 2007, to provide
32 institutional network capacity to a municipality for use by
33 the municipality for noncommercial purposes, the incumbent
34 cable provider and any subsequent holder of a certificate of
35 franchise authority shall provide support only for the existing

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

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

34 *c.* This subsection shall not apply if the incumbent
35 cable service provider is a municipal utility providing

1 telecommunications services under section 388.10.

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

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

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

11 (3) These dwelling units do not have cable or video service
12 available from another cable ~~service provider~~ or video service
13 provider.

14 Sec. 21. Section 477A.10, subsection 3, paragraph b, Code
15 2024, is amended to read as follows:

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

24 EXPLANATION

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

27 This bill relates to public utilities, including energy
28 production, public utility affiliates, and cable and video
29 service.

30 DIVISION I. Division I of the bill relates to energy
31 production. Current law defines an "alternate energy
32 production facility" as a solar, wind turbine, waste
33 management, resource recovery, refuse-derived fuel,
34 agricultural crops or residues, or woodburning facility. The
35 bill adds an electric storage unit facility and a nuclear

1 facility to the definition.

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

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

24 DIVISION II. Division II of the bill relates to public
25 utility affiliates. A public utility affiliate is a party that
26 directly, or indirectly through one or more intermediaries,
27 controls, is controlled by, or is under common control with a
28 rate-regulated public utility. Under current law, a public
29 utility affiliate is required to file documents relating to
30 certain transactions with IUB on an annual basis unless,
31 subject to certain restrictions, the amount of consideration
32 involved is not in excess of \$50,000 or 5 percent of the
33 capital equity of the utility, whichever is smaller. The bill
34 changes the threshold amount to \$250,000 regardless of the
35 capital equity of the utility.

1 DIVISION III. Division III of the bill relates to the
2 provision of cable and video service. The bill defines the
3 phrases "cable or video service" and "competitive cable or
4 video service provider" to indicate the inclusion of terms
5 defined in current law.

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

15 Current law requires an applicant for a certificate of
16 franchise authority to include in its application copies of
17 advertisements or news releases announcing the applicant's
18 intent to provide cable service or video service in the service
19 area intended for release if the certificate of franchise
20 authority is granted. The bill strikes that requirement.

21 Current law requires a certificate of franchise authority
22 to include a grant of authority to use and occupy the public
23 right-of-way in the delivery of cable or video service, subject
24 to the laws of this state, including the police powers of the
25 municipalities in which the service is delivered. The bill
26 amends this requirement so the certificate instead grants
27 authority to use and occupy the public right-of-way for the
28 purpose of erecting, maintaining, and operating plants and
29 systems for the provision of cable or video service. Current
30 law also requires the certificate to include a statement that
31 the franchise is for a term of 10 years, is renewable under
32 the terms of this Code section, and is nonexclusive. The bill
33 lengthens the term of a franchise to 25 years.