

MAR 9 2005

COMMERCE, REGULATION & LABOR

HOUSE FILE 662
BY GASKILL

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

A BILL FOR

1 An Act relating to the termination of a franchise agreement
2 granted by a city to a rate-regulated electric utility.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 662

1 Section 1. Section 364.2, subsection 4, Code 2005, is
2 amended by adding the following new paragraph:
3 NEW PARAGRAPH. h. A city may terminate a franchise
4 granted to a rate-regulated electric utility which has
5 increased rates for electric service by fifteen percent or
6 more than the average rate increase implemented by all other
7 rate-regulated electric utilities providing service in this
8 state. To terminate a franchise pursuant to this paragraph,
9 the city shall provide written notice to the rate-regulated
10 electric utility of the city's intent to terminate the
11 franchise at least one year prior to the date of termination
12 of the franchise.

13 EXPLANATION

14 This bill relates to the termination of a franchise
15 agreement granted by a city to a rate-regulated electric
16 utility. The bill provides that a city may terminate the
17 franchise agreement of a rate-regulated electric utility which
18 has increased its rates for electric service by an amount
19 equal to 15 percent or more of the average rate increase
20 implemented by all other rate-regulated electric utilities
21 providing service in this state. A city may terminate a
22 franchise after providing written notice to the rate-regulated
23 electric utility at least one year prior to termination.

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