The original instrument was prepared by Carla S. Roberts. The following digest, which does not constitute a part of the legislative instrument, was prepared by Michelle Ridge.

DIGEST 2020 Regular Session

SB 406 Reengrossed

Mizell

<u>Present law</u> provides that a cooperative, nonprofit membership corporation may be organized for the purpose of supplying electrical energy and promoting and extending the use of electricity to members of the cooperative. <u>Present law</u> provides that an electric cooperative may generate, manufacture, purchase, acquire, accumulate, and transmit electric energy, and distribute, sell, supply, and dispose of electric energy to its members, to governmental agencies, political subdivisions, and also to other persons under certain circumstances.

<u>Proposed law</u> retains <u>present law</u> and authorizes electric cooperatives to provide broadband high-speed internet services in certain areas of the state.

<u>Proposed law</u> defines "cooperative" or "electric cooperative", "broadband affiliate", "broadband service provider", broadband operator", "broadband services", "broadband system", "communication services", "cooperative" or "electric cooperative", "electric delivery system", "internet protocolenabled services", "unserved area", "video services", "video programming", and "Voice over Internet Protocol services".

<u>Proposed law</u> provides in an unserved area only, an electric cooperative may allow a broadband affiliate or other broadband operator to own, lease, construct, maintain, or operate a broadband system and provide services to the public utilizing the broadband system on the electric cooperative's electric delivery system.

<u>Proposed law</u> provides that except as provided in the substantive rules of the Public Service Commission, an electric cooperative that elects to provide broadband services shall provide a broadband affiliate or other broadband operator with nondiscriminatory access to locate its equipment for the provision of broadband services within a servitude or on infrastructure or any pole owned or controlled by the electric cooperative on just, reasonable, and nondiscriminatory rates.

<u>Proposed law</u> provides that if an electric cooperative chooses to provide broadband services through an affiliate, the electric cooperative shall provide for an application process that is open to all broadband service providers to use the electric delivery system.

<u>Proposed law</u> provides that if the electric cooperative chooses to provide for broadband services through any other broadband operator or broadband service provider, the electric cooperative shall provide for an application process that is open to all broadband service providers to use the electric delivery system.

Proposed law provides that within 60 days of receiving an application, the electric cooperative shall

notify the applicant in writing whether his application has been approved or denied.

<u>Proposed law</u> provides that each electric cooperative shall allow for location usage by costs.

<u>Proposed law</u> provides that an electric cooperative shall charge an affiliate or other broadband operator for the construction, installation, operation, use, and maintenance of those parts of its electric delivery system that are used or may be reserved for use by the affiliate or other broadband operator for the provision of broadband services.

<u>Proposed law</u> provides that any lease of facilities by an electric cooperative to a broadband affiliate that includes the use of the electric cooperative's poles shall include a pole attachment fee to be paid by the affiliate to the electric cooperative. Any fee charged shall be the same as the pole attachment fee charged by the electric cooperative to any other broadband operator.

Proposed law provides for prohibited acts of an electric cooperative.

<u>Proposed law</u> provides that an electric cooperative may make capital investments in an affiliate, issue bonds on behalf of an affiliate, make loans to an affiliate at fair market rate, and enter into loan guarantees for the benefit of an affiliate, all of which may be in such amounts and on such terms as the electric cooperative determines to be prudent, subject to certain orders of the Public Service Commission.

<u>Present law</u> provides that a cooperative shall acquire a servitude on an immovable, unless such immovable is owned by the federal or state government or any agency or subdivision thereof, for the operation and maintenance of its electric transmission and distribution lines, along, upon, under or across any such immovable by virtue of the uninterrupted maintenance of such lines without the written or other consent of the owner thereof, along, upon, under or across the immovable for a period of one year; provided such servitude and operation does not interfere with the use of the property by other public utilities; provided further that in all cases where the written consent of the owner for the establishment of a servitude has been obtained and a line has been constructed along, upon, under or across the property under said consent it is not necessary that the written consent be recorded in the conveyance or other records of the parish where the property is located in order to make the servitude effective as to third parties.

<u>Proposed law</u> retains <u>present law</u> and adds that an electric cooperative may grant permission to an affiliate or other broadband operator to use the electric delivery system of the electric cooperative to provide broadband services.

<u>Proposed law</u> provides that the use of the electric cooperative's electric delivery system for the provision of broadband services by the affiliate or other broadband operator shall not be considered an additional burden on the property upon which the electric cooperative's electric delivery system is located and shall not require the affiliate or other broadband operator to obtain the additional consent from anyone having an interest in the property upon which the electric cooperative's electric delivery system is located.

<u>Proposed law</u> provides that if a portion of an electric cooperative's electric delivery system is used by an affiliate or other broadband operator for the purpose of providing broadband services and the landowner of the property on which such portion is located believes his property has been damaged by such use, the landowner may petition the district court in which the property is situated for damages.

<u>Proposed law</u> provides that an electric cooperative or its members shall not be liable for any recoverable damages to property awarded by a court as provided by <u>proposed law</u>, and such damages shall be the sole responsibility of the broadband operator.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 12:401,403(4), 428, and 430)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Commerce, Consumer Protection, and International Affairs to the original bill

- 1. Defines the term "electric utility".
- 2. Removes the term "unaffiliated broadband operator".
- 3. Provides that an electric utility may allow for the provision of broadband on their electric delivery system.
- 4. Provides that only in an area where broadband service is not available, an electric cooperative or electric utility may allow an affiliate or other operator to own, lease, construct, maintain, or operate a broadband system on the electric utility's electric delivery system.
- 5. Requires the electric cooperative or electric utility to notify an applicant in writing within 60 day of submission of an application whether his application is approved or denied.
- 6. Provides that when electric cooperative or electric utility makes a capital investment in an affiliate, issues bonds on behalf of an affiliate, makes loans to an affiliate at fair market rate, and enters into loan agreements for the benefit of an affiliate, such actions are subject to certain orders of the Public Service Commission.

Summary of Amendments Adopted by Senate

Senate Floor Amendments to engrossed bill

1. Removes the term "electric utility".

- 2. Defines "broadband services", "broadband system", "communication services", "cooperative" or "electric cooperative", "unserved area", and "Voice over Internet Protocol services".
- 3. Requires an electric cooperative that elects to provide broadband services to provide an affiliate or other broadband operator nondiscriminatory access to locate its equipment within a servitude or on infrastructure on any pole owned or controlled by the electric cooperative on just, reasonable, and nondiscriminatory terms, conditions, and rates.
- 4. Provides for an effective date upon signature of the governor.
- 5. Makes technical changes.