



IOWA ADMINISTRATIVE BULLETIN

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PREFACE

The Iowa Administrative Bulletin is published biweekly pursuant to Iowa Code chapters 2B and 17A and contains Notices of Intended Action and rules adopted by state agencies.

It also contains Proclamations and Executive Orders of the Governor which are general and permanent in nature; Regulatory Analyses; effective date delays and objections filed by the Administrative Rules Review Committee; Agenda for monthly Administrative Rules Review Committee meetings; and other materials deemed fitting and proper by the Administrative Rules Review Committee.

The Bulletin may also contain public funds interest rates [12C.6]; workers' compensation rate filings [515A.6(7)]; usury rates [535.2(3)"a"]; and agricultural credit corporation maximum loan rates [535.12].

PLEASE NOTE: Underscore indicates new material added to existing rules; ~~strike through~~ indicates deleted material.

STEPHANIE A. HOFF, Administrative Code Editor

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CITATION of Administrative Rules

The Iowa Administrative Code shall be cited as (agency identification number) IAC (chapter, rule, subrule, lettered paragraph, or numbered subparagraph).

441 IAC 79	(Chapter)
441 IAC 79.1	(Rule)
441 IAC 79.1(1)	(Subrule)
441 IAC 79.1(1)"a"	(Paragraph)
441 IAC 79.1(1)"a"(1)	(Subparagraph)

The Iowa Administrative Bulletin shall be cited as IAB (volume), (number), (publication date), (page number), (ARC number).

IAB Vol. XII, No. 23 (5/16/90) p. 2050, ARC 872A

NOTE: In accordance with Iowa Code section 2B.5A, a rule number within the Iowa Administrative Code includes a reference to the statute which the rule is intended to implement: 441—79.1(249A).

Schedule for Rule Making 2017

NOTICE SUBMISSION DEADLINE	NOTICE PUB. DATE	HEARING OR COMMENTS 20 DAYS	FIRST POSSIBLE ADOPTION DATE 35 DAYS	ADOPTED FILING DEADLINE	ADOPTED PUB. DATE	FIRST POSSIBLE EFFECTIVE DATE	POSSIBLE EXPIRATION OF NOTICE 180 DAYS
Dec. 28 '16	Jan. 18 '17	Feb. 7 '17	Feb. 22 '17	Feb. 24 '17	Mar. 15 '17	Apr. 19 '17	July 17 '17
Jan. 13	Feb. 1	Feb. 21	Mar. 8	Mar. 10	Mar. 29	May 3	July 31
Jan. 27	Feb. 15	Mar. 7	Mar. 22	Mar. 24	Apr. 12	May 17	Aug. 14
Feb. 10	Mar. 1	Mar. 21	Apr. 5	Apr. 7	Apr. 26	May 31	Aug. 28
Feb. 24	Mar. 15	Apr. 4	Apr. 19	Apr. 21	May 10	June 14	Sep. 11
Mar. 10	Mar. 29	Apr. 18	May 3	May 5	May 24	June 28	Sep. 25
Mar. 24	Apr. 12	May 2	May 17	***May 17***	June 7	July 12	Oct. 9
Apr. 7	Apr. 26	May 16	May 31	June 2	June 21	July 26	Oct. 23
Apr. 21	May 10	May 30	June 14	June 16	July 5	Aug. 9	Nov. 6
May 5	May 24	June 13	June 28	***June 28***	July 19	Aug. 23	Nov. 20
May 17	June 7	June 27	July 12	July 14	Aug. 2	Sep. 6	Dec. 4
June 2	June 21	July 11	July 26	July 28	Aug. 16	Sep. 20	Dec. 18
June 16	July 5	July 25	Aug. 9	Aug. 11	Aug. 30	Oct. 4	Jan. 1 '18
June 28	July 19	Aug. 8	Aug. 23	***Aug. 23***	Sep. 13	Oct. 18	Jan. 15 '18
July 14	Aug. 2	Aug. 22	Sep. 6	Sep. 8	Sep. 27	Nov. 1	Jan. 29 '18
July 28	Aug. 16	Sep. 5	Sep. 20	Sep. 22	Oct. 11	Nov. 15	Feb. 12 '18
Aug. 11	Aug. 30	Sep. 19	Oct. 4	Oct. 6	Oct. 25	Nov. 29	Feb. 26 '18
Aug. 23	Sep. 13	Oct. 3	Oct. 18	***Oct. 18***	Nov. 8	Dec. 13	Mar. 12 '18
Sep. 8	Sep. 27	Oct. 17	Nov. 1	***Nov. 1***	Nov. 22	Dec. 27	Mar. 26 '18
Sep. 22	Oct. 11	Oct. 31	Nov. 15	***Nov. 15***	Dec. 6	Jan. 10 '18	Apr. 9 '18
Oct. 6	Oct. 25	Nov. 14	Nov. 29	***Nov. 29***	Dec. 20	Jan. 24 '18	Apr. 23 '18
Oct. 18	Nov. 8	Nov. 28	Dec. 13	***Dec. 13***	Jan. 3 '18	Feb. 7 '18	May 7 '18
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Nov. 29	Dec. 20	Jan. 9 '18	Jan. 24 '18	Jan. 26 '18	Feb. 14 '18	Mar. 21 '18	June 18 '18
Dec. 13	Jan. 3 '18	Jan. 23 '18	Feb. 7 '18	Feb. 9 '18	Feb. 28 '18	Apr. 4 '18	July 2 '18
Dec. 27	Jan. 17 '18	Feb. 6 '18	Feb. 21 '18	Feb. 23 '18	Mar. 14 '18	Apr. 18 '18	July 16 '18

PRINTING SCHEDULE FOR IAB

<u>ISSUE NUMBER</u>	<u>SUBMISSION DEADLINE</u>	<u>ISSUE DATE</u>
20	Friday, March 10, 2017	March 29, 2017
21	Friday, March 24, 2017	April 12, 2017
22	Friday, April 7, 2017	April 26, 2017

PLEASE NOTE:

Rules will not be accepted after **12 o'clock noon** on the filing deadline unless prior approval has been received from the Administrative Rules Coordinator's office.

If the filing deadline falls on a legal holiday, submissions made on the following Monday will be accepted.

*****Note change of filing deadline*****

The Administrative Rules Review Committee will hold its regular, statutory meeting on Friday, March 10, 2017, at 9 a.m. in Room 116, State Capitol, Des Moines, Iowa. The following rules will be reviewed:

COLLEGE STUDENT AID COMMISSION[283]

EDUCATION DEPARTMENT[281]"umbrella"

All Iowa opportunity scholarship program; Iowa teacher shortage loan forgiveness program,
amendments to chs 8, 35 Filed **ARC 2943C** 2/15/17

ECONOMIC DEVELOPMENT AUTHORITY[261]

Historic preservation and cultural and entertainment district tax credits, ch 49 Filed **ARC 2944C**..... 2/15/17
Small business innovation research and technology transfer outreach program; 106.2(2),
106.3, 106.4, 106.5(2), 106.6, 106.7 Notice **ARC 2938C**..... 2/15/17

EDUCATION DEPARTMENT[281]

Community college accreditation, 24.3, 24.5 Filed **ARC 2945C** 2/15/17
Educational standards and program requirements for children's residential facilities, ch 35
Filed **ARC 2946C**..... 2/15/17
Career and technical education; career academies, rescind chs 46, 47; adopt ch 46 Filed **ARC 2947C**..... 2/15/17
Programs for at-risk early elementary students, ch 65 Notice **ARC 2939C** 2/15/17
Standards for practitioner and administrator preparation programs, 79.13(4), 79.15 Filed **ARC 2948C** 2/15/17

ENVIRONMENTAL PROTECTION COMMISSION[567]

NATURAL RESOURCES DEPARTMENT[561]"umbrella"

Air quality, amendments to chs 20 to 23, 25 to 28, 31, 33 Filed **ARC 2949C** 2/15/17

HUMAN SERVICES DEPARTMENT[441]

State supplementary assistance—cost-of-living increases, 51.4(1), 51.7, 52.1 Filed **ARC 2958C** 3/1/17

LABOR SERVICES DIVISION[875]

WORKFORCE DEVELOPMENT DEPARTMENT[871]"umbrella"

Federal occupational safety and health standards related to walking and working
surfaces—adoption by reference, 10.20 Filed **ARC 2959C** 3/1/17

LANDSCAPE ARCHITECTURAL EXAMINING BOARD[193D]

Professional Licensing and Regulation Bureau[193]

COMMERCE DEPARTMENT[181]"umbrella"

Description of organization; examinations and licensing; rules of professional conduct,
amendments to chs 1, 2, 4 Notice **ARC 2941C**..... 2/15/17

LAW ENFORCEMENT ACADEMY[501]

Standards for certified peace officers and reserve peace officers—out-of-state residency and
driver's licenses, 2.1, 10.100 Filed **ARC 2960C**..... 3/1/17

MEDICINE BOARD[653]

PUBLIC HEALTH DEPARTMENT[641]"umbrella"

Licensure of acupuncturists, amendments to ch 17 Filed **ARC 2950C** 2/15/17

NATURAL RESOURCE COMMISSION[571]

NATURAL RESOURCES DEPARTMENT[561]"umbrella"

Lease to beginning farmers program, 21.2, 21.4 to 21.6 Filed **ARC 2961C**..... 3/1/17
Turtle harvesting, amendments to ch 86 Filed **ARC 2951C**..... 2/15/17
Waterfowl, coot and dove hunting; falconry, amendments to chs 91, 97, 102 Notice **ARC 2937C**..... 2/15/17

PROFESSIONAL LICENSURE DIVISION[645]

PUBLIC HEALTH DEPARTMENT[641]"umbrella"

Licensure of chiropractic physicians, amendments to ch 41 Filed **ARC 2952C** 2/15/17

REVENUE DEPARTMENT[701]

Facilitating business rapid response to state-declared disasters, amend chs 12, 32, 39, 40, 46,
52 to 54, 80, 241; adopt ch 242 Notice **ARC 2942C** 2/15/17

SECRETARY OF STATE[721]

Disaster recovery for out-of-state entities, amend 4.2(2); adopt ch 12 Filed **ARC 2962C** 3/1/17

SOIL CONSERVATION AND WATER QUALITY DIVISION[27]

AGRICULTURE AND LAND STEWARDSHIP DEPARTMENT[21]"umbrella"

Contracts for public improvements—invitation for bids, solicitation of quotations, 6.2

Filed **ARC 2953C**..... 2/15/17

UTILITIES DIVISION[199]

COMMERCE DEPARTMENT[181]"umbrella"

Organization and operation, amendments to ch 1 Notice **ARC 2957C** 3/1/17

Service supplied by gas utilities, amendments to ch 19 Notice **ARC 2956C** 3/1/17

Telecommunications services, amendments to ch 22 Filed **ARC 2954C** 2/15/17

Tax reform revenue adjustment, rescind ch 30 Filed **ARC 2963C** 3/1/17

Access to affiliate records, requirements for annual filings, and asset and service transfers,
amendments to ch 31 Notice **ARC 2955C** 3/1/17

WORKERS' COMPENSATION DIVISION[876]

WORKFORCE DEVELOPMENT DEPARTMENT[871]"umbrella"

Payroll tax tables, 8.8 Notice **ARC 2940C** 2/15/17

ADMINISTRATIVE RULES REVIEW COMMITTEE MEMBERS

Regular, statutory meetings are held the second Tuesday of each month at the seat of government as provided in Iowa Code section 17A.8. A special meeting may be called by the Chair at any place in the state and at any time.

Senator Mark Chelgren
819 Hutchinson
Ottumwa, Iowa 52501

Representative Megan Jones
4470 Highway 71
Sioux Rapids, Iowa 50585

Senator Mark Costello
37265 Rains Avenue
Imogene, Iowa 51645

Representative Rick Olson
3012 East 31st Court
Des Moines, Iowa 50317

Senator Wally Horn
101 Stoney Point Road, SW
Cedar Rapids, Iowa 52404

Representative Dawn Pettengill
P.O. Box A
Mt. Auburn, Iowa 52313

Senator Pam Jochum
2368 Jackson Street
Dubuque, Iowa 52001

Representative Art Staed
2141 Coldstream Avenue NE
Cedar Rapids, Iowa 52402

Senator Jack Whitver
4019 NE Bellagio Circle
Ankeny, Iowa 50021

Representative Guy Vander Linden
1610 Carbonado Road
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Administrative Rules Coordinator
Governor's Ex Officio Representative
Capitol, Room 18
Des Moines, Iowa 50319
Telephone (515)281-5211

EDUCATION DEPARTMENT[281]

Programs for at-risk early elementary students, ch 65 IAB 2/15/17 ARC 2939C	State Board Room, Second Floor Grimes State Office Bldg. Des Moines, Iowa	March 7, 2017 1 to 2 p.m.
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LANDSCAPE ARCHITECTURAL EXAMINING BOARD[193D]

Description of organization; examinations and licensing; rules of professional conduct, amendments to chs 1, 2, 4 IAB 2/15/17 ARC 2941C	Board Office, Suite 350 200 E. Grand Ave. Des Moines, Iowa	March 7, 2017 10 a.m.
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NATURAL RESOURCE COMMISSION[571]

Waterfowl, coot and dove hunting; falconry, amendments to chs 91, 97, 102 IAB 2/15/17 ARC 2937C	Fourth Floor Conference Room Wallace State Office Bldg. Des Moines, Iowa	March 7, 2017 11:30 a.m.
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UTILITIES DIVISION[199]

Service supplied by gas utilities, amendments to ch 19 IAB 3/1/17 ARC 2956C	Room 69, Board Hearing Room 1375 E. Court Ave. Des Moines, Iowa	April 20, 2017 9 a.m.
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The following list will be updated as changes occur.

“Umbrella” agencies and elected officials are set out below at the left-hand margin in CAPITAL letters.

Divisions (boards, commissions, etc.) are indented and set out in lowercase type under their statutory “umbrellas.”

Other autonomous agencies are included alphabetically in SMALL CAPITALS at the left-hand margin.

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USURY

In accordance with the provisions of Iowa Code section 535.2, subsection 3, paragraph “a,” the Superintendent of Banking has determined that the maximum lawful rate of interest shall be:

March 1, 2016 — March 31, 2016	4.00%
April 1, 2016 — April 30, 2016	3.75%
May 1, 2016 — May 31, 2016	4.00%
June 1, 2016 — June 30, 2016	3.75%
July 1, 2016 — July 31, 2016	3.75%
August 1, 2016 — August 31, 2016	3.75%
September 1, 2016 — September 30, 2016	3.50%
October 1, 2016 — October 31, 2016	3.50%
November 1, 2016 — November 30, 2016	3.75%
December 1, 2016 — December 31, 2016	3.75%
January 1, 2017 — January 31, 2017	4.25%
February 1, 2017 — February 28, 2017	4.50%
March 1, 2017 — March 31, 2017	4.50%

ARC 2957C

UTILITIES DIVISION[199]

Notice of Intended Action

Twenty-five interested persons, a governmental subdivision, an agency or association of 25 or more persons may demand an oral presentation hereon as provided in Iowa Code section 17A.4(1)“b.”

Notice is also given to the public that the Administrative Rules Review Committee may, on its own motion or on written request by any individual or group, review this proposed action under section 17A.8(6) at a regular or special meeting where the public or interested persons may be heard.

Pursuant to Iowa Code sections 17A.4, 474.5, and 476.2, the Utilities Board (Board) gives notice that on February 10, 2017, the Board issued an order in Docket No. RMU-2016-0002, In re: Review of Organization and Operation [199 IAC 1], “Order Commencing Rule Making,” proposing to update and streamline Chapter 1 of the Board’s rules. The order approving this Notice of Intended Action can be found on the Board’s Electronic Filing System (EFS) Web site, <http://efs.iowa.gov>, in Docket No. RMU-2016-0002.

To develop the proposed amendments, the Board sought early input from stakeholders. Stakeholder comments and reply comments were filed by Interstate Power and Light Company (IPL), MidAmerican Energy Company (MidAmerican), and the Office of Consumer Advocate (OCA), a division of the Iowa Department of Justice. Those comments have been considered in the preparation of the order in connection with the relevant rules.

Pursuant to Iowa Code sections 17A.4(1)“a” and “b,” any interested person may file a written statement of position pertaining to the proposed amendments. The statement must be filed on or before March 21, 2017. The statement should be filed electronically through the Board’s EFS. Instructions for making an electronic filing can be found on the EFS Web site at <http://efs.iowa.gov>. Filings shall comply with the format requirements in 199 IAC 2.2(2) and clearly state the author’s name and address and make specific reference to Docket No. RMU-2016-0002. Paper comments may be filed with approval of the Board.

UTILITIES DIVISION[199](cont'd)

No oral presentation is scheduled at this time. Pursuant to Iowa Code section 17A.4(1)“b,” an oral presentation may be requested or the Board on its own motion after reviewing the comments may determine an oral presentation should be scheduled. Requests for oral presentation should be filed in EFS by March 21, 2017, in Docket No. RMU-2016-0002.

After analysis and review of this rule making, the Board tentatively concludes that the proposed amendments, if adopted, will not have a detrimental effect on jobs in Iowa.

These amendments are intended to implement Iowa Code sections 17A.4, 474.5, and 476.2.

The following amendments are proposed.

ITEM 1. Amend rule 199—1.3(17A,474,476,78GA,HF2206) as follows:

199—1.3(17A,474,476,78GA,HF2206) Waivers. In response to a request, ~~or on its own motion,~~ the board may grant a waiver from a rule adopted by the board, in whole or in part, as applied to a specific set of circumstances, if the board finds, based on clear and convincing evidence, that:

1. to 4. No change.

The burden of persuasion rests with the person who petitions the board for the waiver. If the above criteria are met, a waiver may be granted at the discretion of the board upon consideration of all relevant factors.

Persons requesting a waiver may use the form provided in 199—subrule 2.2(17), or may submit their request as a part of another pleading. The waiver request must state the relevant facts and reasons the requester believes will justify the waiver, if they have not already been provided to the board in another pleading. The waiver request must also state the scope and operative period of the requested waiver. If the request is for a permanent waiver, the requester must state reasons why a temporary waiver would be impractical.

The waiver shall describe its precise scope and operative period. Grants or denials of waiver requests shall contain a statement of the facts and reasons upon which the decision is based. The board may condition the grant of the waiver on such reasonable conditions as appropriate to achieve the objectives of the particular rule in question. The board may at any time cancel a waiver upon appropriate notice and opportunity for hearing.

~~This rule is intended to implement Iowa Code chapters 17A, 474, and 476 and 2000 Iowa Acts, House File 2206.~~

ITEM 2. Amend rule 199—1.4(17A,474) as follows:

199—1.4(17A,474) Duties of the board. The utilities board regulates electric, gas, telephone, ~~telegraph,~~ and water utilities; and ~~pipelines and underground gas storage~~ certain sanitary sewer and storm water drainage facilities. The board regulates the rates and services of public utilities pursuant to Iowa Code chapter 476; certification of electric power generators pursuant to chapter 476A; construction and safety of electric transmission lines pursuant to chapter 478; and the construction and operation of pipelines and underground ~~gas or hazardous liquid~~ storage pursuant to chapters 479, 479A and 479B.

ITEM 3. Amend rule 199—1.5(17A,474), introductory paragraph, as follows:

199—1.5(17A,474) Organization. The ~~utilities division~~ board consists of the three-member board, ~~the office of the executive secretary, which heads the technical and administrative staff, and the office of general counsel.~~

ITEM 4. Rescind and reserve subrules **1.5(2)** and **1.5(3)**.

ITEM 5. Amend subrule 1.8(1) as follows:

1.8(1) Communications. All communications to the board ~~shall,~~ other than those filed through the board's electronic filing system, may be addressed to the ~~Executive Secretary,~~ Iowa Utilities Board, 1375 E. Court Avenue, Room 69, Des Moines, Iowa 50319-0069, unless otherwise specifically directed. Pleadings and other papers required to be filed with the board shall be filed ~~in the office of the executive secretary of the board~~ within the time limit, if any, for such filing. Unless otherwise specifically provided,

UTILITIES DIVISION[199](cont'd)

all communications and documents are officially filed upon receipt and acceptance at the office of the board.

ITEM 6. Rescind and reserve subrule **1.8(3)**.

ITEM 7. Amend subrule 1.9(1) as follows:

1.9(1) Public information. Any interested person may examine all public records of the board by written request or in person at the ~~offices of the board offices~~. Public records ~~shall~~ may be examined ~~only~~ at the board office only during the board's regular business hours, Monday through Friday from 8 a.m. to 4:30 p.m., excluding legal holidays. Public records in docketed matters may be examined at any time using the board's electronic filing system. Unless otherwise provided by law, all public records, other than confidential records, maintained by the board shall be made available for public inspection.

ITEM 8. Amend subrule **1.9(2)**, definition of "Personally identifiable information," as follows:

"Personally identifiable information." Information about or pertaining to an individual, specifically including the following unique identifiers when combined with an individual's name: social security number or a financial account number (checking, savings, or share account number or credit, debit, or charge card number). ~~This~~ "Personally identifiable information" does not include information pertaining to corporations.

ITEM 9. Rescind and reserve subrules **1.9(3)** and **1.9(4)**.

ITEM 10. Amend subrules 1.9(5) to 1.9(8) as follows:

1.9(5) Records not routinely available for public inspection. The following records are not routinely available for public inspection. The records are listed in this subrule by category, according to the statutory basis for withholding them from inspection.

a. Materials that are specifically exempted from disclosure by statute and which the board may in its discretion withhold from public inspection. Any person may request permission to inspect particular records withheld from inspection under this subrule. At the time of the request, the board will notify all interested parties. If the request is to review materials under subparagraphs 1.9(5) "a"(1) and 1.9(5) "a"(3), the board will withhold the materials from public inspection for 14 days to allow the party who submitted the materials an opportunity to seek injunctive relief. Records the ~~commission~~ board is authorized to withhold from public inspection under Iowa law in its discretion include, but are not limited to, the following:

(1) to (5) No change.

(6) Materials exempted from public inspection under any other provisions of ~~state~~ law.

b. Materials that are specifically exempted from disclosure by statute and which the board is prohibited from making available for public inspection. The board is required to withhold the following materials from public inspection:

(1) Tax records submitted to the board and required by it in the execution of its duties shall be held confidential. Iowa Code section 422.20.

(2) Reserved.

c. Materials exempted pursuant to requests deemed granted by the board. Requests to withhold from public inspection the materials and information listed in the subparagraphs below are deemed granted by the board pursuant to Iowa Code section 22.7(3) or 22.7(6), or both sections, provided that the confidential portions of the filings are identified as confidential and filed as provided in 199—14.12(17A,476) and an attorney for the company or corporate officer avers that the material or information satisfies the requirements in Iowa Code section 22.7(3) or 22.7(6), or both sections. The material or information filed pursuant to this paragraph will be deemed confidential upon the filer's receipt of a notice of electronic filing without further review or acknowledgement by the board, and the material or information shall be withheld from public inspection subject to the provisions of subparagraph 1.9(8) "b"(3).

(1) to (16) No change.

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(17) The financial records, number of customers, and volumes filed by competitive natural gas providers in each company's annual report. The aggregate total sales volume is not granted confidential treatment by this subparagraph.

(18) The financial information regarding affiliate transactions required for rate-regulated utilities. This information is subject to staff and legal review to ensure the information protected is similar to other information included in this subparagraph.

1.9(6) *Requests that materials or information submitted to the board be withheld from public inspection.* Any person submitting information or materials to the board may submit a request that part or all of the information or materials not be made available for public inspection pursuant to the following requirements. In addition, parties are required to redact protected information as defined in Iowa R. Elec. P. 16.602 and 16.603.

a. Procedure. The materials to which the request applies shall be physically separated from any materials to which the request does not apply. The request shall be attached to the materials to which it applies. Each page of the materials to which the request applies shall be clearly marked confidential.

b. Content of request. Each request shall contain a statement of the legal basis for withholding the materials from inspection and the facts to support the legal basis relied upon. The facts underlying the legal basis shall be supported by affidavit executed by a corporate officer (or by an individual, if not a business entity) with personal knowledge of the specific facts. If the request is that the materials be withheld from inspection for a limited period of time, the period shall be specified.

c. Compliance. If a request complies with the requirements of paragraphs "a" and "b" of this subrule, the materials will be temporarily withheld from public inspection. The board will examine the ~~documents~~ information to determine whether the ~~documents~~ information should be afforded confidentiality. If the request is granted, the ruling will be placed in a public file in lieu of the materials withheld from public inspection.

d. Request denied. If a request for confidentiality is denied, the ~~documents~~ information will be held confidential for 14 days to allow the applicant an opportunity to seek injunctive relief. After the 14 days expire, the materials will be available for public inspection, unless the board is directed by a court to keep the information confidential.

1.9(7) *Procedures for the physical inspection of ~~commission~~ board records which are routinely available for public inspection.* The records in question must be reasonably described by the person requesting them to permit their location by staff personnel. Members of the public will not be given access to the area in which records are kept and will not be permitted to search the files.

Advance requests to have records available on a certain date may be made by telephone or by correspondence.

a. Search fees. An hourly fee ~~will~~ may be charged for searching for requested records. The fee will be based upon the pay scale of the employee who makes the search. No search fee will be charged if the records are not located, the records are not made available for inspection, or the search does not exceed one-quarter hour in duration.

b. to d. No change.

1.9(8) *Procedures for the inspection of board records which are not routinely available for public inspection.* Any person desiring to inspect board records which are not routinely available for public inspection shall file a request for inspection meeting the requirements of this subrule.

a. Content of request. The records must be reasonably described by the person requesting them, so as to permit their location by staff personnel. Requests shall be directed to the executive secretary of the board.

b. Procedure. Requests for inspection shall be acted upon as follows:

(1) If the board is prohibited from disclosing the records, the request for inspection will be denied with a statement setting forth the specific grounds for denial.

(2) If the board is prohibited from disclosing part of a document from inspection, that part will be ~~deleted~~ redacted and the remainder will be made available for inspection.

(3) In the case of requests to inspect records not routinely available for public inspection under 1.9(5) "a"(1), 1.9(5) "a"(3), and 1.9(5) "c," the board will notify all interested parties of the request to

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view the materials. The board will withhold the materials from public inspection for 14 days to allow the party who submitted the materials an opportunity to seek injunctive relief. If injunctive relief is not requested within this period, the records will be produced for inspection. Requests to review materials not routinely available for public inspection under any other category of paragraph 1.9(5)“a” will be acted upon by the board. If the request is granted by the board, or is partially granted and partially denied, the person who submitted the records to the board will be afforded 14 days from the date of the written ruling in which to seek injunctive relief. If injunctive relief is not requested within this period, the records will be produced for inspection.

ITEM 11. Amend subrule 1.9(12) as follows:

1.9(12) Data processing system. ~~The~~ As required by Iowa Code section 22.11(1)“g,” the board does not currently have a data processing system which matches, collates, or permits the comparison of personally identifiable information in one record system with personally identifiable information on another record system.

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UTILITIES DIVISION[199]

Notice of Intended Action

Twenty-five interested persons, a governmental subdivision, an agency or association of 25 or more persons may demand an oral presentation hereon as provided in Iowa Code section 17A.4(1)“b.”

Notice is also given to the public that the Administrative Rules Review Committee may, on its own motion or on written request by any individual or group, review this proposed action under section 17A.8(6) at a regular or special meeting where the public or interested persons may be heard.

Pursuant to Iowa Code sections 17A.4, 474.5, and 476.2, the Utilities Board (Board) gives notice that on February 10, 2017, the Board issued an order in Docket No. RMU-2016-0007, In re: Service Supplied by Gas Utilities [199 IAC Chapter 19], “Order Commencing Rule Making,” that identifies and updates or eliminates those rules the Board has determined to be outdated, redundant, or inconsistent with statutes or other administrative rules. In addition, the Board has proposed certain substantive amendments, including substantive amendments to the natural gas customer service and infrastructure investment rules.

To develop the proposed amendments, the Board sought early input from stakeholders. Stakeholder comments were filed by the Office of Consumer Advocate (OCA), a division of the Iowa Department of Justice; Black Hills/Iowa Gas Utility, LLC, d/b/a Black Hills Energy (BHE); Interstate Power and Light Company (IPL); MidAmerican Energy Company (MidAmerican); the Iowa Association of Municipal Utilities (IAMU); and Iowa Legal Aid. The Board also received joint comments from IPL, BHE, MidAmerican, and Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities (Liberty) specifically regarding the capital infrastructure investment automatic adjustment mechanism (i.e., Tracker) in 199—19.18(476). ITC Midwest LLC also filed an appearance in this matter to monitor the docket but did not file comments.

The Board received numerous comments from all of the parties in response to the potential changes to rule 199—19.4(476) that the Board proposed in its August 8, 2016, order requesting stakeholder comment. In response to those comments, the Board is proposing to allow utilities additional electronic communications to customers. The Board supports the adoption of electronic communications due to the convenience and lower costs of such methods. The Board also considers that certain safeguards are needed for those customers who do not have Internet access or do not desire electronic communications and for those specific types of notices that are of a more critical nature. The Board has attempted to strike a balance with the proposed amendments.

The Board is proposing to renumber the requirements in subrule 19.4(10) (renumbered herein as 19.4(11)). The Board notes that its general intent with these changes is to make the required terms of the

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payment agreements clearer and more readily accessible. The Board is not proposing significant changes to the requirements.

The Board is changing the references to agreements whereby a customer pays a specific amount each month that is reconciled on a periodic basis from “level payment plan” to “budget billing plan.” The Board does not consider that this change will create additional confusion or require additional definitions but welcomes additional feedback if parties have reason to believe otherwise.

The Board is proposing amendments to subrule 19.4(15) to allow the posting of the disconnection notice on a conspicuous place other than the door in situations where either the door is not accessible or where it is readily apparent that another place is the best place for such notice. The Board agrees the door should be the default option.

Currently, the Board’s rule that allowed natural gas utilities to file for approval of an automatic adjustment mechanism to recover the costs of certain capital infrastructure investments has sunsetted. Comments were filed by stakeholders addressing the establishment of a permanent rule that would reinstate such a mechanism, known as a Tracker. The Board is proposing amendments to establish a Tracker with certain changes from the Tracker that is in the Board’s current rule 199—19.18(476). These changes establish specific requirements for a Tracker mechanism and limit recovery of expenses for up to five years’ worth of projects between rate cases. While a utility could continue to recover investments from those five years into subsequent years, no new capital cost could be recovered until the utility has a general rate proceeding and the Tracker resets.

In addition, the proposed amendments establish the cost of debt as the return on the investments in the Tracker and the cost of debt is to be based on the utility’s most recent general gas or electric rate case. Finally, the Board is also proposing to simplify the eligibility requirements by focusing on safety-related projects and streamlining the recovery process by requiring projects to be preapproved for eligibility.

The order approving this Notice of Intended Action can be found on the Board’s Electronic Filing System (EFS) Web site, <http://efs.iowa.gov>, in Docket No. RMU-2016-0007.

Pursuant to Iowa Code sections 17A.4(1)“a” and “b,” any interested person may file a written statement of position pertaining to the proposed amendments. The statement must be filed on or before March 21, 2017. The statement should be filed electronically through the Board’s EFS. Instructions for making an electronic filing can be found on the EFS Web site at <http://efs.iowa.gov>. Filings shall comply with the format requirements in 199 IAC 2.2(2) and shall clearly state the author’s name and address and make specific reference to Docket No. RMU-2016-0007. Paper comments may only be filed with approval of the Board.

An opportunity for interested persons to present oral comments on the proposed amendments will be held at 9 a.m. on April 20, 2017, in the Board’s hearing room at 1375 E. Court Avenue, Room 69, Des Moines, Iowa. Persons with disabilities who require assistive services or devices to observe or participate should contact the Board at (515)725-7334 at least five days in advance of the scheduled date to request that appropriate arrangements be made.

After analysis and review, the Board tentatively concludes that the proposed amendments, if adopted, will not have a detrimental effect on employment in Iowa.

These amendments are intended to implement Iowa Code sections 476.2, 476.6, 476.8, 476.18, 476.20, 476.54, and 546.7.

The following amendments are proposed.

ITEM 1. Amend subrule 19.2(3) as follows:

19.2(3) Form and identification. All tariffs shall conform to the following rules:

a. The tariff shall be printed, typewritten or otherwise reproduced on 8½- × 11- inch sheets of durable white paper so as to result in a clear and permanent record. The sheets of the tariff should be ruled or spaced to set off a border on the left side suitable for binding. In the case of utilities subject to regulation by any federal agency, the format of sheets of tariff as filed with the board may be the same format as is required by the federal agency provided that the rules of the board as to title page; identity of superseding, replacing or revision sheets; identity of amending sheets; identity of the filing utility, issuing official, date of issue, effective date; and the words, “Gas Tariff Filed with Board” shall apply

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in the modification of the federal agency format for the purposes of filing with this board. Pursuant to 199—subrule 14.5(5), tariffs filed electronically shall be formatted in accordance with this rule.

b. The title page of every tariff and supplement shall show:

(1) The first page shall be the title page which shall show:

(Name of Public Utility)

Gas Tariff

Filed with

Iowa Utilities Board

(date)

~~(This requirement does not apply to tariffs or amendments filed with the board prior to April 1, 1982.)~~

(2) When a tariff is to be superseded or replaced in its entirety, the replacing tariff shall show on the upper right corner of its title page that it is a revision of a tariff on file and the number being superseded or replaced, for example:

Tariff No. _____

Supersedes Tariff No. _____

~~(This requirement does not apply to tariffs or amendments filed with the board prior to April 1, 1982.)~~

(3) and (4) No change.

c. and *d.* No change.

ITEM 2. Amend paragraph **19.3(1)“e”** as follows:

e. This rule shall not be construed to prohibit any utility from requiring more extensive individual metering than otherwise required by this rule if required pursuant to tariffs ~~filed with and~~ approved by the board.

ITEM 3. Rescind and reserve subrule **19.3(4)**.

ITEM 4. Amend subrule 19.3(5) as follows:

19.3(5) Meter register. If it is necessary to apply a multiplier to the meter readings, the multiplier must be marked on the face of the meter register or stenciled in weather resistant paint upon the front cover of the meter. Where remote meter reading is used, whether outdoor on-premises or off-premises-automated, the customers shall have a readable meter register at the meter as a means of verifying the accuracy of bills presented to them. A utility may comply with the requirements of this subrule by making the required information available via the Internet or other equivalent means.

ITEM 5. Amend subrule 19.3(6) as follows:

19.3(6) Prepayment meters. Prepayment meters shall not be geared or set so as to result in the charge of a rate or amount higher than would be paid if a standard type meter were used, ~~except under such special rate schedule as may be filed under 19.2(4) tariffs approved by the board.~~

ITEM 6. Amend subrule 19.3(7) as follows:

19.3(7) Meter reading and billing interval. Readings of all meters used for determining charges and billings to customers shall be scheduled at least monthly and for the beginning and termination of service. Bills to larger customers may, for good cause, be rendered weekly or daily for a period not to exceed one month. Intervals other than monthly shall not be applied to smaller customers, or to larger customers after the initial month provided above, ~~without an exemption a waiver~~ from the board. A waiver request must include the information required by 199—1.3(17A,474,476,78GA,HF2206). If the board denies a waiver, or if a waiver is not sought with respect to a large volume customer after the initial month, that customer's bill shall be rendered monthly for the next 12 months, unless prior approval is received from the board for a shorter interval. The group of larger customers to which shorter billing intervals may be applied shall be specified in the utility's tariff sheets, but shall not include residential customers.

An effort shall be made to obtain readings of the meters on corresponding days of each meter-reading period. The utility rules may permit the customer to supply the meter readings by telephone, by electronic means, or on a form supplied by the utility. The utility may arrange for customer meter reading forms to be delivered to the utility by United States mail, electronically, or by hand delivery. The utility may arrange for the meter to be read by electronic means. Unless the utility has a plan to test check meter

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readings, a utility representative shall physically read the meter at least once each 12 months and when the utility is notified there is a change of customer.

~~The utility may arrange for the meter to be read by electronic means. Unless the utility has a plan to test check electronic meter readings, a utility representative shall physically read the meter at least once every 12 months.~~

ITEM 7. Rescind and reserve subrule **19.3(9)**.

ITEM 8. Amend paragraph **19.3(10)“a,”** definition of “Contribution in aid of construction,” as follows:

“*Contribution in aid of construction,*” as used in this subrule, means a nonrefundable cash payment grossed-up for the income tax effect of such revenue covering the costs of a ~~distribution main extension~~ or service line that are in excess of costs paid by the utility. The amount of tax shall be reduced by the present value of the tax benefits to be obtained by depreciating the property in determining the tax liability.

ITEM 9. Amend paragraphs **19.3(10)“e”** and **“f”** as follows:

e. Extensions not required. Utilities shall not be required to make distribution main extensions or attach service lines as described in this subrule, unless the distribution main extension or service line shall be of a permanent nature. When the utility renders a temporary service to a customer, the utility may require that the customer bear all of the cost of installing and removing the service in excess of any salvage realized.

f. Different payment arrangement. This subrule shall not be construed as prohibiting any utility from making a contract with a customer using a different payment arrangement, if the contract provides a more favorable payment arrangement to the customer, so long as no discrimination is practiced among similarly situated customers.

ITEM 10. Amend paragraphs **19.4(1)“c,” “d”** and **“f”** as follows:

c. Notify customers affected by a change in rates or schedule classification in the manner provided in the rules of practice and procedure before the board. ~~(199—7.4(476) 199—26.5(476))~~

d. Post a notice in a conspicuous place in each office of the utility where applications for service are received, informing the public that copies of the rate schedules and rules relating to the service of the utility, as filed with the board, are available for public inspection. If the utility provides access to its rate schedules and rules for service on its Web site, the notice ~~should~~ shall include the Web site address.

f. State, on the bill form, that tariff and rate schedule information is available upon request at the utility’s local business office. If the utility provides access to its tariff and rate schedules on its Web site, the statement shall include the Web site address.

ITEM 11. Rescind paragraph **19.4(1)“i”** and subrule **19.4(14)**.

ITEM 12. Renumber subrules **19.4(2)** to **19.4(13)** as **19.4(3)** to **19.4(14)**.

ITEM 13. Adopt the following **new** subrule 19.4(2):

19.4(2) Customer contact employee qualifications. Each utility shall promptly and courteously resolve inquiries for information or complaints. Employees who receive customer telephone calls and office visits shall be qualified and trained in screening and resolving complaints, to avoid a preliminary recitation of the entire complaint to employees without ability and authority to act. The employee shall provide identification to the customer that will enable the customer to reach that employee again if needed.

Each utility shall notify its customers, by bill insert or notice on the bill form, of the address and telephone number where a utility representative qualified to assist in resolving the complaint can be reached. The bill insert or notice shall also include the following statement: “If (utility name) does not resolve your complaint, you may request assistance from the Iowa Utilities Board by calling (515)725-7321 or toll-free 1-877-565-4450, or by writing to 1375 E. Court Avenue, Room 69, Des Moines, Iowa 50319-0069, or by e-mail to customer@iub.iowa.gov.”

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The bill insert or notice for municipal utilities shall include the following statement: "If your complaint is related to service disconnection, safety, or renewable energy, and (utility name) does not resolve your complaint, you may request assistance from the Iowa Utilities Board by calling (515)725-7321, or toll-free 1-877-565-4450, by writing to 1375 E. Court Avenue, Room 69, Des Moines, Iowa 50319-0069, or by e-mail to customer@iub.iowa.gov."

The bill insert or notice on the bill form shall be provided monthly by utilities serving more than 50,000 Iowa retail customers and no less than annually by all other natural gas utilities. Any utility which does not use the standard statement described in this subrule shall file its proposed statement in its tariff for approval. A utility that bills by postcard may place an advertisement in a local newspaper of general circulation or a customer newsletter instead of a mailing. The advertisement must be of a type size that is easily legible and conspicuous and must contain the information set forth above.

ITEM 14. Amend renumbered subrule 19.4(7) as follows:

19.4(7) *Deposit refund.* A deposit shall be refunded after 12 consecutive months of prompt payment (which may be 11 timely payments and one automatic forgiveness of late payment), unless the utility is entitled to require a new or additional deposit. For refund purposes, the account shall be reviewed after 12 months of service following the making of the deposit and for each 12-month interval terminating on the anniversary of the deposit. However, deposits received from customers subject to the ~~exemption waiver~~ provided by subrule 19.3(7), including surety deposits, may be retained by the utility until final billing. Upon termination of service, the deposit plus accumulated interest, less any unpaid utility bill of the customer, shall be reimbursed to the person who made the deposit.

ITEM 15. Amend renumbered subrule 19.4(9) as follows:

19.4(9) *Customer bill forms.* Each customer shall be informed as promptly as possible following the reading of the customer's meter, on bill form or otherwise, of the following:

a. to c. No change.

d. The applicable rate schedule ~~or~~ with the identification of the applicable rate ~~schedule~~ classification.

e. to i. No change.

ITEM 16. Amend renumbered subrule 19.4(10) as follows:

19.4(10) *Customer billing information alternate.* A utility serving fewer than 5000 gas customers may provide the information in ~~19.4(8)~~ 19.4(9) on bill form or otherwise. If the utility elects not to provide the information of ~~19.4(8)~~ 19.4(9) on the bill form, it shall advise the customer, on the bill form or by bill insert, that such information can be obtained by contacting the utility's local office.

ITEM 17. Amend renumbered subrule 19.4(11) as follows:

19.4(11) *Payment agreements.*

a. and b. No change.

c. *Terms of payment agreements.*

(1) *First payment agreement.* ~~The utility shall offer customers who have received a disconnection notice or have been disconnected 120 days or less and who are not in default of a payment agreement the option of spreading payments evenly over at least 12 months by paying specific amounts at scheduled times. The utility shall offer customers who have been disconnected more than 120 days and who are not in default of a payment agreement the option of spreading payments evenly over at least 6 months by paying specific amounts at scheduled times. The utility shall offer the following conditions to customers who have received a disconnection notice or have been previously disconnected and who are not in default of a payment agreement:~~

1. ~~The agreement shall also include provision for payment of the current account. The agreement negotiations and periodic payment terms shall comply with tariff provisions which are consistent with these rules. The utility may also require the customer to enter into a level payment plan to pay the current bill.~~

2. ~~When the customer makes the agreement in person, a signed copy of the agreement shall be provided to the customer.~~

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~~3. The utility may offer the customer the option of making the agreement over the telephone or through electronic transmission. When the customer makes the agreement over the telephone or through electronic transmission, the utility shall render to the customer a written document reflecting the terms and conditions of the agreement within three days of the date the parties entered into the oral agreement or electronic agreement. The document will be considered rendered to the customer when addressed to the customer's last known address and deposited in the U.S. mail with postage prepaid. If delivery is by other than U.S. mail, the document shall be considered rendered to the customer when delivered to the last known address of the person responsible for payment for the service. The document shall state that unless the customer notifies the utility within ten days from the date the document is rendered, it will be deemed that the customer accepts the terms as reflected in the written document. The document stating the terms and agreements shall include the address and a toll-free or collect telephone number where a qualified representative can be reached. By making the first payment, the customer confirms acceptance of the terms of the oral agreement or electronic agreement.~~

~~4. Each customer entering into a first payment agreement shall be granted at least one late payment that is made four days or less beyond the due date for payment and the first payment agreement shall remain in effect.~~

~~1. For customers who received a disconnection notice or have been disconnected less than 120 days and are not in default of a payment agreement, the utility shall offer an agreement with at least 12 monthly payments. For customers who have been disconnected more than 120 days and are not in default of a payment agreement, the utility shall offer an agreement with at least 6 monthly payments.~~

~~2. The agreement shall also include provision for payment of the current account.~~

~~3. The utility may also require the customer to enter into a budget billing plan to pay the current bill.~~

~~4. When the customer makes the agreement in person, a signed copy of the agreement shall be provided to the customer.~~

~~5. The utility may offer the customer the option of making the agreement over the telephone or through electronic transmission.~~

~~6. When the customer makes the agreement over the telephone or through electronic transmission, the utility shall provide to the customer a written document reflecting the terms and conditions of the agreement within three days of the date the parties entered into the oral agreement or electronic agreement.~~

~~7. The document will be considered rendered to the customer when addressed to the customer's last-known address and deposited in the U.S. mail with postage paid. If delivery is by other than U.S. mail, the document shall be considered rendered to the customer when delivered to the last-known address of the person responsible for payment for the service.~~

~~8. The document shall state that unless the customer notifies the utility within ten days from the date the document is rendered, it will be deemed that the customer accepts the terms as reflected in the written document. The document stating the terms and agreements shall include the address and a toll-free or collect telephone number where a qualified representative can be reached.~~

~~9. By making the first payment, the customer confirms acceptance of the terms of the oral or electronic agreement.~~

~~10. Each customer entering into a first payment agreement shall be granted at least one late payment that is four days or less beyond the due date for payment, and the first payment agreement shall remain in effect.~~

~~11. The payment is due on the due date for the next regular bill.~~

~~(2) *Second payment agreement.* The utility shall offer a second payment agreement to a customer who is in default of a first payment agreement if the customer has made at least two consecutive full payments under the first payment agreement.~~

~~1. The second payment agreement shall be for the same term as or for a term longer than the term of the first payment agreement.~~

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2. The customer shall be required to pay for current service in addition to the monthly payments under the second payment agreement and may be required to make the first payment up-front as a condition of entering into the second payment agreement.

3. The utility may also require the customer to enter into a ~~level-payment~~ budget billing plan to pay the current bill.

(3) Additional payment agreements. The utility may offer additional payment agreements to the customer.

d. No change.

ITEM 18. Amend renumbered subrule 19.4(12) as follows:

19.4(12) Bill payment terms. The bill shall be considered rendered to the customer when deposited in the U.S. mail with postage prepaid. If delivery is by other than U.S. mail, the bill shall be considered rendered when delivered to the last-known address of the party responsible for payment. There shall be not less than 20 days between the rendering of a bill and the date by which the account becomes delinquent. Bills for customers on more frequent billing intervals under subrule 19.3(7) may not be considered delinquent less than 5 days from the date of rendering. However, a late payment charge may not be assessed if payment is received within 20 days of the date the bill is rendered.

a. The date of delinquency for all residential customers or other customers whose consumption is less than 250 ccf per month shall be changeable for cause ~~in writing~~; such as, but not limited to, 15 days from approximate date each month upon which income is received by the person responsible for payment. In no case, however, shall the utility be required to delay the date of delinquency more than 30 days beyond the date of preparation of the previous bill.

b. to d. No change.

e. ~~Level-payment~~ Budget billing plan. Utilities shall offer a ~~level-payment~~ budget billing plan to all residential customers or other customers whose consumption is less than 250 ccf per month. A ~~level-payment~~ budget billing plan should be designed to limit the volatility of a customer's bill and maintain reasonable account balances. The ~~level-payment~~ budget billing plan shall include at least the following:

(1) Be offered to each eligible customer when the customer initially requests service. The plan may be estimated if there is insufficient usage history to create a budget billing plan based on actual use.

(2) Allow for entry into the ~~level-payment~~ budget billing plan anytime during the calendar year.

(3) Provide that a customer may request termination of the plan at any time. If the customer's account is in arrears at the time of termination, the balance shall be due and payable at the time of termination. If there is a credit balance, the customer shall be allowed the option of obtaining a refund or applying the credit to future charges. A utility is not required to offer a new ~~level-payment~~ budget billing plan to a customer for six months after the customer has terminated from a ~~level-payment~~ budget billing plan.

(4) Use a computation method that produces a reasonable monthly ~~level-payment~~ budget billing amount, which may take into account forward-looking factors such as fuel price and weather forecasts, and that complies with requirements in ~~19.4(11)“e”~~(4) this subrule. The computation method used by the utility shall be described in the utility's tariff and shall be subject to board approval. The utility shall give notice to customers when it changes the type of computation method in the ~~level-payment~~ budget billing plan.

The amount to be paid at each billing interval by a customer on a ~~level-payment~~ budget billing plan shall be computed at the time of entry into the plan and shall be recomputed at least annually. The ~~level-payment~~ budget billing amount may be recomputed monthly, quarterly, when requested by the customer, or whenever price, consumption, or a combination of factors results in a new estimate differing by 10 percent or more from that in use.

When the ~~level-payment~~ budget billing amount is recomputed, the ~~level-payment~~ budget billing plan account balance shall be divided by 12, and the resulting amount shall be added to the estimated monthly ~~level-payment~~ budget billing amount. Except when a utility has a ~~level-payment~~ budget billing plan that recomputes the ~~level-payment~~ budget billing amount monthly, the customer shall be given the option of

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applying any credit to payments of subsequent months' ~~level-payment~~ budget billing amounts due or of obtaining a refund of any credit in excess of \$25.

Except when a utility has a ~~level-payment~~ budget billing plan that recomputes the ~~level-payment~~ budget billing amount monthly, the customer shall be notified of the recomputed payment amount not less than one full billing cycle prior to the date of delinquency for the recomputed payment. The notice may accompany the bill prior to the bill that is affected by the recomputed payment amount.

(5) Irrespective of the account balance, a delinquency in payment shall be subject to the same collection and disconnection procedures as other accounts, with the late payment charge applied to the ~~level-payment~~ budget billing amount. If the account balance is a credit, the ~~level-payment~~ budget billing plan may be terminated by the utility after 30 days of delinquency.

ITEM 19. Amend renumbered subrule 19.4(13) as follows:

19.4(13) Customer records. The utility shall retain customer billing records for the length of time necessary to permit the utility to comply with ~~19.4(13)~~ 19.4(14) but not less than ~~three~~ five years. Customer billing records shall show, where applicable:

- a. Therm reading.
- b. Therm consumption.
- c. Meter reading.
- d. Total amount of bill.

ITEM 20. Amend renumbered subrule **19.4(14)** by adopting the following **new** paragraph "**f**":

f. Credits and explanations. Credits due a customer because of meter inaccuracies, errors in billing, or misapplication of rates shall be separately identified.

ITEM 21. Amend subparagraph **19.4(15)"d"(3)**, introductory paragraph, as follows:

(3) The summary of the rights and responsibilities must be approved by the board. Any utility providing gas service and defined as a public utility in Iowa Code section 476.1 which does not use the standard form set forth below for customers billed monthly shall submit to the board ~~an original and six copies of electronically~~ its proposed form for approval. A utility billing a combination customer for both gas and electric service may modify the standard form to replace each use of the word "gas" with the words "gas and electric" in all instances.

ITEM 22. Amend subparagraph **19.4(15)"d"(3)**, Customer Rights and Responsibilities form, paragraph "7," as follows:

7. How will I be told the utility is going to shut off my gas service?

a. You must be given a written notice at least 12 days before the utility service can be shut off for nonpayment. This notice will include the reason for shutting off your service.

b. If you have not made payments required by an agreed-upon payment plan, your service may be disconnected with only one day's notice.

c. The utility must also try to reach you by telephone or in person before it shuts off your service. From November 1 through April 1, if the utility cannot reach you by telephone or in person, the utility will put a written notice on the door or another conspicuous place of your residence to tell you that your utility service will be shut off.

ITEM 23. Amend subparagraph **19.4(15)"d"(4)** as follows:

(4) When disconnecting service to a residence, made a diligent attempt to contact, by telephone or in person, the customer responsible for payment for service to the residence to inform the customer of the pending disconnection and the customer's rights and responsibilities. During the period from November 1 through April 1, if the attempt at customer contact fails, the premises shall be posted at least one day prior to disconnection with a notice informing the customer of the pending disconnection and rights and responsibilities available to avoid disconnection.

If an attempt at personal or telephone contact of a customer occupying a rental unit has been unsuccessful, the landlord of the rental unit, if known, shall be contacted to determine if the customer is still in occupancy and, if so, the customer's present location. The landlord shall also be informed

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of the date when service may be disconnected. The landlord shall be notified at least 48 hours prior to disconnection of service to a tenant.

If the disconnection will affect occupants of residential units leased from the customer, the premises of any building known by the utility to contain residential units affected by disconnection must be posted, at least two days prior to disconnection, with a notice informing any occupants of the date when service will be disconnected and the reasons for the disconnection.

ITEM 24. Amend subparagraph **19.4(15)“d”(7)** as follows:

(7) Severe cold weather. A disconnection may not take place where gas is used as the only source of space heating or to control or operate the only space heating equipment at the a residence on any day when the actual temperature or the 24-hour forecast of the National Weather Service forecast for the following 24 hours covering the area in which the residence is located includes a forecast that the temperature will residence’s area is predicted to be 20 degrees Fahrenheit or colder. In any case where If the utility has properly posted a disconnect notice in compliance with subparagraph 19.4(15)“d”(4) but is precluded from disconnecting service because of a National Weather Service forecast severe cold weather, the utility may immediately proceed with appropriate disconnection procedures, without further notice, when the temperature in the residence’s area ~~where the residence is located~~ rises above 20 degrees Fahrenheit and is forecasted to ~~be remain~~ above 20 degrees Fahrenheit for at least 24 hours, unless the customer has paid in full the past due amount or is otherwise entitled to postponement of disconnection, ~~under some other provision of paragraph 19.4(15)“d.”~~

ITEM 25. Amend paragraph **19.4(15)“f”** as follows:

f. A utility may disconnect gas service without the written 12-day notice for failure of the customer to comply with the terms of a payment agreement, except as provided in numbered paragraph ~~19.4(10)“e”(1)“4,” 19.4(11)“c”(1)“4,”~~ provided the utility complies with the provisions of paragraph 19.4(15)“d.”

ITEM 26. Amend subrule 19.4(16) as follows:

19.4(16) Insufficient reasons for denying service. The following shall not constitute sufficient cause for refusal of service to a customer:

- a. to d. No change.
- e. Failure to pay the back bill rendered in accordance with paragraph ~~19.4(13)“b”~~ 19.4(14)“b” (slow meters).
- f. Failure to pay adjusted bills based on the undercharges set forth in paragraph ~~19.4(13)“e.”~~ 19.4(14)“e.”
- g. Failure of a residential customer to pay a deposit during the period November 1 through April 1 for the location at which the customer has been receiving service in the customer’s name.
- h. No change.
- i. Delinquency in payment for service arising more than ten years prior, as measured from the most recent of the last date of service, physical disconnection of service, or the last voluntary payment or written voluntary promise of payment made by the customer prior to the expiration of the ten-year period.

ITEM 27. Amend subrule 19.6(6) as follows:

19.6(6) Referee tests. Upon written request by a customer or utility, the board will conduct a referee test of a meter. A test need not be made more frequently than once in 18 months. The customer request shall be accompanied by a \$30 deposit in the form of a check or money order made payable to the utility.

Within 5 days of receipt of the written request and payment, the board shall forward the deposit to the utility and notify the utility of the requirement for a test. The utility shall, within 30 days after notification of the request, schedule the date, time and place of the test with the board and customer. The meter shall not be removed or adjusted before the test. The utility shall furnish all testing equipment and facilities for the test. If the tested meter is found to be more than 2 percent fast or 2 percent slow, the deposit will be returned to the party requesting the test and billing adjustments shall be made as required

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in ~~19.4(13)~~ 19.4(14). The board shall issue its report within 15 days after the test is conducted, with a copy to the customer and the utility.

ITEM 28. Amend subrule 19.10(1) as follows:

19.10(1) Purchased gas adjustment clause. ~~Purchased~~ Pursuant to Iowa Code section 476.6(11), purchased gas adjustments shall be computed separately for each customer classification or grouping previously approved by the board. Purchased gas adjustments shall use the same unit of measure as the utility's tariffed rates. Purchased gas adjustments shall be calculated using factors filed in annual or periodic filings according to the following formula:

$$PGA = \frac{(C \times Rc) + (D \times Rd) + (Z \times Rz) + Rb + E}{S}$$

PGA is the purchased gas adjustment per unit.

S is the anticipated yearly gas commodity sales volume for each customer classification or grouping.

C is the volume of applicable commodity purchased ~~or transported~~ for each customer classification or grouping required to meet sales, S, plus the expected lost and unaccounted for volumes.

Rc is the weighted average of applicable commodity prices or rates, including appropriate hedging tools costs, to be in effect September 1 corresponding to purchases C.

D is the total volume of applicable entitlement reservation purchases required to meet sales, S, for each customer classification or grouping.

Rd is the weighted average of applicable entitlement reservation charges to be in effect September 1 corresponding to purchases D.

Z is the total quantity of applicable storage service purchases required to meet sales, S, for each customer classification or grouping.

Rz is the weighted average of applicable storage service rates to be in effect September 1 corresponding to purchases Z.

Rb is the adjusted amount necessary to obtain the anticipated balance for the remaining PGA year calculated by taking the anticipated PGA balance divided by the forecasted volumes, including storage, for one or more months of the remaining PGA year.

E is the per unit overcollection or undercollection adjustment as calculated under subrule 19.10(7).

The components of the formula shall be determined as follows for each customer classification or grouping:

a. to d. No change.

ITEM 29. Amend subrule 19.10(7) as follows:

19.10(7) Reconciliation of underbillings and overbillings. The utility shall file with the board on or before October 1 of each year a purchased gas adjustment reconciliation for the 12-month period which began on September 1 of the previous year. This reconciliation shall be the actual net invoiced costs of purchased gas and appropriate financial hedging tools costs less the actual revenue billed through its purchased gas adjustment clause net of the prior year's reconciliation dollars for each customer classification or grouping. Actual net costs for purchased gas shall be the applicable invoice costs from all appropriate sources associated with the time period of usage.

Negative differences in the reconciliation shall be considered overbilling by the utility, and positive differences shall be considered underbilling. This reconciliation shall be filed with all worksheets and detailed supporting data for each particular purchased gas adjustment clause. Penalty purchases shall only be includable where the utility clearly demonstrates a net savings.

a. The annual reconciliation filing shall include the following information concerning the hedging tools used by the utility:

(1) The type and volume of physical gas being hedged by the utility and the strategies used by the utility for hedging.

(2) The reason the hedge each hedging strategy was undertaken (e.g., to hedge storage gas, a floating price contract).

(3) A statement as to how each hedging strategy was consistent with the local distribution company's natural gas procurement plan.

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(4) An explanation as to why the local distribution company believes each hedging strategy was in the best interest of general system customers.

~~(3) (5) A detailed explanation of the instruments used to implement each hedging strategy (e.g., costless collar, straddled costless collar, purchasing or selling options fixed-price purchases, future contracts, basis swaps, fixed-price swaps, call options, put options, option collars).~~

~~(4) The date the futures contract or option was purchased or the date the swap was entered into.~~

~~(5) The spot price of gas at the time the hedge was made, including an explanation of how the spot price was determined including the index or indices used.~~

~~(6) The amount of all commissions paid and to whom those payments were made.~~

~~(7) All administrative costs associated with the hedge.~~

~~(8) The name(s) of all marketers used and the amount of money paid to each marketer.~~

~~(9) The amount of savings or costs resulting from the hedge.~~

~~(10) (7) The amount of money tied up or other collateral held in margin accounts for futures trading and the cost of that money or provided to counterparties as credit support for hedging transactions.~~

~~(8) The amount of all other third-party administrative or contracting costs paid and to whom those costs were paid.~~

(9) The name of each hedging counterparty and the amount of money paid to or received from each counterparty with respect to hedging (e.g., option premiums, financial settlement of gains or losses).

(10) Detailed reports or schedules of each hedging strategy, including the following information for each hedging instrument entered into by the utility:

1. The type of hedging instrument.

2. The date on which the hedging instrument was entered into by the utility.

3. The name of the counterparty with whom the hedging instrument was entered into.

4. The notional quantity of natural gas associated with the hedging instrument.

5. The notional delivery period associated with the hedging instrument.

6. The total amount of gains or losses realized by the utility on the hedging instrument.

7. For each futures contract or fixed-price purchase or sale, the fixed price paid or received by the utility and the final settlement price for the futures contract.

8. For each swap contract, the fixed price or index price paid by the utility, the index price or fixed price received by the utility, and the final settlement price of each applicable index referenced in the swap contract.

9. For each option contract, the underlying futures contract or index price referenced in the option contract, the strike price for the option, the premium paid or received by the utility for the option, and the final settlement price for the futures contract or index price referenced in the option.

10. For any other hedging instruments, relevant economic terms, conditions, reference prices, and other factors to support calculations of gains or losses associated with such instruments.

11. For the total natural gas volumes hedged during the PGA year, the fully hedged price of gas and the price if the gas had not been hedged.

~~(11) The premium paid for each option.~~

~~(12) The strike price of each option.~~

~~(13) The contracting costs for each swap transaction.~~

~~(14) The name of the fixed-price payer in a swap transaction.~~

~~(15) A statement as to how the hedge is consistent with the LDC's natural gas procurement plan.~~

~~(16) An explanation as to why the LDC believes the hedge was in the best interest of general system customers.~~

~~(17) All invoices, work papers, and internal reports associated with the hedge.~~

b. No change.

c. Any overbilling determined from the reconciliation shall be refunded to the customer classification or grouping from which it was generated. The overbilling shall be divided by the annual cost of purchased gas subject to recovery for the 12-month period which began the prior September 1 for each purchased gas adjustment clause and applied as follows:

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(1) If the net overbilling from the purchased gas adjustment reconciliation exceeds ~~3 percent~~ the applicable percentage of the annual cost of purchased gas subject to recovery for a specific customer classification or grouping, the utility shall refund the overbilling by bill credit or check starting on the first day of billing in the November billing cycle of the current year. The minimum amount to be refunded by check shall be \$10. Interest shall be calculated on amounts exceeding ~~3 percent~~ the applicable percentage from the PGA year midpoint to the date of refunding. The interest rate shall be the dealer commercial paper rate (90-day, high-grade unsecured notes) quoted in the “Money Rates” section of the Wall Street Journal on the last working day of August of the current year.

(2) If the net overbilling from the purchased gas adjustment reconciliation does not exceed ~~3 percent~~ the applicable percentage of the annual cost of purchased gas subject to recovery for a specific customer classification or grouping, the utility may refund the overbilling by bill credit or check starting on the first day of billing in the November billing cycle of the current year, or the utility may refund the overbilling through ten-month adjustments to the particular purchased gas adjustment from which they were generated. The minimum amount to be refunded by check shall be \$10. This adjustment shall be determined by dividing the overcollection by the anticipated sales volume for the prospective ten-month period beginning November 1 as determined in subrule 19.10(1) for the applicable purchased gas adjustment clause. The quotient, determined on the same basis as the utility’s tariff rates, shall be a reduction to that particular purchased gas adjustment for the prospective ten-month period beginning November 1.

(3) The overbilling percentage applicable to utilities serving fewer than 10,000 customers is 10 percent. For utilities serving 10,000 or more customers, the applicable percentage is 3 percent.

d. No change.

ITEM 30. Amend rule 199—19.11(476), catchwords, as follows:

199—19.11(476) Periodic review of gas procurement practices ~~[476.6(15)].~~

ITEM 31. Amend subrule 19.11(1) as follows:

19.11(1) Procurement plan. ~~The~~ Pursuant to Iowa Code section 476.6(11), the board shall periodically conduct a contested case proceeding for the purpose of evaluating the reasonableness and prudence of a rate-regulated public utility’s natural gas procurement and contracting practices. The board shall provide the utilities 90 days’ notice of the requirement to file a procurement plan. In the years in which the board does not conduct a contested case proceeding, the board may require the utilities to file certain information for the board’s review. In years in which the board conducts a full proceeding, a rate-regulated utility shall file prepared direct testimony and exhibits in support of a detailed 12-month plan and a 3-year natural gas procurement plan. A utility’s procurement plan shall be organized as follows and shall include:

a. No change.

b. ~~All contracts and gas supply arrangements executed or in effect for obtaining gas and all supply arrangements planned for the future 12-month and 3-year periods.~~ A description of the utility’s natural gas forecasting, procurement, and contracting practices; available supply options; and other available services (e.g., storage services, balancing services).

c. An exhibit detailing the utility’s current, 12-month, and 3-year forecasts of total annual throughput, peak day demand, and anticipated reserve margin on a PGA-year basis by customer class.

d. An organizational description of the officer or division responsible for gas procurement and a summary of operating procedures and policies for procuring and evaluating gas contracts.

e. A summary of the legal, ~~and~~ regulatory, and commercial actions taken to minimize purchased gas costs.

f. ~~All~~ Copies of all studies or investigation reports supporting the utility’s testimony or materially considered by the utility in gas purchase contract or arrangement contracting decisions during the plan periods.

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~~f. g.~~ A complete list of all contracts ~~executed since the last procurement review~~ in effect at the time of the procurement plan filing. The list shall include the contract term, the applicable service, and the contracted quantities.

~~g.~~ A list of other unbundled services available (for example, storage services if offered).

~~h.~~ A description of the supply options selected by the utility and an evaluation of the reasonableness and prudence of its contracting and procurement decisions. This evaluation should show the relationship between forecast and procurement.

ITEM 32. Renumber subrules **19.11(4)** to **19.11(6)** as **19.11(2)** to **19.11(4)**.

ITEM 33. Amend renumbered subrule 19.11(4), introductory paragraph, as follows:

19.11(4) Executive summary. On or before August 1, ~~2003~~ of each year, each natural gas utility shall file an executive summary and index of all standard and special contracts in effect for the purchase, sale or interchange of gas. ~~On or before August 1 each year thereafter, each natural gas utility shall file an update of the executive summary and index showing the standard and special contracts in effect on that date for the purchase, sale or interchange of gas.~~ The executive summary shall include the following information:

ITEM 34. Amend paragraph **19.12(2)“a”** as follows:

~~a.~~ Natural gas utility companies may offer discounts to individual customers, to selected groups of customers, or to an entire class of ~~customer~~ customers. However, discounted rates must be offered to all directly competing customers in the same service territory. Customers are direct competitors if they make the same end product (or offer the same service) for the same general group of customers. Customers that only produce component parts of the same end product are not directly competing customers.

ITEM 35. Amend subrule 19.12(4) as follows:

19.12(4) Reporting requirements. Each rate-regulated natural gas utility electing to offer flexible rates shall file annual reports with the board ~~within 30 days of the end of each 12 months.~~ Reports shall include the following information: report flexible-rate activity in the utility's annual report filed with the board.

~~a.~~ Section 1 of the report concerns discounts initiated in the last 12 months. ~~For all discounts initiated in the last 12 months, the report shall include:~~

- ~~(1) The identity of the new customers (by account number, if necessary);~~
- ~~(2) The value of the discount offered;~~
- ~~(3) The cost-benefit analysis results;~~
- ~~(4) The cost of alternate fuels available to the customer, if relevant;~~
- ~~(5) The volume of gas sold to or transported for the customer in the preceding 12 months; and~~
- ~~(6) A copy of all new or revised flexible rate contracts executed between the utility and its customers.~~

~~b.~~ Section 2 of the report relates to overall program evaluation. ~~For all discounts currently being offered, the report shall include:~~

- ~~(1) The identity of each customer (by account number, if necessary);~~
- ~~(2) The total volume of gas sold or transported in the last 12 months to each customer at discounted rates, by month;~~
- ~~(3) The volume of gas sold or transported to each customer in the same 12 months of the preceding year, by month;~~
- ~~(4) The dollar value of the discount in the last 12 months to each customer, by month;~~
- ~~(5) The dollar value of volumes sold or transported to each customer for each of the previous 12 months; and~~
- ~~(6) If customer charges are discounted, the dollar value of the discount shall be separately reported.~~

~~c.~~ Section 3 of the report concerns discounts denied or discounts terminated. ~~For all customers specifically evaluated and denied or having a discount terminated in the last 12 months, the report shall include:~~

- ~~(1) Customer identification (by account number, if necessary);~~

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- (2) ~~The volume of gas sold or transported in the last 12 months to each customer, by month;~~
 (3) ~~The volume of gas sold or transported to each customer in the same 12 months of the preceding year, by month; and~~
 (4) ~~The dollar value of volumes sold or transported to each customer for each of the past 12 months.~~
 d. ~~No report is required if the utility had no customers receiving a discount during the relevant period and had no customers which were evaluated for the discount and rejected during the relevant period.~~

ITEM 36. Amend subrule 19.12(5) as follows:

19.12(5) Rate case treatment. In a rate case, 50 percent of any identifiable increase in net revenues will be used to reduce rates for all customers; the remaining 50 percent of the identifiable increase in net revenues may be kept by the utility. If there is a decrease in revenues due to the discount, the utility's test year revenues will be adjusted to remove the effects of the discount by assuming that all sales or transportation services or customer charges were ~~provided~~ made at full tariffed ~~rate~~ rates for the customer class. Determining the actual amount will be a factual determination to be made in the rate case.

ITEM 37. Amend subrule 19.13(3) as follows:

19.13(3) Transportation service charges. Transportation service shall be offered to at least the following classes:

- a. Interruptible distribution service with system supply reserve.
- b. Interruptible distribution service without system supply reserve.
- c. Firm distribution service with system supply reserve.
- d. Firm distribution service without system supply reserve.

ITEM 38. Amend subrule 19.13(4) as follows:

19.13(4) Transportation service charges and rates. All rates and charges for transportation shall be based on the cost of providing the service.

a. "System supply reserve" service shall entitle the end-user to return to the system service to the extent of the interstate pipeline capacity purchased. The charge shall be at least equal to the administrative costs of monitoring the service, plus any other costs (including but not limited to gas demand costs which are directly assignable to the end-user).

b. End-users without system supply reserve service may only return to system service by paying an additional charge and are subject to the availability of adequate ~~system~~ interstate pipeline capacity. An end-user wishing to receive transportation service without system supply reserve must pay the utility for the discounted value of any contract between the utility and the end-user remaining in effect at the time of beginning transportation service. The discounted values shall include all directly assignable and identifiable costs (including but not limited to gas costs).

c. and d. No change.

e. ~~Small volume transportation service. Rescinded IAB 4/28/04, effective 6/2/04.~~

f. ~~Optional plan filing. Rescinded IAB 4/28/04, effective 6/2/04.~~

ITEM 39. Amend subrule 19.13(5) as follows:

19.13(5) Reporting requirements. A natural gas utility shall ~~file with the board two copies of each transportation contract entered into within 30 days of the date of execution~~ be required to provide a copy of information concerning transportation contracts upon request of the board, board staff, or the office of consumer advocate. The utility may delete any information identifying the end user and replace it with an identification number. The utility shall promptly supply the deleted information if requested by the board staff. The deleted information may be filed with a request for confidentiality, pursuant to 199 Iowa Administrative Code rule 1.9(22).

ITEM 40. Amend subrule **19.14(1)**, definition of "Competitive natural gas provider," as follows:

"*Competitive natural gas provider*" or "*CNGP*" means a person who takes title to natural gas and sells it for consumption by a retail end user in the state of Iowa, and it also means an aggregator as defined in Iowa Code section 476.86. CNGP includes an affiliate of an Iowa public utility. CNGP excludes the following:

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1. A public utility which is subject to rate regulation under Iowa Code chapter 476.
2. A municipally owned utility which provides natural gas service within its incorporated area or within the municipal natural gas competitive service area, as defined in Iowa Code section ~~437A.3(21)“a”(1)~~ 437A.3(22)“a”(1), in which the municipally owned utility is located.

ITEM 41. Amend subrule 19.14(2) as follows:

19.14(2) General requirement to obtain certificate. A CNGP shall not provide competitive natural gas services to an Iowa retail end user without a certificate approved by the board pursuant to Iowa Code section 476.87. ~~An exception to this requirement is a CNGP that has provided service to retail customers before April 25, 2001. A CNGP subject to this exception shall file for a certificate under the provisions of this rule on or before June 1, 2001, to continue providing service pending the approval of the certificate.~~

ITEM 42. Amend subrule 19.14(4) as follows:

19.14(4) Deficiencies and board determination. The board shall act on a certification application within 90 days unless it determines an additional 60 days is necessary. Applications will be considered complete and the 90-day period will commence when all required items are submitted. Applicants will be notified of deficiencies ~~and given 30 days to complete applications.~~ Applicants will be notified when their application is complete and the 90-day period commences.

ITEM 43. Amend paragraph **19.14(6)“a”** as follows:

a. Customer deposits. Compliance with the following provisions shall apply to customers whose usage does not exceed 2500 therms in any month or 10,000 therms in any consecutive 12-month period.

Customer deposits – subrule ~~19.4(2)~~ 19.4(3).

Interest on customer deposits – subrule ~~19.4(3)~~ 19.4(4).

Customer deposit records – subrule ~~19.4(4)~~ 19.4(5).

Customer’s receipt for a deposit – subrule ~~19.4(5)~~ 19.4(6).

Deposit refund – subrule ~~19.4(6)~~ 19.4(7).

Unclaimed deposits – subrule ~~19.4(7)~~ 19.4(8).

ITEM 44. Amend subrule 19.15(1) as follows:

19.15(1) Applicability and purpose. This rule applies to each gas public utility, as defined in Iowa Code sections 476.1 and 476.1B. ~~Each~~ Pursuant to Iowa Code section 476.66, ~~each~~ utility shall maintain a program plan to assist the utility’s low-income customers with weatherization and to supplement assistance received under the federal low-income home energy assistance program for the payment of winter heating bills.

ITEM 45. Rescind subrules **19.15(2)** and **19.15(6)**.

ITEM 46. Renumber subrules **19.15(3)** to **19.15(5)** as **19.15(2)** to **19.15(4)**.

ITEM 47. Amend renumbered subrule 19.15(2), introductory paragraph, as follows:

19.15(2) Notification. Each utility shall notify all customers of the fund at least twice a year. The method of notice which will ensure the most comprehensive notification to the utility’s customers shall be employed. Upon commencement of service and at least once a year, the notice shall be mailed or personally delivered to all customers, or rendered by electronic means to those customers who have consented to receiving electronic notices. The other required notice may be published in a local newspaper(s) of general circulation within the utility’s service territory. A utility serving fewer than 6,000 customers may publish ~~their~~ its semiannual notices locally in a free newspaper, utility newsletter or shopper’s guide instead of a newspaper. At a minimum, the notice shall include:

ITEM 48. Amend renumbered subrule 19.15(3) as follows:

19.15(3) Methods of contribution. The utility shall provide for contributions as monthly pledges, as well as one-time or periodic contributions. A pledge by a customer or other party shall not be construed to be a binding contract between the utility and the pledgor. The pledge amount shall not be subject to delayed payment charges by the utility. Each utility may allow persons or organizations to contribute matching funds.

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ITEM 49. Amend subparagraph **19.18(1)“b”(3)** as follows:

(3) ~~Replaces or modifies existing infrastructure required by state or local government action or is required to meet state or federal natural gas pipeline safety regulations or to otherwise enhance safety as approved in advance by the board. The utility shall make an annual filing with the board to seek advance determination of projects that meet this criterion.~~

ITEM 50. Rescind paragraph **19.18(1)“c.”**

ITEM 51. Amend subrule 19.18(2) as follows:

19.18(2) Determination of recovery factor. The utility may recover a rate of return and depreciation expense associated with eligible capital infrastructure investments described in subrule 19.18(1). The allowed rate of return shall be the approved average cost of debt from the utility’s last most recent general gas or electric rate review proceeding before the board. Depreciation expense shall be based upon the depreciation rates allowed by the board in the utility’s last most recent general gas rate review proceeding before the board.

ITEM 52. Amend subrule 19.18(3) as follows:

19.18(3) Recovery procedures.

a. To recover capital infrastructure investment costs that meet the criteria in paragraph 19.18(1)“a” through an automatic adjustment mechanism, the utility is required to obtain prior board approval of the automatic adjustment mechanism. The utility shall file information in support of the proposed automatic adjustment mechanism that includes:

(1) to (4) No change.

(5) A description of proposed recovery procedures, if different from the procedures described in ~~paragraphs~~ paragraph 19.18(3)“c” and “d”; and

(6) No change.

b. Recovery of capital infrastructure investment costs that meet the requirements in paragraph 19.18(1)“b” may be made by the utility by filing a proposed tariff with a 30-day effective date no later than April 1 of each year. Only one tariff filing to recover capital infrastructure investment costs shall be made in a 12-month period. After [the effective date of this amendment], any recovery previously approved shall be aligned with an April 1 filing period when the utility next seeks recovery under this rule. The utility shall file information in support of the proposed automatic adjustment rates that includes:

(1) ~~The government entity mandate or action, including compliance with an integrity or safety plan adopted by the gas utility to comply with any such mandate or action, that results in the gas utility project and the purpose of the project, or the safety-related reason requiring the project. Proof that the capital infrastructure investment is a project that was approved in advance by the board as specified in 19.18(1)“b”(3).~~

(2) No change.

(3) The cost of debt from the utility’s most recent general gas or electric rate review proceeding before the board and the applicable depreciation rates from the utility’s last most recent general gas rate review proceeding before the board.

(4) and (5) No change.

(6) ~~If the capital infrastructure investment to be included in the automatic adjustment mechanism is based upon an integrity or safety plan adopted in compliance with state or federal natural gas pipeline safety regulations, describe the relationship of the capital infrastructure investment to the integrity or safety plan and the relationship of the integrity or safety plan to a specific state or federal regulation. Provide the date the state or federal regulation was adopted, any relevant compliance dates, and the date the integrity or safety plan was adopted by the utility and how the integrity or safety plan was developed.~~

c. The utility shall calculate the rates for the recovery of the capital infrastructure investment through the automatic adjustment mechanism over the 12-month period beginning from the effective date of the tariff, unless otherwise ordered by the board. ~~Unless otherwise specified in an approved tariff, the capital infrastructure investment factor shall be calculated by taking the total eligible investment costs for the prior calendar year divided by the actual prior calendar year’s sales volumes with the necessary degree-day adjustments. The utility may also use the degree-day adjustment that the utility~~

UTILITIES DIVISION[199](cont'd)

~~utilized in the most recent purchased gas adjustment annual filing or any other appropriate degree-day adjustment. The degree-day adjustment shall not be determinative of any weather normalization adjustment in any future rate case. The calculated rate shall include a reconciliation that reconciles the actual revenue recovered through the automatic adjustment mechanism with the costs of the eligible capital infrastructure investments proposed to be recovered over the previous collection period. Unless otherwise specified in an approved tariff, the capital infrastructure investment factor shall be recovered by a fixed monthly surcharge to customers, to be determined by totaling eligible investment costs for the prior calendar year, adjusted for the reconciliation amount, then dividing the total recovery amount among customer classes based upon the utility's most recent approved cost of service study, dividing the class recovery amounts by the number of months in the recovery period, and then dividing the assigned costs by the number of customers in each respective class. The recovery amount will be limited to annual depreciation plus a return on the undepreciated balance based on the cost of debt.~~

~~d. The utility shall file an annual reconciliation within 60 days of the end of the 12-month period each year after the initial year in which the automatic adjustment mechanism is implemented that reconciles the actual revenue recovered through the automatic adjustment mechanism with the costs of the eligible capital infrastructure investments proposed to be recovered. The reconciliation shall be for the 12-month period beginning with the effective date of the tariff. Any over-recoveries or under-recoveries from the reconciliation shall be recovered over the ten-month period from the effective date of any adjustment required by the reconciliation.~~

~~e. d. Recovery of a return on and return of capital infrastructure investment that is eligible for recovery pursuant to an automatic adjustment mechanism, including any recoveries approved under this rule prior to [the effective date of this amendment], shall continue until the effective date of temporary rates in a subsequent general rate proceeding or, if temporary rates are not implemented, until final rates approved by the board in the utility's next general rate proceeding. To continue recovery, a utility shall file a proposed tariff each year. Once temporary or final rates approved by the board in the next general rate proceeding are effective, the automatic adjustment mechanism shall reset to zero. No more than five years of capital investment recovery, including any recoveries approved prior to [the effective date of this amendment], shall be allowed between general rate proceedings.~~

ARC 2955C**UTILITIES DIVISION[199]****Notice of Intended Action**

Twenty-five interested persons, a governmental subdivision, an agency or association of 25 or more persons may demand an oral presentation hereon as provided in Iowa Code section 17A.4(1)“b.”

Notice is also given to the public that the Administrative Rules Review Committee may, on its own motion or on written request by any individual or group, review this proposed action under section 17A.8(6) at a regular or special meeting where the public or interested persons may be heard.

Pursuant to Iowa Code chapters 476, 476B, and 476C and section 17A.4, the Utilities Board (Board) gives notice that on February 10, 2017, the Board issued an order in Docket No. RMU-2016-0016, In re: Review of Access to Affiliate Records, Requirements for Annual Filings, and Asset and Service Transfers Rules [199 IAC Chapter 31], “Order Commencing Rule Making” proposing to amend Chapter 31 of the Board’s rules.

The Board is undertaking a comprehensive review of its rules and, as part of that review, is attempting to make the rules more readable, streamline reporting requirements in the rules, ensure the rules are current, and transition away from providing forms within the rules. The intent of these amendments is to promote ease of access for those interacting with the Board.

The order approving this Notice of Intended Action can be found on the Board’s Electronic Filing System (EFS) Web site, <http://efs.iowa.gov>, in Docket No. RMU-2016-0016.

Pursuant to Iowa Code sections 17A.4(1)“a” and “b,” any interested person may file a written statement of position pertaining to the proposed amendments. The statement must be filed on or before

UTILITIES DIVISION[199](cont'd)

March 21, 2017. The statement should be filed electronically through the Board's EFS. Instructions for making an electronic filing can be found on the EFS Web site at <http://efs.iowa.gov>. Filings shall comply with the format requirements in 199 IAC 2.2(2) and clearly state the author's name and address and make specific reference to Docket No. RMU-2016-0016. Paper comments may only be filed with approval of the Board.

No oral presentation is scheduled at this time. Pursuant to Iowa Code section 17A.4(1)"b," an oral presentation may be requested or the Board on its own motion after reviewing the comments may determine an oral presentation should be scheduled. Requests for oral presentation should be filed in EFS by March 21, 2017, in Docket No. RMU-2016-0016.

After analysis and review of this rule making, the Board tentatively concludes that the proposed amendments, if adopted, will not have a detrimental effect on jobs in Iowa.

These amendments are intended to implement Iowa Code sections 476.72, 476.73, and 476.74.

The following amendments are proposed.

ITEM 1. Amend rule 199—31.1(476) as follows:

199—31.1(476) Applicability and definition of terms. This chapter applies to all rate-regulated gas or electric public utilities ~~and rate-regulated telephone utilities providing local exchange telecommunication service~~. All terms used in this chapter shall be defined as the terms are defined in Iowa Code section 476.72 unless further defined in this chapter.

"Fully distributed cost" is a costing approach that fully allocates all current and embedded costs to determine the revenue contribution of regulated and nonregulated affiliate operations.

"Net book value" means the original purchase price minus depreciation.

ITEM 2. Amend subrule 31.2(2) as follows:

31.2(2) Records to be maintained. The records maintained by each affiliate and made available for inspection through the public utility shall include, but not be limited to: ledgers; balance sheets; income statements—both consolidated and consolidating; documents depicting accounts payable and vouchers; purchase orders; time sheets; journal entries; source and supporting documents for all transactions; supporting documents and models for all forecasts of affiliates used by the public utility; all contracts, including summaries of unwritten contracts or agreements; a description of methods used to allocate revenues, expenses, and investments among affiliates or jurisdictions, including supporting detail; and copies of all filings required by other state and federal agencies.

ITEM 3. Rescind and reserve rule **199—31.4(476)**.

ITEM 4. Amend rule 199—31.9(476) as follows:

199—31.9(476) Waivers. Any public utility may file an application for waiver of the requirements of this chapter. The application shall include a detailed statement of why the waiver is in the public interest and shall otherwise comply with rule 199—1.3(17A,474,476).

ARC 2958C

HUMAN SERVICES DEPARTMENT[441]

Adopted and Filed

Pursuant to the authority of Iowa Code section 217.3(6) and 2016 Iowa Acts, House File 2460, section 12, the Department of Human Services amends Chapter 51, "Eligibility," and Chapter 52, "Payment," Iowa Administrative Code.

These amendments implement the January 1, 2017, cost-of-living adjustment (COLA) increases to the income limits and benefit amounts for several State Supplementary Assistance (SSA) categories. These amendments also implement the changed personal needs allowance for residential care facility assistance and family life home assistance. The net change to the personal needs allowance is a decrease due to a small COLA percentage increase that is offset by a decrease in the average monthly Medicaid copays used to calculate the amount of this deduction.

Notice of Intended Action was published in the Iowa Administrative Bulletin as ARC 2890C on January 4, 2017. These amendments were also Adopted and Filed Emergency and published as ARC 2891C on the same date and became effective January 1, 2017. The Department received no comments during the public comment period. These amendments are identical to those published under Notice of Intended Action and Adopted and Filed Emergency.

The Council on Human Services adopted these amendments on February 8, 2017.

These amendments do not provide for waivers in specified situations since the increases are required by federal and state law.

After analysis and review of this rule making, no impact on jobs has been found.

These amendments are intended to implement Iowa Code section 217.3(6) and 2016 Iowa Acts, House File 2460, section 12.

These amendments will become effective April 5, 2017, at which time the Adopted and Filed Emergency amendments are hereby rescinded.

The following amendments are adopted.

ITEM 1. Amend subrule 51.4(1) as follows:

51.4(1) Income. Income of a dependent relative shall be less than ~~\$377~~ \$379 per month. When the dependent's income is from earnings, an exemption of \$65 shall be allowed to cover work expense.

ITEM 2. Amend rule 441—51.7(249) as follows:

441—51.7(249) Income from providing room and board. In determining profit from furnishing room and board or providing family life home care, ~~\$377~~ \$379 per month shall be deducted to cover the cost, and the remaining amount treated as earned income.

This rule is intended to implement Iowa Code sections 249.3 and 249.4.

ITEM 3. Amend subrule 52.1(1) as follows:

52.1(1) Protective living arrangement. The following assistance standards have been established for state supplementary assistance for persons living in a family-life home certified under rules in 441—Chapter 111.

\$792 <u>\$797</u>	Care allowance
\$103 <u>\$100</u>	Personal allowance
<hr/> \$895 <u>\$897</u>	Total

ITEM 4. Amend subrule 52.1(2) as follows:

52.1(2) Dependent relative. The following assistance standards have been established for state supplementary assistance for dependent relatives residing in a recipient's home.

a. Aged or disabled client and a dependent relative	\$1,110 <u>\$1,114</u>
b. Aged or disabled client, eligible spouse, and a dependent relative	\$1,477 <u>\$1,482</u>
c. Blind client and a dependent relative	\$1,132 <u>\$1,136</u>

HUMAN SERVICES DEPARTMENT[441](cont'd)

- d. Blind client, aged or disabled spouse, and a dependent relative \$1,499 \$1,504
- e. Blind client, blind spouse, and a dependent relative ~~\$1,521~~ \$1,526

ITEM 5. Amend subrule 52.1(3) as follows:

52.1(3) Residential care. Payment to a recipient in a residential care facility shall be made on a flat per diem rate of \$17.86 or on a cost-related reimbursement system with a maximum per diem rate of ~~\$30.05~~ \$30.11. The department shall establish a cost-related per diem rate for each facility choosing this method of payment according to rule 441—54.3(249).

The facility shall accept the per diem rate established by the department for state supplementary assistance recipients as payment in full from the recipient and make no additional charges to the recipient.

a. All income of a recipient as described in this subrule after the disregards described in this subrule shall be applied to meet the cost of care before payment is made through the state supplementary assistance program.

Income applied to meet the cost of care shall be the income considered available to the resident pursuant to supplemental security income (SSI) policy plus the SSI benefit less the following monthly disregards applied in the order specified:

- (1) No change.
 - (2) An allowance of ~~\$103~~ \$100 to meet personal expenses and Medicaid copayment expenses.
 - (3) to (6) No change.
- b. to g. No change.

[Filed 2/8/17, effective 4/5/17]

[Published 3/1/17]

EDITOR’S NOTE: For replacement pages for IAC, see IAC Supplement 3/1/17.

ARC 2959C

LABOR SERVICES DIVISION[875]

Adopted and Filed

Pursuant to the authority of Iowa Code section 88.5, the Labor Commissioner hereby amends Chapter 10, “General Industry Safety and Health Rules,” Iowa Administrative Code.

The U.S. Department of Labor, Occupational Safety and Health Administration (OSHA) promulgated new standards concerning walking and working surfaces for general industry. The Iowa Labor Commissioner must adopt the federal standards by reference.

The federal standard changes align general industry requirements with construction requirements, which is beneficial to employers that perform both types of activities. The federal standard changes give employers greater flexibility over deciding what method of compliance to use. The standards are reorganized and written in plain language. The standards are updated to reflect new technology and to align with other OSHA standards and national consensus standards.

It is estimated that 29 fatalities and 5,842 lost-workday injuries per year will be prevented by the new standards.

Various provisions have delayed effective dates. One provision will not become effective until 2036.

The principal reasons for adoption of this amendment are to implement legislative intent, protect the safety and health of Iowa workers, and make Iowa’s regulations current and consistent with federal regulations. Pursuant to Iowa Code subsection 88.5(1) and 29 CFR 1953.5, Iowa must adopt changes to the federal occupational safety and health standards.

After analysis and review of this rule making, jobs could be impacted. However, this amendment is implementing federally mandated regulations, and the State of Iowa is only implementing the federal regulations. The requirements imposed on Iowa businesses by these regulations do not exceed those imposed by federal law.

LABOR SERVICES DIVISION[875](cont'd)

Notice of Intended Action was published in the December 21, 2016, Iowa Administrative Bulletin as **ARC 2866C**. No comments were received. This amendment is identical to that published under Notice of Intended Action.

No variance procedures are included in this rule. Variance procedures are set forth in 875—Chapter 5.

This amendment is intended to implement Iowa Code section 88.5 and 29 CFR 1953.5.

This amendment shall become effective on April 5, 2017.

The following amendment is adopted.

Amend rule **875—10.20(88)** by inserting the following at the end thereof:
81 Fed. Reg. 82981 (November 18, 2016)

[Filed 1/30/17, effective 4/5/17]

[Published 3/1/17]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 3/1/17.

ARC 2960C

LAW ENFORCEMENT ACADEMY[501]

Adopted and Filed

Pursuant to the authority of Iowa Code sections 80B.11(1)“a” and 80B.11(1)“h,” the Iowa Law Enforcement Academy amends Chapter 2, “Minimum Standards for Iowa Law Enforcement Officers,” and Chapter 10, “Reserve Peace Officers,” Iowa Administrative Code.

The rules in Chapters 2 and 10 describe the minimum hiring requirements for certified peace officers and certified reserve peace officers. These amendments bring Chapters 2 and 10 into compliance with 2016 Iowa Acts, House File 2267, which amended Iowa Code section 400.17(3) to change the residency requirement of civil service employees employed by cities and to allow those employees to reside outside of the state of Iowa if a city ordinance allowed it. Chapters 2 and 10 are also amended to allow certified police officers and certified reserve peace officers who are allowed to live outside of the state of Iowa to possess out-of-state driver's licenses.

The proposed amendments were approved by the Iowa Law Enforcement Academy Council on October 6, 2016. Notice of Intended Action was published in the Iowa Administrative Bulletin on December 7, 2016, as **ARC 2850C**. No public comment was received. These amendments are identical to those published under Notice.

After analysis and review of this rule making, the fiscal impact of these amendments on the law enforcement agencies affected may be significant. Law enforcement agencies in Iowa have seen significant issues with hiring and retention of trained officers, and agencies and officers often have incurred significant relocation expenses to comply with the former residency requirements. Iowa Code section 400.17(3) as amended by 2016 Iowa Acts, House File 2267, and the amendments to Chapters 2 and 10 may significantly lower many of these costs for agencies and officers.

After analysis and review of this rule making, no adverse impact on jobs is anticipated.

These amendments are intended to implement Iowa Code section 80B.11(1).

These amendments will become effective April 5, 2017.

The following amendments are adopted.

ITEM 1. Amend subrule 2.1(1) as follows:

2.1(1) Is a citizen of the United States and a resident of Iowa or intends to become a resident upon being employed; provided that, ~~with the approval of the Iowa law enforcement academy council, a city located on a state border that is within a standard metropolitan statistical area may allow officers to reside in an adjacent state within that statistical area upon written application by the agency administrator to the council showing substantial reason and documenting undue hardship~~ the state residency requirement under this subrule shall not apply to employees of a city or county that has adopted an ordinance to allow

LAW ENFORCEMENT ACADEMY[501](cont'd)

employees of the city or county to reside in another state and shall not apply to an employee of a city or county that later repeals such an ordinance if the employee resides in another state at the time of the repeal. A city or county that has adopted an ordinance to allow the employees of the city or county to reside in another state shall provide a current copy of the ordinance to the Iowa law enforcement academy. Railway special agents who are approved by the commissioner of public safety as special agents of the department shall be exempt from the Iowa residency requirement.

ITEM 2. Amend subrule 2.1(3) as follows:

2.1(3) Has a valid driver's or chauffeur's license issued by the state of Iowa. Railway special agents who are approved by the commissioner of public safety as special agents of the department and officers who are allowed to reside in an adjacent state ~~within a standard metropolitan statistical area~~ shall be required to possess a valid driver's or chauffeur's license of the state of residence of the officer.

ITEM 3. Amend subrule 10.100(1) as follows:

10.100(1) Is a citizen of the United States and a resident of Iowa or intends to become a resident of Iowa upon appointment as a reserve peace officer. ~~However, with the approval of the Iowa law enforcement academy council, a city located on a state border that is within a standard metropolitan statistical area may allow reserve peace officers to reside in an adjacent state within that statistical area upon written application by the agency administrator to the council showing substantial reason and documenting undue hardship; provided that the state residency requirement under this subrule shall not apply to employees of a city or county that has adopted an ordinance to allow the employees of the city or county to reside in another state and shall not apply to an employee of a city or county that later repeals such an ordinance if the employee resides in another state at the time of the repeal. A city or county that has adopted an ordinance to allow the employees of the city or county to reside in another state shall provide a current copy of the ordinance to the Iowa law enforcement academy.~~

ITEM 4. Amend subrule 10.100(3) as follows:

10.100(3) Has a valid driver's or chauffeur's license issued by the state of Iowa. Reserve peace officers who are allowed to reside in an adjacent state ~~within a standard metropolitan statistical area~~ shall be required to possess a valid driver's or chauffeur's license of the state of residence of the officer.

[Filed 2/8/17, effective 4/5/17]

[Published 3/1/17]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 3/1/17.

ARC 2961C

NATURAL RESOURCE COMMISSION[571]

Adopted and Filed

Pursuant to the authority of Iowa Code section 456A.38, the Natural Resource Commission hereby amends Chapter 21, "Agricultural Lease Program," Iowa Administrative Code.

The purpose of this rule making is to adopt rules for the administration of the Lease to Beginning Farmers Program. This program gives certified beginning farmers the opportunity to obtain agricultural leases on lands managed by the Department of Natural Resources (Department) before those leases are made available to the general public. This program has been in effect since 2013, when authority for this program was established by 2013 Iowa Acts, House File 457, and signed by Governor Branstad on April 24, 2013. Over the past three years, the Department has entered into approximately 150 leases with beginning farmers. These amendments are being incorporated into the Department's existing agricultural lease program requirements.

Notice of Intended Action was published in the Iowa Administrative Bulletin on December 7, 2016, as **ARC 2831C**. A public hearing was held on January 11, 2017. One comment, which contained several suggestions, was received from the Iowa Farm Bureau Federation (IFBF) during the comment period.

NATURAL RESOURCE COMMISSION[571](cont'd)

The following changes from the Notice were made in response to the comment received. Paragraph 21.4(1)“c” was changed to include the cost of establishment or maintenance of water quality practices, vegetation management, and food plots in the criteria used to establish lease payments. These are practices utilized by the Department in the agricultural lease program, and the Department agrees that they should be factored in to the annual lease payments. Subrule 21.6(4) was changed to clarify that the lease shall serve as the written agreement fixing the time of termination of the tenancy, and the lease shall terminate at the end of the agreed-upon lease term without notice. This change provides additional clarity to the rule while maintaining the flexibility required by the Department to meet management objectives. The Department has determined that many of the other changes suggested by IFBF can be more appropriately addressed through revision of the Department’s standard lease language outside of the context of this rule making.

After analysis and review of this rule making, no impact on jobs has been found.

These amendments are intended to implement Iowa Code section 456A.38.

These amendments will become effective April 5, 2017.

The following amendments are adopted.

ITEM 1. Adopt the following **new** definitions in rule **571—21.2(456A)**:

“*Agricultural land*” means land suitable for use in farming.

“*Authority*” means the Iowa finance authority created in Iowa Code section 16.1A.

“*Beginning farmer*” means an individual, partnership, family farm corporation, or family farm limited liability company, with a low or moderate net worth that engages in farming or wishes to engage in farming.

“*Farming*” means the cultivation of land for the production of agricultural crops, the raising of poultry, the production of eggs, the production of milk, the production of fruit or other horticultural crops, grazing, the production of livestock, aquaculture, hydroponics, the production of forest products, or other activities designated by rule by the authority.

“*Program*” means the lease to beginning farmers program as provided in Iowa Code section 456A.38.

ITEM 2. Rescind rule 571—21.4(456A) and adopt the following **new** rule in lieu thereof:

571—21.4(456A) Lease to beginning farmers program. The department shall annually lease agricultural land that it holds or manages as wildlife habitat in each county to beginning farmers seeking to participate in the program. The department is not required to lease agricultural land under the program that it would not otherwise lease for farming.

21.4(1) *Establishing annual lease payments.* The department shall establish annual lease payments for available agricultural land under the program by using the following criteria:

- a. Market factors.
- b. Prior leases for the same or comparable agricultural land.
- c. The cost of the establishment or maintenance of water quality practices, soil conservation practices, wildlife habitat, vegetation management, or food plots, if applicable.

21.4(2) *Eligibility to participate.* A beginning farmer is eligible to participate in the program following certification as a beginning farmer by the authority based on the following criteria:

- a. The beginning farmer is a resident of the state of Iowa.
- b. The beginning farmer has sufficient education, training, or experience in the type of farming required under the lease agreement.
- c. The agricultural land and agricultural improvements shall only be used for farming by the beginning farmer, the beginning farmer’s spouse, or the beginning farmer’s minor children.
- d. Other criteria as the authority prescribes by rule.

21.4(3) *Selection of beginning farmer.* The department shall execute a lease with a beginning farmer selected to participate in the program after such person has been certified by the authority. If two or more beginning farmers seek to execute a lease under the program for the same agricultural land, the department shall select the beginning farmer by drawing lots. At the end of the lease term, a beginning

NATURAL RESOURCE COMMISSION[571](cont'd)

farmer who leased agricultural land under the program is eligible to be selected again to lease the same agricultural land. However, the department shall provide preference to an available beginning farmer who has not previously participated in the program.

21.4(4) Terms of the lease. The department shall establish terms and conditions in the lease for beginning farmers participating in the program. The lease executed by the department under the program shall at least include all of the following:

a. The number of acres leased. The department shall not lease more than 240 acres of agricultural land to a beginning farmer for the production of crops. However, this restriction does not apply to agricultural land leased for grazing livestock or land leased by a beginning farmer under rule 571—21.5(456A).

b. The term of the lease. The term may be based on the use of the agricultural land. A lease shall not be for more than seven years. A beginning farmer shall not sublease the agricultural land.

c. The required and permitted uses of the agricultural land during the term of the lease. The department may require the establishment of a conservation system, crop rotation, or cover crop, if appropriate. The department may require that a beginning farmer adopt generally accepted farming or soil conservation practices, so long as such practices are compatible with the department's policies related to resource management and outdoor recreation.

ITEM 3. Adopt the following **new** rule 571—21.5(456A):

571—21.5(456A) Alternative lease procedures. In the event that no beginning farmer seeks to participate in the program, or no beginning farmer is found qualified to participate in the program for a given lease, the following procedures shall be followed by the department in administering the agricultural lease program.

21.5(1) Advertising for bids. A notice advertising for bids shall be published in at least two local newspapers a minimum of two weeks prior to the date of the bid opening.

21.5(2) Prebid informational meeting. A prebid informational meeting may be held when the land manager determines that a meeting is in the state's best interest. Notice of a prebid informational meeting shall be included in the advertisement for bids and in the written instructions to bidders. The meeting shall be held no later than one week prior to the bid opening. If a prebid meeting is required, bidders must attend to qualify to submit a bid.

21.5(3) Form of bid. Written sealed bids shall be utilized.

21.5(4) Public bid opening. All sealed bids shall be publicly opened as stated in the notice for bids. The results of the bids shall be made available to any interested party.

21.5(5) Awarding of lease. The amount of the bid, past experience with the bidder, the bidder's ability to comply with the terms of the lease, and the bidder's ability to perform the required farming practices shall be considered. The department reserves the right to waive technicalities and reject any or all bids not in the best interest of the state of Iowa.

21.5(6) Negotiated leases. The land manager may negotiate a lease with any prospective operator, subject to approval of the director, in any of the following instances:

a. No bids are received.

b. Gross annual rent is \$5,000 or less.

c. Where land acquired by the department is subject to an existing tenancy.

d. To synchronize the lease period of newly leased areas with other leases in the same management unit.

e. Where a proposed lease includes only land not accessible to equipment necessary to perform the required farming operations, except over privately owned land, provided the prospective operator possesses legal access to the leased land over said privately owned land.

f. Where the director authorizes a lease as a condition of a land purchase or trade.

NATURAL RESOURCE COMMISSION[571](cont'd)

ITEM 4. Adopt the following new rule 571—21.6(456A):

571—21.6(456A) Terms applicable to all agricultural leases. The following terms and conditions apply to all department agricultural leases entered into pursuant to rule 571—21.4(456A) or 571—21.5(456A).

21.6(1) Final approval of award. All awards of leases shall be approved by the director. Additionally, awards of all leases on sovereign land shall be subject to approval by the state executive council on recommendation of the natural resource commission.

21.6(2) Payment of cash rent. The operator shall pay a minimum of 10 percent of the total gross rent at the time of the signing of the lease and the balance for each crop year on or before December 1, or the operator shall pay 50 percent of the total annual rent each April 1 and the balance for each crop year on or before December 1. The appropriate minimum payment shall be determined by the land manager.

21.6(3) Payment of crop share rent. The operator shall pay the total annual rent on December 1 or at the time of harvest, whichever is later.

21.6(4) Termination. In accordance with Iowa Code chapter 562, the lease shall serve as the written agreement fixing the time of termination of the tenancy. The lease shall terminate at the end of the agreed-upon lease term without notice. If the department requires leased land for other conservation purposes during the term of the lease, the operator shall relinquish all rights under the existing lease, upon demand by the director, at the end of the current crop year.

21.6(5) Termination for cause. If the operator fails to comply with any of the terms of the lease, the department may serve notice on the operator demanding redress within a specified period of time. If compliance is not made within the specified period, the department may proceed to collect any moneys which may be due and payable during the crop year in which the lease is terminated and may void the remainder of the lease. Further, the department shall have a landlord's lien as set out by Iowa Code chapter 570.

21.6(6) Previous agreements. The department shall recognize legal agreements regarding agricultural leases which are in effect at the time the department acquires jurisdiction to the land covered by those legal agreements.

21.6(7) Amendment to lease. Amendments to any lease shall be evidenced by written instruments attached to and made a part of the lease. Final approval of amendments shall be made by the director.

ITEM 5. Amend **571—Chapter 21**, implementation sentence, as follows:

These rules are intended to implement Iowa Code sections 461A.25, 456A.24(2), and 456A.24(5),
and 456A.38.

[Filed 2/9/17, effective 4/5/17]

[Published 3/1/17]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 3/1/17.

ARC 2962C

SECRETARY OF STATE[721]

Adopted and Filed

Pursuant to the authority of Iowa Code section 29C.24, the Secretary of State hereby amends Chapter 4, "Forms," and adopts a new Chapter 12, "Disaster Recovery for Out-of-State Entities," Iowa Administrative Code.

These adopted amendments create a new chapter and a new form to implement 2016 Iowa Acts, Senate File 2306, "Facilitating Business Rapid Response to State-Declared Disasters Act."

These amendments were published under Notice of Intended Action in the December 7, 2016, Iowa Administrative Bulletin as **ARC 2856C**. References to 2016 Iowa Acts, Senate File 2306, have been updated to reference Iowa Code section 29C.24 to reflect the codification of Senate File 2306.

SECRETARY OF STATE[721](cont'd)

In addition, an implementation sentence has been added to new Chapter 12. These amendments are otherwise identical to those published under Notice of Intended Action.

After analysis and review of this rule making, no fiscal impact has been found.

After analysis and review of this rule making, no impact on jobs has been found.

These amendments are intended to implement Iowa Code sections 29C.3 and 29C.24.

These amendments will become effective April 5, 2017.

The following amendments are adopted.

ITEM 1. Amend subrule **4.2(2)** by inserting the following at the end thereof:

Form Number	Description
BC-25	Disaster Recovery Registration

ITEM 2. Adopt the following **new** 721—Chapter 12:

CHAPTER 12
DISASTER RECOVERY FOR OUT-OF-STATE ENTITIES

721—12.1(29C) Definitions. For purposes of this chapter, the definitions from Iowa Code section 29C.24 are adopted by reference.

721—12.2(29C) Notification and insurance verification. Within 15 days of entering the state in response to a disaster in accordance with Iowa Code section 29C.24, an entity shall file with the secretary of state the following information, from the secretary of state's prescribed form for out-of-state corporations for disaster recovery.

1. Name.
2. State of domicile.
3. Principal business address.
4. Federal employer identification number.
5. The date the entity entered the state.
6. Contact information.
7. Certificate of worker compensation insurance.
8. Certificate of liability insurance.
9. A signed statement that the out-of-state business is in the state for the purpose of responding to a declared state disaster or emergency.

721—12.3(29C) Transmittal of notification. Once the form from rule 721—12.2(29C) is processed, the secretary of state shall transmit the information to the Iowa department of revenue and the Iowa homeland security and emergency management department. The secretary of state shall provide the information to other state and local government agencies at their request.

These rules are intended to implement Iowa Code sections 29C.3 and 29C.24.

[Filed 2/8/17, effective 4/5/17]

[Published 3/1/17]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 3/1/17.

ARC 2963C

UTILITIES DIVISION[199]

Adopted and Filed

Pursuant to Iowa Code sections 17A.4 and 476.2, the Utilities Board (Board) gives notice that on February 7, 2017, the Board issued an order in Docket No. RMU-2016-0010, In re: Review of Tax

UTILITIES DIVISION[199](cont'd)

Reform Revenue Adjustment Rules [199 IAC Chapter 30], “Order Adopting Rules and Rescinding Chapter,” rescinding the Board’s rules at 199—Chapter 30. The rules were adopted in 1987 to implement Iowa Code section 476.8A, which in turn was enacted in connection with the Tax Reform Act of 1986. Iowa Code section 476.8A was repealed in 1990, and Chapter 30 of the Board’s rules can be rescinded.

Notice of Intended Action was published in the September 14, 2016, Iowa Administrative Bulletin as **ARC 2714C**. One party, the Office of Consumer Advocate, a division of the Iowa Department of Justice, filed comments stating that it has no objection to the proposed rescission. The adopted amendment is identical to that published under Notice.

The order approving this Adopted and Filed rule making can be found on the Board’s Electronic Filing System Web site, <http://efs.iowa.gov>, in Docket No. RMU-2016-0010.

After analysis and review of this rule making, the Board concludes that the amendment will not have a detrimental effect on jobs in Iowa.

This amendment is intended to implement Iowa Code section 476.2.

This amendment will become effective April 5, 2017.

The following amendment is adopted.

Rescind and reserve **199—Chapter 30**.

[Filed 2/6/17, effective 4/5/17]

[Published 3/1/17]

EDITOR’S NOTE: For replacement pages for IAC, see IAC Supplement 3/1/17.