

1 construed to alter existing territorial agreements as between
2 the parties to such agreements.

3 (e) To resolve, upon petition of a utility or on its
4 own motion, any territorial dispute involving service areas
5 between and among rural electric cooperatives, municipal
6 electric utilities, and other electric utilities under its
7 jurisdiction. In resolving territorial disputes, the
8 commission may consider, but not be limited to consideration
9 of, the ability of the utilities to expand services within
10 their own capabilities and the nature of the area involved,
11 including population, the degree of urbanization of the area,
12 its proximity to other urban areas, and the present and
13 reasonably foreseeable future requirements of the area for
14 other utility services.

15 (f) To prescribe and require the filing of periodic
16 reports and other data as may be reasonably available and as
17 necessary to exercise its jurisdiction hereunder.

18 (g) To adopt by rule standards for inspection,
19 maintenance, repair, and replacement for the distribution
20 systems of electric utilities in this state by January 1,
21 2007. The standards for each type of distribution equipment or
22 facility must provide for high-quality, safe, and reliable
23 service.

24 1. In setting standards, the commission shall consider
25 the cost of inspections, local geography and weather,
26 applicable codes, national practices in the electric industry,
27 sound engineering judgment, and experience. The commission
28 shall also adopt standards for operation, reliability, and
29 safety during periods of emergency or natural disaster. Each
30 utility shall report annually to the commission on its
31 compliance with the standards.

1 2. The commission shall conduct a review of each
2 affected utility after every major outage to determine whether
3 the standards have been met. If the commission finds that the
4 standards have not been met, it may order appropriate
5 sanctions, including penalties in the form of rate reductions
6 or monetary fines.

7
8 No provision of this chapter shall be construed or applied to
9 impede, prevent, or prohibit any municipally owned electric
10 utility system from distributing at retail electrical energy
11 within its corporate limits, as such corporate limits exist on
12 July 1, 1974; however, existing territorial agreements shall
13 not be altered or abridged hereby.

14 Section 2. This act shall take effect July 1, 2006.

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17 SENATE SUMMARY

18 Requires the Public Service Commission to adopt rules
19 that establish standards for the distribution equipment
20 of electric utilities. Provides for review and requires a
21 report.