

Defense Federal Acquisition Regulation Supplement

Part 241—Acquisition of Utility Services

SUBPART 241.1--GENERAL

(Revised January 13, 2000)

241.101 Definitions.

As used in this part—

“Definite term contract” means a contract for utility services for a definite period of not less than one nor more than ten years.

“Dual service area” means a geographical area in which two or more utility suppliers are authorized under State law to provide services.

“Indefinite term contract” means a month-to-month contract for utility services which may be terminated by the Government upon proper notice.

“Independent regulatory body” means the Federal Energy Regulatory Commission, a state-wide agency, or an agency with less than state-wide jurisdiction when operating pursuant to state authority. The body has the power to fix, establish, or control the rates and services of utility suppliers.

“Nonindependent regulatory body” means a body that regulates a utility supplier which is owned or operated by the same entity that created the regulatory body, e.g., a municipal utility.

“Regulated utility supplier” means a utility supplier regulated by an independent regulatory body.

“Service power procurement officer” means for the—

Army, the Chief of Engineers;
Navy, the Commander, Naval Facilities Engineering
Command;
Air Force, the head of a contracting activity; and
Defense Logistics Agency, the Executive Director of
Contracting.

241.102 Applicability.

(a) This part applies to purchases of utility services from nonregulated and regulated utility suppliers. It includes the acquisition of liquefied petroleum gas as a utility service when purchased from regulated utility suppliers.

(b)(7) This part does not apply to third party financed projects. However, it may be used for any purchased utility services directly resulting from such projects, including those authorized by—

(A) 10 U.S.C. 2394 for energy, fuels, and energy production facilities for periods not to exceed 30 years;

(B) 10 U.S.C. 2394a for renewable energy for periods not to exceed 25 years;

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(C) 10 U.S.C. 2689 for geothermal resources that result in energy production facilities;

(D) 10 U.S.C. 2809 for potable and waste water treatment plants for periods not to exceed 32 years; and

(E) 10 U.S.C. 2812 for lease/purchase of energy production facilities for periods not to exceed 32 years.

241.103 Statutory and delegated authority.

The contracting officer may enter into a utility service contract related to the conveyance of a utility system for a period not to exceed 50 years (10 U.S.C. 2688(c)(3)).