

MAR 3 2005

COMMERCE, REGULATION & LABOR

HOUSE FILE 558
BY MURPHY

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to municipal corporations providing electric
2 service in the exclusive service area of another electric
3 utility.

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

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HF 558

1 Section 1. Section 476.23, Code 2005, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 2A. Notwithstanding subsections 1 and 2,
4 a municipal corporation providing electric service may extend
5 electric service and transmission lines into an area annexed
6 by the municipal corporation upon payment to the electric
7 utility presently serving the customers a reasonable price for
8 the facilities serving the customers. If the municipal
9 corporation and the electric utility are unable to agree upon
10 a reasonable price for the facilities, the parties may pursue
11 mediation pursuant to chapter 679C or request a price
12 determination from the board pursuant to subsection 1.

13 EXPLANATION

14 This bill relates to municipal corporations providing
15 electric service outside of the municipal corporation's
16 exclusive service area. Under current law, a municipal
17 corporation may not furnish electric service to a customer
18 located in another utility's exclusive service area without
19 the express written agreement of the electric utility
20 currently providing service or without approval of the
21 utilities board of the department of commerce. The bill
22 permits a municipal corporation to provide electric service
23 outside of its own exclusive service area and in another
24 electric utility's exclusive area if the municipal corporation
25 has annexed the area and has paid the electric utility
26 currently providing service a reasonable price for the
27 facilities. The municipal corporation and the electric
28 utility currently providing service may agree upon the
29 reasonable price for the facilities serving the customers or
30 may pursue mediation proceedings. If the municipal
31 corporation and the electric utility are unable to agree upon
32 a reasonable price, a price determination may be requested
33 from the utilities board pursuant to existing procedures for a
34 price determination when a municipal corporation is first
35 authorized to furnish electric service.