

HB 692 -- ELECTRIC SERVICE PROVIDERS

SPONSOR: Francis

This bill modifies provisions relating to service territories of retail electric service providers by requiring that at the time that a municipally owned utility applies to the Public Service Commission for an order assigning nonexclusive service territories, the utility must concurrently provide written notice of the application to other electric service suppliers with electric facilities located within one mile of the boundaries of the proposed expanded service territory. In granting the applicant's request, the Commission must consider territories previously granted to or served by other electric service suppliers and the duplication of electric service facilities.

Any municipally owned electric utility may extend, pursuant to lawful annexation, its electric service territory to include areas where another electric service supplier is not currently serving a structure but has existing electric service facilities located in or within one mile outside the boundaries of the area proposed to be annexed, provided it first notifies in writing the affected electric service supplier within 60 days prior to the effective date of the proposed annexation. If the affected electric service supplier objects, it must follow certain procedures.

The parties to the proceeding are responsible for payment of fees set by the Commission to carry out its duties related to determining service territories. Nothing in the bill gives the Commission jurisdiction over the service, rates, financing, accounting, or management of any rural electric cooperative or municipally owned electric utility.

If an electrical corporation is providing electric service within a municipality and the corporation has previously received a certificate of convenience and necessity from the Commission to provide electric service in the annexed area or the area proposed to be annexed, certain provisions must apply equally to the electrical corporation as if it were a municipally owned utility.

Nothing in the bill precludes a municipality having a population of at least 1,500 inhabitants as of August 28, 2021, from requiring a rural electric cooperative to obtain a franchise to provide electric service, or to impose a sales tax, within the boundaries of the municipality.

Finally, the bill modifies the definition of "rural area" as the term is used in provisions of law relating to rural electric cooperatives.

This bill is the same as SB 334 (2021).