



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]; usury rates [535.2(3)“a”]; agricultural credit corporation maximum loan rates [535.12]; and other items required by statute to be published in the Bulletin.

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

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CITATION of Administrative Rules

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

This citation format applies only to external citations to the Iowa Administrative Code or Iowa Administrative Bulletin and does not apply to citations within the Iowa Administrative Code or Iowa Administrative Bulletin.

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)
441 IAC 79.1(1)“a”(1)“1”	(Numbered paragraph)

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).

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Water pollution control works and drinking water facilities financing program, ch 26 IAB 6/11/25 Regulatory Analysis	1963 Bell Avenue, Suite 200 Des Moines, Iowa Registration information for online participation may be found at opportunityiowa.gov/about/iowa-finance-authority/ifa-red-tape-review	July 1, 2025 2 to 2:15 p.m.
Wastewater and drinking water treatment financial assistance program, ch 28 IAB 6/11/25 Regulatory Analysis	1963 Bell Avenue, Suite 200 Des Moines, Iowa Registration information: opportunityiowa.gov/about/iowa-finance-authority/ifa-red-tape-review	July 1, 2025 2:15 to 2:30 p.m.
Water quality financing program, ch 46 IAB 6/11/25 Regulatory Analysis	1963 Bell Avenue, Suite 200 Des Moines, Iowa Registration information: opportunityiowa.gov/about/iowa-finance-authority/ifa-red-tape-review	July 1, 2025 2:30 to 2:45 p.m.

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IA CFY program, outpatient diabetes education, Iowa get screened: colorectal cancer program, registry for brain and spinal cord injuries, rescind chs 8 to 10, 21; local boards of health, local public health services, chs 77, 80 IAB 6/11/25 Regulatory Analyses	Microsoft Teams Meeting ID: 242 652 748 070 8 Passcode: k9m3He3u	July 1, 2025 10 a.m.

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Tax return preparers, 8.9 IAB 5/28/25 ARC 9297C	Via videoconference call meet.google.com/mvs-orhd-ssk	June 17, 2025 9:30 to 10 a.m.
Mixed drinks or cocktails, 1000.19, 1000.22 IAB 6/11/25 Regulatory Analysis	Via videoconference call meet.google.com/tyb-diem-qkf	July 1, 2025 1:30 to 2 p.m.

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Warning lights on vehicles or equipment in road work zones, ch 135 IAB 5/28/25 ARC 9291C	Microsoft Teams link Or dial: 515.817.6093 Conference ID: 871 814 623	June 17, 2025 10 to 10:30 a.m.
	Microsoft Teams link Or dial: 515.817.6093 Conference ID: 151 597 808	June 17, 2025 1:30 to 2 p.m.
Statewide standard for permitting certain implements of husbandry, ch 181 IAB 5/14/25 Regulatory Analysis	Microsoft Teams link Or dial: 515.817.6093 Conference ID: 954 386 698	June 19, 2025 9 to 9:30 a.m.

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Interstate motor vehicle fuel licenses and permits, ch 505 IAB 6/11/25 ARC 9334C	Microsoft Teams link Or dial: 515.817.6093 Conference ID: 973 584 641# Microsoft Teams link Or dial: 515.817.6093 Conference ID: 390 122 549#	July 1, 2025 9 to 9:30 a.m. July 1, 2025 2 to 2:30 p.m.
Application for license, ch 601 IAB 5/28/25 ARC 9292C	Microsoft Teams link Or dial: 515.817.6093 Conference ID: 426 727 681# Microsoft Teams link Or dial: 515.817.6093 Conference ID: 789 973 712#	June 17, 2025 1 to 1:30 p.m. June 17, 2025 3:30 to 4 p.m.
Classes of driver's licenses, ch 602 IAB 5/28/25 ARC 9293C	Microsoft Teams link Or dial: 515.817.6093 Conference ID: 396 147 18# Microsoft Teams link Or dial: 515.817.6093 Conference ID: 695 033 126#	June 18, 2025 11:30 a.m. to 12 noon June 18, 2025 1:30 to 2 p.m.
License examination, ch 604 IAB 6/11/25 ARC 9335C	Microsoft Teams link Or dial: 515.817.6093 Conference ID: 479 043 651# Microsoft Teams link Or dial: 515.817.6093 Conference ID: 882 355 408#	July 1, 2025 9:30 to 10 a.m. July 1, 2025 2:30 to 3 p.m.
Commercial driver licensing, ch 607 IAB 5/28/25 ARC 9294C	Microsoft Teams link Or dial: 515.817.6093 Conference ID: 539 974 123# Microsoft Teams link Or dial: 515.817.6093 Conference ID: 636 829 48#	June 18, 2025 12 noon to 12:30 p.m. June 18, 2025 2 to 2:30 p.m.
Driver's licenses for undercover law enforcement officers, ch 625 IAB 5/28/25 ARC 9295C	Microsoft Teams link Or dial: 515.817.6093 Conference ID: 765 070 813# Microsoft Teams link Or dial: 515.817.6093 Conference ID: 662 350 454#	June 18, 2025 12:30 to 1 p.m. June 18, 2025 2:30 to 3 p.m.
Nonoperator's identification, ch 630 IAB 6/11/25 ARC 9336C	Microsoft Teams link Or dial: 515.817.6093 Conference ID: 115 805 399# Microsoft Teams link Or dial: 515.817.6093 Conference ID: 399 107 303#	July 1, 2025 10 to 10:30 a.m. July 1, 2025 3 to 3:30 p.m.

WORKFORCE DEVELOPMENT DEPARTMENT[871]

Iowa industrial new jobs training program, ch 62 IAB 6/11/25 Regulatory Analysis	Microsoft Teams Meeting ID: 238 408 589 250 Passcode: 6iu9Cw6Y Dial in by phone: +1 469.998.6043 Find a local number Phone conference ID: 324 020 485#	July 1, 2025 9 a.m.
Iowa jobs training program, ch 63 IAB 6/11/25 Regulatory Analysis	Microsoft Teams Meeting ID: 241 057 225 551 9 Passcode: 42WL9Xa2 Dial in by phone: +1 469.998.6043 Find a local number Phone conference ID: 428 181 217#	July 1, 2025 9:30 a.m.
Accelerated career education (ACE) program, ch 68 IAB 6/11/25 Regulatory Analysis	Microsoft Teams Meeting ID: 246 930 694 517 5 Passcode: Mw9iX7yT Dial in by phone: +1 469.998.6043 Find a local number Phone conference ID: 257 197 044#	July 1, 2025 10 a.m.
Innovative businesses internship program, ch 69 IAB 6/11/25 Regulatory Analysis	Microsoft Teams Meeting ID: 269 840 362 023 2 Passcode: UT7eL3AU Dial in by phone: +1 469.998.6043 Find a local number Phone conference ID: 440 242 943#	July 1, 2025 10:30 a.m.
STEM internship program, ch 75 IAB 6/11/25 Regulatory Analysis	Microsoft Teams Meeting ID: 293 767 963 717 4 Passcode: pf69Y26P Dial in by phone: +1 469.998.6043 Find a local number Phone conference ID: 749 128 679#	July 1, 2025 11 a.m.

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Dec. 18 '24	Jan. 8	Jan. 28	Jan. 31	Feb. 19	Mar. 11	Mar. 26	Mar. 28	Apr. 16	May 21	Aug. 18
Jan. 2	Jan. 22	Feb. 11	Feb. 14	Mar. 5	Mar. 25	Apr. 9	Apr. 11	Apr. 30	June 4	Sep. 1
Jan. 17	Feb. 5	Feb. 25	Feb. 28	Mar. 19	Apr. 8	Apr. 23	Apr. 25	May 14	June 18	Sep. 15
Jan. 31	Feb. 19	Mar. 11	Mar. 14	Apr. 2	Apr. 22	May 7	**May 7**	May 28	July 2	Sep. 29
Feb. 14	Mar. 5	Mar. 25	Mar. 28	Apr. 16	May 6	May 21	May 23	June 11	July 16	Oct. 13
Feb. 28	Mar. 19	Apr. 8	Apr. 11	Apr. 30	May 20	June 4	June 6	June 25	July 30	Oct. 27
Mar. 14	Apr. 2	Apr. 22	Apr. 25	May 14	June 3	June 18	**June 18**	July 9	Aug. 13	Nov. 10
Mar. 28	Apr. 16	May 6	**May 7**	May 28	June 17	July 2	**July 2**	July 23	Aug. 27	Nov. 24
Apr. 11	Apr. 30	May 20	May 23	June 11	July 1	July 16	July 18	Aug. 6	Sep. 10	Dec. 8
Apr. 25	May 14	June 3	June 6	June 25	July 15	July 30	Aug. 1	Aug. 20	Sep. 24	Dec. 22
May 7	May 28	June 17	**June 18**	July 9	July 29	Aug. 13	**Aug. 13**	Sep. 3	Oct. 8	Jan. 5 '26
May 23	June 11	July 1	**July 2**	July 23	Aug. 12	Aug. 27	Aug. 29	Sep. 17	Oct. 22	Jan. 19 '26
June 6	June 25	July 15	July 18	Aug. 6	Aug. 26	Sep. 10	Sep. 12	Oct. 1	Nov. 5	Feb. 2 '26
June 18	July 9	July 29	Aug. 1	Aug. 20	Sep. 9	Sep. 24	Sep. 26	Oct. 15	Nov. 19	Feb. 16 '26
July 2	July 23	Aug. 12	**Aug. 13**	Sep. 3	Sep. 23	Oct. 8	Oct. 10	Oct. 29	Dec. 3	Mar. 2 '26
July 18	Aug. 6	Aug. 26	Aug. 29	Sep. 17	Oct. 7	Oct. 22	**Oct. 22**	Nov. 12	Dec. 17	Mar. 16 '26
Aug. 1	Aug. 20	Sep. 9	Sep. 12	Oct. 1	Oct. 21	Nov. 5	**Nov. 5**	Nov. 26	Dec. 31	Mar. 30 '26
Aug. 13	Sep. 3	Sep. 23	Sep. 26	Oct. 15	Nov. 4	Nov. 19	**Nov. 19**	Dec. 10	Jan. 14 '26	Apr. 13 '26
Aug. 29	Sep. 17	Oct. 7	Oct. 10	Oct. 29	Nov. 18	Dec. 3	**Dec. 3**	Dec. 24	Jan. 28 '26	Apr. 27 '26
Sep. 12	Oct. 1	Oct. 21	**Oct. 22**	Nov. 12	Dec. 2	Dec. 17	**Dec. 17**	Jan. 7 '26	Feb. 11 '26	May 11 '26
Sep. 26	Oct. 15	Nov. 4	**Nov. 5**	Nov. 26	Dec. 16	Dec. 31	**Dec. 31**	Jan. 21 '26	Feb. 25 '26	May 25 '26
Oct. 10	Oct. 29	Nov. 18	**Nov. 19**	Dec. 10	Dec. 30	Jan. 14 '26	Jan. 16 '26	Feb. 4 '26	Mar. 11 '26	June 8 '26
Oct. 22	Nov. 12	Dec. 2	**Dec. 3**	Dec. 24	Jan. 13 '26	Jan. 28 '26	Jan. 30 '26	Feb. 18 '26	Mar. 25 '26	June 22 '26
Nov. 5	Nov. 26	Dec. 16	**Dec. 17**	Jan. 7 '26	Jan. 27 '26	Feb. 11 '26	Feb. 13 '26	Mar. 4 '26	Apr. 8 '26	July 6 '26
Nov. 19	Dec. 10	Dec. 30	**Dec. 31**	Jan. 21 '26	Feb. 10 '26	Feb. 25 '26	Feb. 27 '26	Mar. 18 '26	Apr. 22 '26	July 20 '26
Dec. 3	Dec. 24	Jan. 13 '26	Jan. 16 '26	Feb. 4 '26	Feb. 24 '26	Mar. 11 '26	Mar. 13 '26	Apr. 1 '26	May 6 '26	Aug. 3 '26
Dec. 17	Jan. 7 '26	Jan. 27 '26	Jan. 30 '26	Feb. 18 '26	Mar. 10 '26	Mar. 25 '26	Mar. 27 '26	Apr. 15 '26	May 20 '26	Aug. 17 '26
Dec. 31	Jan. 21 '26	Feb. 10 '26	Feb. 13 '26	Mar. 4 '26	Mar. 24 '26	Apr. 8 '26	Apr. 10 '26	Apr. 29 '26	June 3 '26	Aug. 31 '26

PLEASE NOTE:

Rules will not be accepted by the Publications Editing Office after 12 o'clock noon on the filing deadline unless prior approval has been received from the Administrative Rules Coordinator and the Administrative Code Editor.

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

†To allow time for review by the Administrative Rules Coordinator prior to the Notice submission deadline, Notices should generally be submitted in RMS four or more business days in advance of the deadline. The first possible notice submission deadline noted above may not allow sufficient time for this. **Agencies should plan accordingly.**

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

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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Regulatory Analysis

Notice of Intended Action to be published: 265—Chapter 26
“Water Pollution Control Works and
Drinking Water Facilities Financing Program”

Iowa Code section(s) or chapter(s) authorizing rulemaking: 16.5(1)“r” and 16.133

State or federal law(s) implemented by the rulemaking: Iowa Code chapter 455B, subchapter III, part 5, and sections 16.131 through 16.133A

Public Hearing

A public hearing at which persons may present their views orally or in writing will be held as follows:

July 1, 2025
2 to 2:15 p.m.

1963 Bell Avenue
Des Moines, Iowa

Public Comment

Any interested person may submit written comments concerning this Regulatory Analysis, which must be received by the Iowa Finance Authority no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Lisa Connell
Iowa Finance Authority
1963 Bell Avenue, Suite 200
Des Moines, Iowa 50315
Email: lisa.connell@iowaeda.com

Purpose and Summary

Pursuant to Executive Order 10, the Authority proposes to rescind Chapter 26 and adopt a new chapter in lieu thereof. The chapter describes the policies and procedures applicable to the Water Pollution Control Works and Drinking Water Facilities Financing Program. The program provides loans to finance drinking water and wastewater treatment facilities and water pollution control projects.

Analysis of Impact

1. **Persons affected by the proposed rulemaking:**

● **Classes of persons that will bear the costs of the proposed rulemaking:**

Entities that apply for and are approved for loans through the program will bear the costs of the rulemaking.

● **Classes of persons that will benefit from the proposed rulemaking:**

Entities that apply for and are approved for loans will benefit from clarity and streamlining of the rules.

2. **Impact of the proposed rulemaking, economic or otherwise, including the nature and amount of all the different kinds of costs that would be incurred:**

● **Quantitative description of impact:**

Entities interested in applying for loans may require staff time to complete an application. Recipients may similarly incur costs to comply with reporting and monitoring requirements. Some

applicants may choose to rely on an external service provider to complete these tasks. The amount of the costs will vary depending on the compensation of staff or service providers involved.

- **Qualitative description of impact:**

Entities that apply for and are approved for loans will benefit from clarity and streamlining of the rules.

3. **Costs to the State:**

- **Implementation and enforcement costs borne by the agency or any other agency:**

Authority staff time is required to review and approve applications, administer loans, and communicate with program applicants and recipients.

- **Anticipated effect on State revenues:**

This rulemaking has no fiscal impact. The Authority is authorized to issue bonds for the purposes of the program pursuant to Iowa Code section 16.131. Such bonds issued by the authority are not debt of the State pursuant to Iowa Code section 16.131(5).

4. **Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:**

Only the entities that will potentially benefit from financial assistance bear the costs of the rulemaking. The costs to the State to administer the program are proportional to the activities supported by financial assistance.

5. **Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:**

The Authority has not identified less costly methods or less intrusive methods of administering the program.

6. **Alternative methods considered by the agency:**

- **Description of any alternative methods that were seriously considered by the agency:**

The Authority did not consider any alternative methods.

- **Reasons why alternative methods were rejected in favor of the proposed rulemaking:**

The Authority did not consider any alternative methods.

Small Business Impact

If the rulemaking will have a substantial impact on small business, include a discussion of whether it would be feasible and practicable to do any of the following to reduce the impact of the rulemaking on small business:

- Establish less stringent compliance or reporting requirements in the rulemaking for small business.

- Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.

- Consolidate or simplify the rulemaking's compliance or reporting requirements for small business.

- Establish performance standards to replace design or operational standards in the rulemaking for small business.

- Exempt small business from any or all requirements of the rulemaking.

If legal and feasible, how does the rulemaking use a method discussed above to reduce the substantial impact on small business?

The proposed rules do not have a substantial impact on small business. The rules do not establish design or operational standards.

Text of Proposed Rulemaking

ITEM 1. Rescind 265—Chapter 26 and adopt the following **new** chapter in lieu thereof:

CHAPTER 26
WATER POLLUTION CONTROL WORKS AND
DRINKING WATER FACILITIES FINANCING PROGRAM

265—26.1(16) Purpose and authority responsibilities. The program is established pursuant to Iowa Code chapter 455B, subchapter III, part 5, and is jointly administered by the department and the authority. The authority is primarily responsible for the financial management of the program pursuant to Iowa Code chapter 455B, subchapter III, part 5, and Iowa Code chapter 16, subchapter X, part 2. The authority's financial management responsibilities include but are not limited to the following:

1. Ensuring the program maintains sufficient financial resources to support projects in perpetuity, including providing state match funds for federal capitalization grants;
2. Managing the financial assets of the program, including investments and audits;
3. Receiving, reviewing and approving loan applications;
4. Executing loan agreements, including establishing loan terms; and
5. Disbursing loan funds and monitoring loan repayments.

265—26.2(16) Definitions.

"Authority" or *"IFA"* means the Iowa finance authority created in Iowa Code section 16.1A.

"Clean Water Act" means the same as defined in Iowa Code section 16.131A.

"Department" or *"DNR"* means the Iowa department of natural resources.

"Director" means the director of the authority.

"Disadvantaged community" means a community that qualifies for more favorable loan terms, including but not limited to loan forgiveness, based on criteria established in the IUP.

"Eligible costs" means all costs related to the completion of a project as defined in the Clean Water Act and Safe Drinking Water Act and 567—Chapters 40 and 90.

"EPA" means the United States Environmental Protection Agency.

"Intended use plan" or *"IUP"* means the program document developed by DNR identifying the intended uses of funds available through the program.

"Linked deposit" means funds deposited by the authority to induce a participating lending institution to offer a loan at a lower interest rate for a project type identified in subrule 26.6(7).

"Net revenues" means the same as defined in Iowa Code section 384.80.

"Nonpoint source project" means any project described in Section 319 of the Clean Water Act.

"Participating lending institution" means a lending institution approved by the authority to make loans for a project type identified in subrule 26.6(7).

"Program" means the same as defined in Iowa Code section 16.131A.

"Recipient" means the entity receiving funds from the program.

"Safe Drinking Water Act" means the same as defined in Iowa Code section 16.131A.

265—26.3(16) Eligibility, application, and approval.

26.3(1) Only projects included on state project priority lists developed and maintained by DNR pursuant to 567—Chapters 44 and 90 are eligible for the program. The authority will consider the following when determining whether to provide a loan to an eligible recipient:

- a. Recipient's financial capability;
- b. Recipient's willingness to accept all loan terms, conditions, and covenants;
- c. The priority of the project;
- d. Funds available; and
- e. Whether the recipient has a record of violations of the law that over a period of time tends to show a consistent pattern or that establishes intentional, criminal, or reckless conduct in violation of such laws.

26.3(2) Applications for loans shall be submitted to the authority in the form and content established by the authority. The application will include:

- a.* A description of the project, project budget, and estimated project timeline;
- b.* The requested loan amount and loan term;
- c.* The proposed security for the loan and documentation that approval processes have been initiated;
- d.* The tax status of the loan;
- e.* The other sources of funds for the project;
- f.* A pro forma cash flow analysis in a form acceptable to the authority that demonstrates that the net revenues of the borrower are sufficient pursuant to paragraph 26.5(2) “*d*”;
- g.* Documentation that technical and environmental review has been completed;
- h.* An opinion from the applicant’s counsel documenting that public procurement procedures have been followed, including but not limited to Iowa Code chapters 26 and 26A; and
- i.* Any other information reasonably requested by the authority.

26.3(3) Subsequent segments of a project that has been previously awarded financial assistance will receive priority over new projects. Loans made for separate segments of a project will be administered separately.

26.3(4) Requested loan amounts may be adjusted to reflect eligible costs.

26.3(5) Complete and eligible loan applications that are recommended for approval based on the criteria in subrule 26.3(1) will be considered by the authority board. The board may approve, deny, or defer an application for a loan.

265—26.4(16) Infrastructure construction loans.

26.4(1) *Loan agreements.* The authority will prepare a loan agreement after an application has been approved by the authority board. Prior to execution of the agreement, the recipient shall provide an enforceability opinion and, if applicable, a bond counsel opinion as to the status of interest on the obligation in forms acceptable to the authority.

26.4(2) *Loan terms.*

a. Interest rates.

(1) The interest rate for tax-exempt loans with terms up to 20 years is calculated by taking 75 percent of the average daily Bloomberg Valuation Service (BVAL) General Obligation Municipal AAA 20-year yield for the calendar month immediately preceding the first business day of each July, October, January, and April.

(2) The interest rate for the taxable portions of loans with terms up to 20 years is calculated by taking 75 percent of the average BVAL Taxable General Obligation Municipal AAA 20-year yield for the calendar month immediately preceding the first business day of each July, October, January, and April.

(3) Loans with terms over 20 years will be assessed an additional 1 percentage point.

b. Fees.

(1) Recipients shall pay a loan initiation fee to the authority upon loan closing. The fee will be 0.50 percent of the full loan commitment amount, not to exceed \$100,000. The fee will be waived for projects located in a disadvantaged community.

(2) Recipients shall pay an annual loan servicing fee equal to 0.25 percent of the outstanding principal balance. Payment of the loan servicing fee will be made semiannually along with scheduled interest payments.

c. Revenue pledge. The recipient shall establish sufficient revenue sources for the repayment of the loan, as determined by the authority. To ensure repayment of obligations according to the terms of the loan agreement, the recipient shall agree to impose, collect, and increase, if necessary, user charges, taxes, or other dedicated revenue sources identified for the loan repayment in order to maintain annual net revenues at a level equal to at least 110 percent of the amount necessary to pay debt service on all revenue obligations during the next fiscal year. At the discretion of the director or

director's designee, the authority may allow other revenue sources and coverage of less than 110 percent. At the discretion of the director or director's designee, the authority may require revenue sources and coverage in excess of 110 percent of the amount necessary to pay all revenue obligations if the recipient has a history of default on its revenue obligations or insufficient credit history, as determined by the authority. The loan agreement shall authorize the authority to require revenue adjustment to collect delinquent loan payments.

d. Security.

(1) A loan may be secured by a first lien upon the net revenues of the recipient's system. Loans secured by net revenues of a system may rank on a parity basis with other outstanding obligations, or, with the approval of the director or director's designee, those loans may be subordinate in right of payment to the recipient's other outstanding revenue obligations.

(2) A loan may be secured by a general obligation of the recipient, and the recipient may achieve this through the provision for a levy of taxes to repay the loan.

e. Construction payment schedules. The loan agreement shall include an estimated construction drawdown schedule provided by the recipient.

26.4(3) *Loan commitments.* Loan funds are considered a binding commitment at the time a loan agreement is executed.

26.4(4) *Costs.* The recipient shall use the program loan proceeds solely for the purpose of eligible costs of the approved project. The recipient must document all eligible costs to the satisfaction of the authority and the department before loan proceeds are disbursed.

26.4(5) *Loan amount and repayment period.* All loans shall be made contingent on the availability of funds. The maximum loan term will be that allowed by the EPA. Repayment of the loan must begin no later than one year after the project is substantially complete.

26.4(6) *Prepayment.* A recipient may prepay a loan, in whole or in part, on any date with the prior written consent of the authority.

265—26.5(16) Planning and design loans.

26.5(1) *Timing of loan.* Prior to a recipient's execution of a loan agreement for an infrastructure construction loan described in rule 265—26.4(16), funds may be loaned to the recipient to pay for initial eligible costs, including the cost of facility planning and design engineering.

26.5(2) *Duration.* Planning and design loans must be repaid within three years from the date a loan agreement is executed unless the director or director's designee provides written consent to a longer term.

26.5(3) *Interest rate.* The interest rate will be zero percent.

26.5(4) *Rollover to construction loan.* All funds borrowed by the recipient as a planning and design loan may be financed as a part of a construction loan agreement upon expiration of the term of the planning and design loan.

26.5(5) *Repayment.* If the recipient does not execute a state revolving fund construction loan, the planning and design loan shall be paid in full at the end of the three-year term, unless the loan term is extended by written consent of the director. The authority may negotiate a payment plan with the recipient in lieu of immediate payment in full.

265—26.6(16) Nonpoint source set-aside loan programs.

26.6(1) *Nonpoint source loan assistance.* Loan assistance for nonpoint source projects will be in the form of low-interest loans, linked deposits, or loan participations through participating lending institutions.

26.6(2) *Application for loan assistance.* Application for loan assistance pursuant to this rule may be made at any participating lending institution or submitted to the authority or the authority's agent, as applicable. A list of participating lending institutions will be made available by the authority or other entity that assists the authority to administer this program. Applications for loan assistance shall be in the form and content established by the authority.

26.6(3) *Project approval.* Each project must be approved by the appropriate environmental or conservation agency identified in subrule 26.6(7).

26.6(4) *Loan approval.* For linked deposit programs, the participating lending institution will either approve or deny the loan in accordance with the program requirements after receipt of a completed loan application form. If the loan is approved, the lending institution will notify the authority, or its agent, to reserve funds in that amount. This reservation is necessary to ensure that funds are available at the time of disbursement. If the loan is denied, the lending institution must notify the loan applicant, and the lending institution must clearly state the reasons for the loan denial. For low-interest loans with the authority, the authority or its agent will notify the applicant of the loan approval or denial. For loan participation, the authority or its agent will notify the applicant of the approval or denial.

26.6(5) *Availability of funds.* Before acting on a loan application, the lending institution shall ensure that adequate funds are available for the project.

26.6(6) *Property transfer.* The balance of a loan made pursuant to this rule shall be immediately due in full if the recipient transfers the project property.

26.6(7) *Loan amount and period.* All loans will be made contingent on the availability of funds in the applicable fund or set-aside program as indicated in the IUP. The minimum and maximum loan amounts for each project type are as follows:

Type of Project	Type of Assistance	Minimum Loan Amount	Maximum Outstanding Balance	Maximum Loan Term	Project Approval Agency
General Nonpoint Source	Low-interest loans, Linked deposit or Loan participations	\$5,000	No maximum	20 years	DNR
Local Water Protection	Linked deposit	\$5,000	\$500,000 per common ownership	10 years	Division of Soil Conservation
Livestock Water Quality Facilities	Linked deposit	\$10,000	\$500,000 per common ownership	15 years*	Division of Soil Conservation
On-site Wastewater Systems Assistance	Linked deposit	\$2,000	No maximum	10 years	County

*If the loan is made only for preparation of a comprehensive nutrient management plan, the loan period shall not exceed five years.

For the purposes of this subrule, “common ownership” means the ownership of an animal feeding operation as a sole proprietor, or a majority ownership interest held by a person, in each of two or more animal feeding operations as a joint tenant, tenant in common, shareholder, partner, member, beneficiary, or other equity interest holder. The majority ownership interest is a common ownership interest when it is held directly, indirectly through a spouse or dependent child, or both.

26.6(8) *Prepayment.* A recipient may prepay a loan, in whole or in part, without penalty, with the written consent of the authority.

26.6(9) *Loan adjustments.* If the eligible costs exceed the loan amount, the recipient may request an increase in the loan amount. The lending institution is authorized to execute a loan for a principal amount of up to 10 percent above the amount of the loan application if the eligible costs exceed the application amount. The authority will evaluate the request by considering available moneys and financial risk. Should the eligible costs be less than the loan amount, the loan shall be appropriately adjusted so that the loan amount does not exceed the amount of eligible costs.

26.6(10) *Disbursement of funds.* Funds shall be disbursed in accordance with the loan agreement. The loan agreement may allow for periodic disbursement of funds.

265—26.7(16) Administration.

26.7(1) The recipient shall maintain records that document all costs associated with the project. The recipient shall provide access to these records to the authority, the department, the auditor of the state of Iowa, the EPA, the Office of the Inspector General at the EPA, or their agents or designees

upon request. The recipient shall retain such records and documents for inspection and audit purposes for a period of three years from the date of the final loan payment.

26.7(2) The recipient shall provide the authority, the DNR, or their agents or designees access to the project site on request for the duration of the loan to verify that the funds are being used for the purpose intended, that the construction work meets applicable state and federal requirements, and that the project is being operated and maintained as designed.

26.7(3) The recipient's accounting procedures shall conform to generally accepted government accounting standards.

26.7(4) The authority may, for cause, find that a recipient is not in compliance with the requirements of the program. Remedies for noncompliance may include penalties up to and including withholding of or return of loan funds. Findings of noncompliance may include but are not limited to the use of loan funds for activities not described in the application for the grant; failure to begin construction within one year of execution of a loan agreement; or failure to comply with any applicable state or federal rules, regulations, or laws.

265—26.8(16) References to the Clean Water Act and Safe Drinking Water Act in this chapter are as in effect on [effective date of rulemaking].

These rules are intended to implement Iowa Code chapter 455B, subchapter III, part 5, and Iowa Code sections 16.131 through 16.133A.

Regulatory Analysis

Notice of Intended Action to be published: 265—Chapter 28
“Wastewater and Drinking Water Treatment Financial Assistance Program”

Iowa Code section(s) or chapter(s) authorizing rulemaking: 16.5(1)“r” and 16.134
State or federal law(s) implemented by the rulemaking: Iowa Code sections 16.134 and 16.135

Public Hearing

A public hearing at which persons may present their views orally or in writing will be held as follows:

July 1, 2025
2:15 to 2:30 p.m.

1963 Bell Avenue
Des Moines, Iowa

Public Comment

Any interested person may submit written comments concerning this Regulatory Analysis, which must be received by the Iowa Finance Authority no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Lisa Connell
Iowa Finance Authority
1963 Bell Avenue, Suite 200
Des Moines, Iowa 50315
Email: lisa.connell@iowaeda.com

Purpose and Summary

Pursuant to Executive Order 10, the Authority proposes to rescind Chapter 28 and adopt a new chapter in lieu thereof. The chapter describes the policies and procedures applicable to the Wastewater and Drinking Water Treatment Financial Assistance Program. The program provides grants to install or upgrade wastewater treatment facilities and systems and drinking water treatment facilities and systems, including source water protection projects, and for engineering or technical assistance for facility planning and design.

Analysis of Impact

1. Persons affected by the proposed rulemaking:

• **Classes of persons that will bear the costs of the proposed rulemaking:**

Entities that apply for and are approved for grants through the program will bear the costs of the rulemaking.

• **Classes of persons that will benefit from the proposed rulemaking:**

Entities that apply for and are approved for grants will benefit from clarity and streamlining of the rules.

2. Impact of the proposed rulemaking, economic or otherwise, including the nature and amount of all the different kinds of costs that would be incurred:

• **Quantitative description of impact:**

Entities interested in applying for grants may require staff time to complete an application. Recipients may similarly incur costs to comply with reporting and monitoring requirements. Some applicants may choose to rely on an external service provider to complete these tasks. The amount of the costs will vary, depending on the compensation of staff or service providers involved.

- **Qualitative description of impact:**

Entities that apply for and are approved for grants will benefit from clarity and streamlining of the rules.

3. **Costs to the State:**

- **Implementation and enforcement costs borne by the agency or any other agency:**

Authority staff time is required to review and approve applications, administer grants, and communicate with program applicants and recipients.

- **Anticipated effect on State revenues:**

This rulemaking has no fiscal impact. The program is funded pursuant to Iowa Code section 16.134A.

4. **Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:**

Only the entities that will potentially benefit from financial assistance bear the costs of the rulemaking. The costs to the State to administer the program are proportional to the activities supported by financial assistance.

5. **Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:**

The Authority has not identified less costly methods or less intrusive methods of administering the program.

6. **Alternative methods considered by the agency:**

- **Description of any alternative methods that were seriously considered by the agency:**

The Authority did not consider any alternative methods.

- **Reasons why alternative methods were rejected in favor of the proposed rulemaking:**

The Authority did not consider any alternative methods.

Small Business Impact

If the rulemaking will have a substantial impact on small business, include a discussion of whether it would be feasible and practicable to do any of the following to reduce the impact of the rulemaking on small business:

- Establish less stringent compliance or reporting requirements in the rulemaking for small business.
- Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.
- Consolidate or simplify the rulemaking's compliance or reporting requirements for small business.
- Establish performance standards to replace design or operational standards in the rulemaking for small business.
- Exempt small business from any or all requirements of the rulemaking.

If legal and feasible, how does the rulemaking use a method discussed above to reduce the substantial impact on small business?

The proposed rules do not have a substantial impact on small business. The rules do not establish design or operational standards.

Text of Proposed Rulemaking

ITEM 1. Rescind 265—Chapter 28 and adopt the following new chapter in lieu thereof:

CHAPTER 28

WASTEWATER AND DRINKING WATER TREATMENT FINANCIAL ASSISTANCE PROGRAM

265—28.1(16) Definitions.

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

“Committee” means the water quality financing review committee created pursuant to Iowa Code section 16.134(10).

“Costs” means all expenses incurred by the recipient and determined by the authority as reasonable and necessary to carry out a project.

“Program” means the same as defined in Iowa Code section 16.134(1).

“Project” means the installation or upgrade of wastewater treatment facilities and systems and drinking water treatment facilities and systems, including source water protection projects, and engineering or technical assistance for facility planning and design.

“Recipient” means the entity receiving funds from the program.

265—28.2(16) Project funding. The committee will approve or deny applications for grants through the program in accordance with the priorities listed in Iowa Code section 16.134 and subject to the limitations therein. The committee will determine the weighting of priorities on an annual basis.

265—28.3(16) Administration.

28.3(1) The authority will notify successful applicants in writing of an approved application for a grant. The terms of the grant may be negotiated by the authority and shall be included in a written agreement with the recipient. The agreement may include any other term that the authority deems necessary or convenient for the efficient administration of the program. All eligible costs shall be documented to the satisfaction of the authority before grant funds may be disbursed.

28.3(2) The recipient shall maintain records that document all costs associated with the project. The recipient shall provide access to these records to the authority, the auditor of the state of Iowa, or their agents or designees upon request. The recipient shall retain such records and documents for a period of three years from the date of the final disbursement of grant funds.

28.3(3) The recipient shall provide the authority or its agents or designees access to the project site on request for the duration of the grant to verify that the funds are being used for the purpose intended, that the construction work meets applicable state and federal requirements, and that the project is being operated and maintained as designed.

28.3(4) The recipient’s accounting procedures shall conform to generally accepted government accounting standards.

28.3(5) The recipient shall comply with all applicable federal and state requirements of the project and its operations.

28.3(6) The authority may, for cause, find that a recipient is not in compliance with the requirements of the program. Remedies for noncompliance may include penalties up to and including withholding of or return of grant funds. Findings of noncompliance may include but are not limited to the use of grant funds for activities not described in the application for the grant; failure to begin construction within one year of execution of a grant agreement; or failure to comply with any applicable state or federal rules, regulations, or laws.

These rules are intended to implement Iowa Code sections 16.134 and 16.135.

Regulatory Analysis

Notice of Intended Action to be published: 265—Chapter 46
“Water Quality Financing Program”

Iowa Code section(s) or chapter(s) authorizing rulemaking: 16.5(1)“r” and 16.152

State or federal law(s) implemented by the rulemaking: Iowa Code section 16.134A and chapter 16, subchapter X, part 4

Public Hearing

A public hearing at which persons may present their views orally or in writing will be held as follows:

July 1, 2025
2:30 to 2:45 p.m.

1963 Bell Avenue
Des Moines, Iowa

Public Comment

Any interested person may submit written comments concerning this Regulatory Analysis, which must be received by the Iowa Finance Authority no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Lisa Connell
Iowa Finance Authority
1963 Bell Avenue, Suite 200
Des Moines, Iowa 50315
Email: lisa.connell@iowaeda.com

Purpose and Summary

Pursuant to Executive Order 10, the Authority proposes to rescind Chapter 46 and adopt a new chapter in lieu thereof. The chapter describes the policies and procedures applicable to the Water Quality Financing Program. The program provides grants and loans to enhance the quality of surface water and groundwater.

Analysis of Impact

1. Persons affected by the proposed rulemaking:

- **Classes of persons that will bear the costs of the proposed rulemaking:**

Entities that apply for and are approved for grants and loans through the program will bear the costs of the rulemaking.

- **Classes of persons that will benefit from the proposed rulemaking:**

Entities that apply for and are approved for grants and loans will benefit from clarity and streamlining of the rules.

2. Impact of the proposed rulemaking, economic or otherwise, including the nature and amount of all the different kinds of costs that would be incurred:

- **Quantitative description of impact:**

Entities interested in applying for grants and loans may require staff time to complete an application. Recipients may similarly incur costs to comply with reporting and monitoring requirements. Some applicants may choose to rely on an external service provider to complete these tasks. The amount of the costs will vary depending on the compensation of staff or service providers involved.

- **Qualitative description of impact:**

Entities that apply for and are approved for grants and loans will benefit from clarity and streamlining of the rules.

3. **Costs to the State:**

- **Implementation and enforcement costs borne by the agency or any other agency:**

Authority staff time is required to review and approve applications, administer grants and loans, and communicate with program applicants and recipients.

- **Anticipated effect on State revenues:**

This rulemaking has no fiscal impact. The program is funded pursuant to Iowa Code section 16.153.

4. **Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:**

Only the entities that will potentially benefit from financial assistance bear the costs of the rulemaking. The costs to the State to administer the program are proportional to the activities supported by financial assistance.

5. **Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:**

The Authority has not identified less costly methods or less intrusive methods of administering the program.

6. **Alternative methods considered by the agency:**

- **Description of any alternative methods that were seriously considered by the agency:**

The Authority did not consider any alternative methods.

- **Reasons why alternative methods were rejected in favor of the proposed rulemaking:**

The Authority did not consider any alternative methods.

Small Business Impact

If the rulemaking will have a substantial impact on small business, include a discussion of whether it would be feasible and practicable to do any of the following to reduce the impact of the rulemaking on small business:

- Establish less stringent compliance or reporting requirements in the rulemaking for small business.
- Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.
- Consolidate or simplify the rulemaking's compliance or reporting requirements for small business.
- Establish performance standards to replace design or operational standards in the rulemaking for small business.
- Exempt small business from any or all requirements of the rulemaking.

If legal and feasible, how does the rulemaking use a method discussed above to reduce the substantial impact on small business?

The proposed rules do not have a substantial impact on small business. The rules do not establish design or operational standards.

Text of Proposed Rulemaking

ITEM 1. Rescind 265—Chapter 46 and adopt the following new chapter in lieu thereof:

CHAPTER 46
WATER QUALITY FINANCING PROGRAM

265—46.1(16) Definitions.

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

“Cost” means the same as defined in Iowa Code section 16.151.

“Financial assistance” means assistance provided by the authority in the form of grants, loans, or forgivable loans.

“Municipality” means the same as defined in Iowa Code section 16.151.

“Program” means the same as defined in Iowa Code section 16.151.

“Project” means the same as defined in Iowa Code section 16.151.

265—46.2(16) Application and approval.

46.2(1) *Annual applications.* The authority will accept applications for financial assistance annually.

46.2(2) *Plan requirements.* Each application must include a plan that meets the criteria of Iowa Code section 16.154(1).

46.2(3) *Review.* The authority’s review of applications for financial assistance shall include the considerations identified in Iowa Code section 16.154(2).

46.2(4) *Approval.* Complete and eligible applications that are recommended for approval based on the criteria in Iowa Code section 16.154(2) will be considered by the authority board. The board may approve, deny, or defer an application.

265—46.3(16) Administration.

46.3(1) The authority will notify successful applicants in writing of an approved application for financial assistance. The terms of the financial assistance may be negotiated by the authority and shall be included in a written agreement with the recipient. The agreement may include any other term that the authority deems necessary or convenient for the efficient administration of the program. All eligible costs shall be documented to the satisfaction of the authority before financial assistance may be disbursed. Recipients shall pay a loan initiation fee to the authority upon loan closing. The fee may be up to 2 percent of the full loan commitment amount, not to exceed \$100,000.

46.3(2) The recipient shall maintain records that document all costs associated with the project. The recipient shall provide access to these records to the authority, the auditor of the state of Iowa, or their agents or designees upon request. The recipient shall retain such records and documents for a period of three years from the date of the final disbursement of financial assistance.

46.3(3) The recipient shall provide the authority or its agents or designees access to the project site on request to verify that the financial assistance is being used for the purpose intended and that the construction work meets applicable state and federal requirements, and that the project is being operated and maintained as designed.

46.3(4) The recipient’s accounting procedures shall conform to generally accepted government accounting standards.

46.3(5) All loans made by the authority to finance projects under the program shall meet the following requirements:

a. Repayment must begin within 30 days after project completion or by the date specified in the loan agreement;

b. A loan term may not exceed 20 years; and

c. A recipient may prepay a loan at any time with no penalty.

46.3(6) Loans made by the authority to municipalities shall meet the following additional requirements:

a. The recipient shall provide an enforceability opinion of counsel in a form acceptable to the authority; and

b. The loan shall be secured by a first lien upon the dedicated source of repayment that may rank on a parity basis with other obligations or, with the approval of the director, may be subordinate in right of payment to one or more of the recipient’s other outstanding revenue obligations.

46.3(7) Noncompliance. The authority may, for cause, find that a recipient is not in compliance with the requirements of the program. Remedies for noncompliance may include penalties up to and including withholding of or return of financial assistance. Findings of noncompliance may include but are not limited to the use of financial assistance for activities not described in the application for the grant; failure to begin construction within one year of execution of a loan agreement; or failure to comply with any applicable state or federal rules, regulations, or laws.

These rules are intended to implement Iowa Code section 16.134A and chapter 16, subchapter X, part 4.

Regulatory Analysis

Notice of Intended Action to be published: 641—Chapter 8
“Iowa Care for Yourself (IA CFY) Program”

Iowa Code section(s) or chapter(s) authorizing rulemaking: Executive Order 10
State or federal law(s) implemented by the rulemaking: Executive Order 10

Public Hearing

A public hearing at which persons may present their views orally or in writing will be held as follows:

July 1, 2025
10 a.m.

Microsoft Teams
Meeting ID: 242 652 748 070 8
Passcode: k9m3He3u

Public Comment

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by the Department of Health and Human Services no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Victoria L. Daniels
321 East 12th Street
Des Moines, Iowa 50319
Phone: 515.829.6021
Email: compliancerules@hhs.iowa.gov

Purpose and Summary

Chapter 8 outlines the Iowa Care for Yourself (IA CYF) Program administered by the Department. The chapter was scheduled for a 2025 Red Tape Review pursuant to Executive Order 10. Upon its review, the Department found that there was no statutory authority for rules and is therefore proposing to rescind the chapter.

Analysis of Impact

1. **Persons affected by the proposed rulemaking:**
 - **Classes of persons that will bear the costs of the proposed rulemaking:**
There are no costs associated with this proposed rulemaking.
 - **Classes of persons that will benefit from the proposed rulemaking:**
This proposed rulemaking will neither benefit nor harm any persons.
2. **Impact of the proposed rulemaking, economic or otherwise, including the nature and amount of all the different kinds of costs that would be incurred:**
 - **Quantitative description of impact:**
The Department is proposing to rescind one chapter.
 - **Qualitative description of impact:**
The program will continue to operate under the policies and procedures of the Department.
3. **Costs to the State:**
 - **Implementation and enforcement costs borne by the agency or any other agency:**
The Department incurs personnel and other administrative costs to administer the program.
 - **Anticipated effect on State revenues:**

This proposed rulemaking has no effect on State revenues.

4. Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:

Because there is no underlying rulemaking authority, chapter rescission is appropriate.

5. Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:

Not applicable.

6. Alternative methods considered by the agency:

• **Description of any alternative methods that were seriously considered by the agency:**

Not applicable.

• **Reasons why alternative methods were rejected in favor of the proposed rulemaking:**

Not applicable.

Small Business Impact

If the rulemaking will have a substantial impact on small business, include a discussion of whether it would be feasible and practicable to do any of the following to reduce the impact of the rulemaking on small business:

- Establish less stringent compliance or reporting requirements in the rulemaking for small business.
- Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.
- Consolidate or simplify the rulemaking's compliance or reporting requirements for small business.
- Establish performance standards to replace design or operational standards in the rulemaking for small business.
- Exempt small business from any or all requirements of the rulemaking.

If legal and feasible, how does the rulemaking use a method discussed above to reduce the substantial impact on small business?

This proposed rulemaking has no impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind and reserve **641—Chapter 8**.

Regulatory Analysis

Notice of Intended Action to be published: 641—Chapter 9
“Outpatient Diabetes Education Programs”

Iowa Code section(s) or chapter(s) authorizing rulemaking: Executive Order 10
State or federal law(s) implemented by the rulemaking: Executive Order 10

Public Hearing

A public hearing at which persons may present their views orally or in writing will be held as follows:

July 1, 2025
10 a.m.

Microsoft Teams
Meeting ID: 242 652 748 070 8
Passcode: k9m3He3u

Public Comment

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by the Department of Health and Human Services no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Victoria L. Daniels
321 East 12th Street
Des Moines, Iowa 50319
Phone: 515.829.6021
Email: compliancerules@hhs.iowa.gov

Purpose and Summary

The purpose of Chapter 9 is to describe the standards for outpatient diabetes self-management education programs and the procedures programs must follow for certification by the Department that will allow for third-party reimbursement. This chapter was scheduled for a Red Tape Review in 2025 pursuant to Executive Order 10. Upon its review, the Department found there was no underlying rulemaking authority. As such, the chapter is proposed to be rescinded.

Analysis of Impact

1. **Persons affected by the proposed rulemaking:**
 - **Classes of persons that will bear the costs of the proposed rulemaking:**
There are no costs associated with this proposed rulemaking.
 - **Classes of persons that will benefit from the proposed rulemaking:**
No persons will benefit from or be harmed by this proposed rulemaking.
2. **Impact of the proposed rulemaking, economic or otherwise, including the nature and amount of all the different kinds of costs that would be incurred:**
 - **Quantitative description of impact:**
One chapter is proposed to be rescinded.
 - **Qualitative description of impact:**
The programs will continue under the policies and procedures of the Department.
3. **Costs to the State:**
 - **Implementation and enforcement costs borne by the agency or any other agency:**
The Department incurs personnel and other administrative costs to administer the programs.

- **Anticipated effect on State revenues:**

This proposed rulemaking has no effect on State revenues.

4. Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:

Because there is no underlying rulemaking authority, chapter rescission is appropriate.

5. Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:

Not applicable.

6. Alternative methods considered by the agency:

- **Description of any alternative methods that were seriously considered by the agency:**

Not applicable.

- **Reasons why alternative methods were rejected in favor of the proposed rulemaking:**

Not applicable.

Small Business Impact

If the rulemaking will have a substantial impact on small business, include a discussion of whether it would be feasible and practicable to do any of the following to reduce the impact of the rulemaking on small business:

- Establish less stringent compliance or reporting requirements in the rulemaking for small business.

- Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.

- Consolidate or simplify the rulemaking's compliance or reporting requirements for small business.

- Establish performance standards to replace design or operational standards in the rulemaking for small business.

- Exempt small business from any or all requirements of the rulemaking.

If legal and feasible, how does the rulemaking use a method discussed above to reduce the substantial impact on small business?

This proposed rulemaking has no impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind and reserve **641—Chapter 9**.

Regulatory Analysis

Notice of Intended Action to be published: 641—Chapter 10
“Iowa Get Screened: Colorectal Cancer Program”

Iowa Code section(s) or chapter(s) authorizing rulemaking: Executive Order 10
State or federal law(s) implemented by the rulemaking: Executive Order 10

Public Hearing

A public hearing at which persons may present their views orally or in writing will be held as follows:

July 1, 2025
10 a.m.

Microsoft Teams
Meeting ID: 242 652 748 070 8
Passcode: k9m3He3u

Public Comment

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by the Department of Health and Human Services no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Victoria L. Daniels
321 East 12th Street
Des Moines, Iowa 50319
Phone: 515.829.6021
Email: compliancerules@hhs.iowa.gov

Purpose and Summary

The goal of the Iowa Get Screened program is to reduce the incidence, mortality, and prevalence of colorectal cancer in Iowa by increasing the number of individuals who receive colorectal cancer screenings. This chapter was scheduled for a Red Tape Review in 2025 pursuant to Executive Order 10. Upon its review, the Department found that there was no underlying authority for administrative rules for this program. As such, this chapter is proposed to be rescinded.

Analysis of Impact

1. **Persons affected by the proposed rulemaking:**
 - **Classes of persons that will bear the costs of the proposed rulemaking:**
There are no costs associated with this proposed rulemaking.
 - **Classes of persons that will benefit from the proposed rulemaking:**
No persons will benefit from or be harmed by this rulemaking.
2. **Impact of the proposed rulemaking, economic or otherwise, including the nature and amount of all the different kinds of costs that would be incurred:**
 - **Quantitative description of impact:**
One chapter is proposed to be rescinded.
 - **Qualitative description of impact:**
The program will continue with or without administrative rules as long as funds are available.
3. **Costs to the State:**
 - **Implementation and enforcement costs borne by the agency or any other agency:**
The Department incurs personnel and other administrative costs to administer the program.

- **Anticipated effect on State revenues:**

This proposed rulemaking has no impact on State revenues.

4. Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:

Because there is no underlying rulemaking authority, chapter rescission is appropriate.

5. Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:

Not applicable.

6. Alternative methods considered by the agency:

- **Description of any alternative methods that were seriously considered by the agency:**

Not applicable.

- **Reasons why alternative methods were rejected in favor of the proposed rulemaking:**

Not applicable.

Small Business Impact

If the rulemaking will have a substantial impact on small business, include a discussion of whether it would be feasible and practicable to do any of the following to reduce the impact of the rulemaking on small business:

- Establish less stringent compliance or reporting requirements in the rulemaking for small business.
- Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.
- Consolidate or simplify the rulemaking's compliance or reporting requirements for small business.
- Establish performance standards to replace design or operational standards in the rulemaking for small business.
- Exempt small business from any or all requirements of the rulemaking.

If legal and feasible, how does the rulemaking use a method discussed above to reduce the substantial impact on small business?

This rulemaking has no impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind and reserve **641—Chapter 10.**

Regulatory Analysis

Notice of Intended Action to be published: 641—Chapter 21
“Central Registry for Brain and Spinal Cord Injuries”

Iowa Code section(s) or chapter(s) authorizing rulemaking: Executive Order 10
State or federal law(s) implemented by the rulemaking: Executive Order 10

Public Hearing

A public hearing at which persons may present their views orally or in writing will be held as follows:

July 1, 2025
10 a.m.

Microsoft Teams
Meeting ID: 242 652 748 070 8
Passcode: k9m3He3u

Public Comment

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by the Department of Health and Human Services no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Victoria L. Daniels
321 East 12th Street
Des Moines, Iowa 50319
Phone: 515.829.6021
Email: compliancerules@hhs.iowa.gov

Purpose and Summary

Chapter 21 describes the central registry for brain and spinal cord injuries. Data from the registry is used to facilitate prevention strategies and the provision of appropriate rehabilitative services by the Department and other State agencies. Chapter 21 was scheduled for a Red Tape Review in 2025 pursuant to Executive Order 10. Upon its review, the Department found that there was no statutory authority for rules. While Iowa Code section 135.22 authorizes the Department to create and manage the registry, it does not give the Department authority to promulgate rules. As such, the chapter is proposed to be rescinded, but the registry will continue to exist under the authority in Iowa Code section 135.22.

Analysis of Impact

1. **Persons affected by the proposed rulemaking:**
 - **Classes of persons that will bear the costs of the proposed rulemaking:**
There are no costs associated with this rulemaking.
 - **Classes of persons that will benefit from the proposed rulemaking:**
No persons will benefit from or be harmed by the proposed rulemaking.
2. **Impact of the proposed rulemaking, economic or otherwise, including the nature and amount of all the different kinds of costs that would be incurred:**
 - **Quantitative description of impact:**
One chapter is proposed to be rescinded.
 - **Qualitative description of impact:**

The registry will continue to exist and operate, and data will continue to be submitted by health care providers and groups representing them.

3. Costs to the State:

- **Implementation and enforcement costs borne by the agency or any other agency:**

The Department incurs personnel and other administrative costs to implement the registry.

- **Anticipated effect on State revenues:**

This proposed rulemaking has no impact on State revenues.

4. Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:

Because there is no statutory authority for administrative rules, chapter rescission is the appropriate course of action.

5. Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:

Not applicable.

6. Alternative methods considered by the agency:

- **Description of any alternative methods that were seriously considered by the agency:**

Not applicable.

- **Reasons why alternative methods were rejected in favor of the proposed rulemaking:**

Not applicable.

Small Business Impact

If the rulemaking will have a substantial impact on small business, include a discussion of whether it would be feasible and practicable to do any of the following to reduce the impact of the rulemaking on small business:

- Establish less stringent compliance or reporting requirements in the rulemaking for small business.

- Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.

- Consolidate or simplify the rulemaking's compliance or reporting requirements for small business.

- Establish performance standards to replace design or operational standards in the rulemaking for small business.

- Exempt small business from any or all requirements of the rulemaking.

If legal and feasible, how does the rulemaking use a method discussed above to reduce the substantial impact on small business?

This proposed rulemaking has no impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind and reserve **641—Chapter 21.**

Regulatory Analysis

Notice of Intended Action to be published: 641—Chapter 77
“Local Boards of Health”

Iowa Code section(s) or chapter(s) authorizing rulemaking: 137.119
State or federal law(s) implemented by the rulemaking: Iowa Code chapter 137

Public Hearing

A public hearing at which persons may present their views orally or in writing will be held as follows:

July 1, 2025
10 a.m.

Microsoft Teams
Meeting ID: 242 652 748 070 8
Passcode: k9m3He3u

Public Comment

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by the Department of Health and Human Services no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Victoria L. Daniels
321 East 12th Street
Des Moines, Iowa 50319
Phone: 515.829.6021
Email: compliancerules@hhs.iowa.gov

Purpose and Summary

This proposed chapter describes the roles and responsibilities, organization, and procedures of local public boards of health, which contract with the Department to provide public health services at the local level.

Analysis of Impact

1. Persons affected by the proposed rulemaking:

• **Classes of persons that will bear the costs of the proposed rulemaking:**

There are no costs associated with this rulemaking.

• **Classes of persons that will benefit from the proposed rulemaking:**

Iowa communities will benefit from having an organized system of public health services.

2. Impact of the proposed rulemaking, economic or otherwise, including the nature and amount of all the different kinds of costs that would be incurred:

• **Quantitative description of impact:**

There are 100 local public boards of health serving Iowans across the State. Local public health services are provided in all 99 Iowa counties through 98 county boards of health, one city board of health (Dubuque), and one district board of health (Siouxland).

• **Qualitative description of impact:**

Iowa communities will benefit from having an organized system of public health services.

3. Costs to the State:

• **Implementation and enforcement costs borne by the agency or any other agency:**

The Department incurs personnel and other administrative costs to implement the proposed chapter.

- **Anticipated effect on State revenues:**

This rulemaking has no impact on State revenues.

4. Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:

Rulemaking is both required by law and appropriate.

5. Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:

Not applicable.

6. Alternative methods considered by the agency:

- **Description of any alternative methods that were seriously considered by the agency:**

Not applicable.

- **Reasons why alternative methods were rejected in favor of the proposed rulemaking:**

Not applicable.

Small Business Impact

If the rulemaking will have a substantial impact on small business, include a discussion of whether it would be feasible and practicable to do any of the following to reduce the impact of the rulemaking on small business:

- Establish less stringent compliance or reporting requirements in the rulemaking for small business.

- Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.

- Consolidate or simplify the rulemaking's compliance or reporting requirements for small business.

- Establish performance standards to replace design or operational standards in the rulemaking for small business.

- Exempt small business from any or all requirements of the rulemaking.

If legal and feasible, how does the rulemaking use a method discussed above to reduce the substantial impact on small business?

This rulemaking has no impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 641—Chapter 77 and adopt the following **new** chapter in lieu thereof:

CHAPTER 77
LOCAL BOARDS OF HEALTH

641—77.1(137) Definitions. For the purpose of these rules, the following definitions apply:

“Core public health functions” means the functions of assessment, policy development, and assurance.

1. Assessment: regular collection, analysis, interpretation, and communication of information about health conditions, risks, and assets in a community.

2. Policy development: development, implementation, and evaluation of plans and policies, for public health in general and priority health needs in particular, in a manner that incorporates scientific information and community values and in accordance with state public health policy.

3. Assurance: ensuring by encouragement, regulation, or direct action that programs and interventions that maintain and improve health are carried out.

“District” means the same as defined in Iowa Code section 137.102.

“District board” means the same as defined in Iowa Code section 137.102.

“District health department” means the same as defined in Iowa Code section 137.102.

“Environmental health services” means services focused on the environment to support population-based health services.

“Essential public health services” means those activities carried out by public health that fulfill the core functions.

“Local board of health” means the same as defined in Iowa Code section 137.102.

“Personal health services” means services focused on the care of individuals.

“Population-based health services” means services focused on the health status of population groups and their environments.

641—77.2(137) Local boards of health—roles and responsibilities. Public health is responsible for safeguarding the community’s health. This goal is pursued through three core functions: assessment, policy development and assurance.

77.2(1) Assessment: regularly and systematically collect, assemble, analyze, and make available information on the health of the community, including statistics on health status, community health needs, personal health services, and epidemiologic and other studies of health problems. A local board of health may perform the following essential public health services:

- a.* Monitor health status to identify community health problems;
- b.* Diagnose and investigate health problems and health hazards in the community; and
- c.* Evaluate effectiveness, accessibility, and quality of personal, population-based, and environmental health services.

77.2(2) Policy development: exercise responsibility to serve the public interest in the development of comprehensive public health policies. This core function can be accomplished by promoting use of a scientific knowledge base in decision making about public health and by taking the lead in public health policy development.

- a.* A local board of health may perform the following essential public health services:
 - (1) Develop policies and plans that support individual and community health efforts; and
 - (2) Research new insights and innovative solutions to health problems and health threats.
- b.* A local board of health shall perform the following essential public health services:
 - (1) Enforce laws and regulations that protect public health and enforce lawful orders of the department;
 - (2) Make and enforce reasonable rules and regulations not inconsistent with the law or the rules of the department as may be necessary for the protection and improvement of public health; and
 - (3) Employ persons as necessary for the efficient discharge of the board’s duties. Employment practices shall meet the requirements of Iowa Code chapter 8A, subchapter IV, or any civil service provision adopted under Iowa Code chapter 400.

77.2(3) Assurance: assure constituents that services necessary to achieve agreed-upon goals are provided either by encouraging action by other entities (private or public sector), by requiring such action through regulation, or by providing services directly. Each local board of health must involve key policymakers and the general public in determining a set of high-priority personal and population-based health services. A local board of health may perform the following essential public health services:

- a.* Link people to needed personal health services; provide such personal, population-based and environmental health services as deemed necessary for the promotion and protection of the health of the public; and charge reasonable fees for personal health services;
- b.* Ensure the competence of the public health, environmental health, and personal health care workforce;
- c.* Inform, educate, and empower people about health issues;
- d.* Mobilize community partnerships to identify and solve health problems;

- e.* Issue licenses and permits and charge reasonable fees in relation to the construction or operation of nonpublic water supplies or private sewage disposal systems;
- f.* Engage in joint operations by:
 - (1) Contracting with colleges and universities; the department; other public, private, and nonprofit agencies; and individuals; or
 - (2) Forming a district health department to provide personal and population-based health services; and
- g.* Enforce, by written agreement with the council of any city within its jurisdiction, appropriate ordinances of the city relating to public health.

641—77.3(137) Organization of local boards of health.

77.3(1) *Qualifications.* Members of a local board of health should have experience or education related to the core public health functions, essential public health services, public health, environmental health services, personal health services, population-based services, or community-based initiatives.

77.3(2) *Officers of local boards of health.* Each local board of health shall, at its first meeting during any calendar year, elect one of its members to serve as chairperson until the first meeting of the following calendar year.

a. The local board of health may elect a vice-chairperson, secretary, or other such officers as it may deem advisable.

b. In case of a vacancy of the office of chairperson, a successor, who shall serve the remainder of the term, shall be elected at the next meeting of the board.

77.3(3) *Meetings of local boards of health.* The place, date and time of regular meetings of the local board of health shall be determined by vote of the board, and such meetings shall comply with the provisions of the open meetings law in Iowa Code chapter 21.

a. Each local board of health shall meet at least six times per year.

b. Special meetings of a local board of health may be called, as needed, by the chairperson or by any three board members. The local board of health shall provide at least 24 hours' notice of special meetings, except in case of emergency.

c. A majority of the members of a local board of health shall be considered a quorum, and an affirmative vote of the majority of the members present is necessary for action taken by a local board of health. The majority shall not include any member who has a conflict of interest, and a statement by the member that a conflict of interest exists shall be conclusive for this purpose.

641—77.4(137) Expenses of local board of health members.

77.4(1) The following may be considered necessary expenses of local board of health members:

a. Travel in private car on local board of health business at the same rate as provided for a public officer or employee in Iowa Code section 70A.9.

b. Lodging and meal expenses, including sales tax on lodging and meals.

c. Expense of public transportation when traveling on local board of health business.

d. Miscellaneous expenses related to performance of duties as approved by the local board of health.

e. Training and education expenses.

77.4(2) This rule shall not be construed as requiring the payment of reimbursement to any person or as prohibiting local boards of health from imposing additional restrictions or administrative requirements on expenses of their members.

641—77.5(137) Dissolution of city boards. A city board of health may voluntarily dissolve by submitting notice to the department. The notice shall set an effective date for the action.

641—77.6(137) Request to form district board of health. The county boards of health of any two or more geographically contiguous counties may at any time submit to the department a written request to form a district board of health in accordance with Iowa Code section 137.106.

641—77.7(137) Review, approval or denial of district board of health formation.

77.7(1) Upon receipt of the application form and all information contained in rule 641—77.8(137), the department will review such information and shall determine, within 30 days, whether the required elements have been presented by the proposed district and will provide notice of approval of district board of health formation, including effective dates, to the county board of health of each county in the district and to the board of supervisors of each county in the district.

77.7(2) Upon receipt of the notice of approval of district board of health formation, each appointing authority shall, prior to the effective date of district board of health formation, appoint district board of health members as specified in Iowa Code section 137.105.

77.7(3) The department has the authority to deny formation of a district board of health if the application fails to conform with Iowa Code chapter 137 or this chapter.

77.7(4) The department will notify, in writing, all local boards of health in the proposed district of the reason and rationale for the denial of the district board of health formation within 30 days of the decision.

77.7(5) The local boards of health in the proposed district have the right to request reconsideration of the decision by submitting the request to the department within 30 days of receiving notice of the decision.

77.7(6) The department will reconsider the request by the local boards of health. The reconsideration shall not constitute a contested case hearing. The department's final decision following reconsideration shall constitute final agency action pursuant to Iowa Code section 17A.19, and judicial review of any such decision shall be treated as other agency action.

641—77.8(137) Adding to a district board of health. A county may be added to an existing district board of health by submission and approval of a request as specified in Iowa Code sections 137.106 and 137.107.

641—77.9(137) Withdrawal from a district board of health. A county may voluntarily withdraw from a district board of health by submitting a request for withdrawal to the department for approval. The request shall include a timeline and plan to reestablish a county board of health or to join a different district board of health to provide the core public health functions and essential public health services to the county's geographic area.

77.9(1) If the department approves the request for withdrawal of the applicant county from the district board of health, an effective date will be set for the action and the department will notify the district board of health and the board of supervisors of the applicant county.

77.9(2) The ownership of property and equipment shall follow the guidelines submitted in the original request to form the district board of health.

77.9(3) The remaining counties in the district shall submit an application including the information specified in rule 641—77.6(137) to the department for review as provided in Iowa Code section 137.107.

These rules are intended to implement Iowa Code chapter 137.

Regulatory Analysis

Notice of Intended Action to be published: 641—Chapter 80
“Local Public Health Services”

Iowa Code section(s) or chapter(s) authorizing rulemaking: 137.11

State or federal law(s) implemented by the rulemaking: Iowa Code section 137.11

Public Hearing

A public hearing at which persons may present their views orally or in writing will be held as follows:

July 1, 2025
10 a.m.

Microsoft Teams
Meeting ID: 242 652 748 070 8
Passcode: k9m3He3u

Public Comment

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by the Department of Health and Human Services no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Victoria L. Daniels
321 East 12th Street
Des Moines, Iowa 50319
Phone: 515.829.6021
Email: compliancerules@hhs.iowa.gov

Purpose and Summary

This proposed chapter outlines the Department’s contracts with local public health agencies. The purpose of local public health services contracts is to ensure core public health functions are met, to ensure public health services are delivered, and to increase the capacity of local public boards of health to meet the unique needs of the populations they serve in order to promote health for the populations’ lifetimes.

Analysis of Impact

1. Persons affected by the proposed rulemaking:

• **Classes of persons that will bear the costs of the proposed rulemaking:**

There are no costs associated with this proposed rulemaking.

• **Classes of persons that will benefit from the proposed rulemaking:**

Local public boards of health and the constituents they serve will benefit from this proposed rulemaking.

2. Impact of the proposed rulemaking, economic or otherwise, including the nature and amount of all the different kinds of costs that would be incurred:

• **Quantitative description of impact:**

In SFY 2024, the Department allocated \$7,662,464 in local public health contract dollars to 99 counties.

• **Qualitative description of impact:**

Local public boards of health and the constituents they serve will benefit from this proposed rulemaking.

3. **Costs to the State:**

• **Implementation and enforcement costs borne by the agency or any other agency:**

The Department and local public boards of health may incur personnel and other administrative costs to implement this rulemaking.

• **Anticipated effect on State revenues:**

This proposed rulemaking has no impact on State revenues.

4. **Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:**

Rulemaking is both required by law and appropriate.

5. **Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:**

Not applicable.

6. **Alternative methods considered by the agency:**

• **Description of any alternative methods that were seriously considered by the agency:**

Not applicable.

• **Reasons why alternative methods were rejected in favor of the proposed rulemaking:**

Not applicable.

Small Business Impact

If the rulemaking will have a substantial impact on small business, include a discussion of whether it would be feasible and practicable to do any of the following to reduce the impact of the rulemaking on small business:

- Establish less stringent compliance or reporting requirements in the rulemaking for small business.
- Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.
- Consolidate or simplify the rulemaking's compliance or reporting requirements for small business.
- Establish performance standards to replace design or operational standards in the rulemaking for small business.
- Exempt small business from any or all requirements of the rulemaking.

If legal and feasible, how does the rulemaking use a method discussed above to reduce the substantial impact on small business?

This rulemaking has no impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 641—Chapter 80 and adopt the following **new** chapter in lieu thereof:

CHAPTER 80
LOCAL PUBLIC HEALTH SERVICES

641—80.1(135) Definitions. For the purposes of these rules, the following definitions apply:

“Allocation” means the process to distribute funds.

“Appropriation” means the funding amount approved in the state budget.

“Contractor” means a local board of health.

“Core public health functions” means the same as defined in 641—Chapter 77.

“Elderly” means an individual aged 60 years and older.

“Essential public health services” means a framework for public health to promote and protect the health of all people in all communities.

“Formula” means the mathematical calculation applied to the state appropriation and granted to each local board of health pursuant to Iowa Code section 135.11(10) to determine the amount of available funds to be distributed to each county.

“Local board of health” or *“LBOH”* means a county or district board of health as defined in Iowa Code chapter 137.

“Low income” means the U.S. Census Bureau’s small area income and poverty estimates (SAIPE) used to determine low income.

“LPHS” means local public health services.

“Public health intervention” means an organized effort to promote behaviors and habits that can improve physical, mental, and emotional health for specific groups of people.

“Work plan” means the plan established by the contractor to identify the details for implementing core functions and essential public health services.

641—80.2(135) Contractor assurances. A contractor may directly provide or subcontract all or part of the delivery of essential public health services and public health interventions and will ensure the terms of its contract with the department are fulfilled, including the submission of an annual work plan.

641—80.3(135) Utilization of LPHS contract funding. A contractor may bill the department for staff time, salaries and benefits, and other necessary costs to implement the approved work plan.

641—80.4(135) LPHS funds.

80.4(1) Allocation for LPHS funds to each contractor is determined by the following formula:

a. Eighteen percent of the total LPHS funds will be divided so that an equal amount is available for use in each county in the state.

b. Eight percent of the total LPHS funds will be allocated to each county according to the county’s population based upon the published data of the U.S. Census Bureau, which is the most recent data available three months prior to the release of the LPHS application.

c. Forty-four percent of the total LPHS funds will be allocated according to the proportion of state residents who are elderly persons living in a county based upon the bridged-race population estimates produced by the U.S. Census Bureau in collaboration with the National Center for Health Statistics (NCHS).

d. Thirty percent of the total LPHS funds will be allocated according to the proportion of state residents who are low-income persons living in a county based upon the U.S. Census Bureau’s SAIPE.

80.4(2) The department will annually determine the potential for unused funds from contracts. Reallocation of the funds will be at the discretion of the department.

These rules are intended to implement Iowa Code section 135.11(10).

Regulatory Analysis

Notice of Intended Action to be published: 701—Chapter 1000
“Mixed Drinks or Cocktails”

Iowa Code section(s) or chapter(s) authorizing rulemaking: 123.10 and 123.49(2)“d”(3) and 2025 Iowa Acts, House File 470

State or federal law(s) implemented by the rulemaking: Iowa Code sections 123.30, 123.33, and 123.49

Public Hearing

A public hearing at which persons may present their views orally or in writing will be held as follows:

July 1, 2025
1:30 to 2 p.m.

Via videoconference call:
meet.google.com/tyb-diem-qkf

Public Comment

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by the Revenue Department no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Madelyn Cutler
Department of Revenue
Hoover State Office Building
P.O. Box 10457
Des Moines, Iowa 50306
Phone: 515.724.2924
Email: Madelyn.cutler@iowa.gov

Purpose and Summary

The proposed amendments to Chapter 1000 are responsive to 2025 Iowa Acts, House File 470. The legislation expands the definition of “mixed drink or cocktail” to include alcoholic beverages composed of wine or beer. The addition of wine and beer in the definition of “mixed drink or cocktail” also expanded the retail alcohol license classifications allowed to fill, sell, and serve mixed drinks or cocktails. Additionally, the legislation codified the requirements for mixed drinks or cocktails not for immediate consumption, commonly known as infusion; therefore, the Department is proposing to rescind the now redundant and outdated rule 701—1000.19(123).

Analysis of Impact

1. Persons affected by the proposed rulemaking:

• **Classes of persons that will bear the costs of the proposed rulemaking:**

No classes of persons have been identified to bear the costs of the proposed rules.

• **Classes of persons that will benefit from the proposed rulemaking:**

Retail alcohol license holders will benefit from the proposed rulemaking by having accurate rules that align with the newly passed legislation.

2. Impact of the proposed rulemaking, economic or otherwise, including the nature and amount of all the different kinds of costs that would be incurred:

• **Quantitative description of impact:**

There is no economic impact from the proposed rules beyond what is contained in statute.

- **Qualitative description of impact:**

The proposed rulemaking reduces confusion and provides clarity by rescinding a rule that is duplicative of statute and amending a rule that is currently outdated due to newly passed legislation.

3. **Costs to the State:**

- **Implementation and enforcement costs borne by the agency or any other agency:**

There are no costs to the agency for implementing the rulemaking beyond those that would otherwise be required to administer the statutes.

- **Anticipated effect on State revenues:**

There is no anticipated effect on State revenues.

4. **Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:**

There are no costs associated with the proposed rules. The benefit of the rules is reducing confusion and providing clarity for retail alcohol license holders in response to the newly passed legislation.

5. **Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:**

The proposed rulemaking is not costly or intrusive.

6. **Alternative methods considered by the agency:**

- **Description of any alternative methods that were seriously considered by the agency:**

No alternative methods were considered by the agency.

- **Reasons why alternative methods were rejected in favor of the proposed rulemaking:**

Maintaining rule 701—1000.19(123) would be outdated and redundant of statute as passed by new legislation. Additionally, the Department is required by Iowa Code section 123.49(2)“d”(3) to adopt rules to administer mixed drinks or cocktails packaged and sold in a container other than the original container. The new legislation requires changes to maintain rule 701—1000.23(123).

Small Business Impact

If the rulemaking will have a substantial impact on small business, include a discussion of whether it would be feasible and practicable to do any of the following to reduce the impact of the rulemaking on small business:

- Establish less stringent compliance or reporting requirements in the rulemaking for small business.

- Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.

- Consolidate or simplify the rulemaking’s compliance or reporting requirements for small business.

- Establish performance standards to replace design or operational standards in the rulemaking for small business.

- Exempt small business from any or all requirements of the rulemaking.

If legal and feasible, how does the rulemaking use a method discussed above to reduce the substantial impact on small business?

This rulemaking does not have a substantial impact on small business because it does not make any special distinctions for small businesses.

Text of Proposed Rulemaking

ITEM 1. Rescind and reserve rule **701—1000.19(123)**.

ITEM 2. Amend rule 701—1000.22(123) as follows:

701—1000.22(123) Filling and selling of mixed drinks or cocktails in a container other than the original container. Class “C,” special class “C” retail alcohol licensees, and special class “C” retail native wine licensees and the licensee’s employees may fill and sell mixed drinks or cocktails in a container other than the original container subject to Iowa Code section 123.49(2) “d”(3) and this rule.

1000.22(1) Definitions.

“*Alcoholic liquor*,” for the purposes of this rule, means the same as defined in Iowa Code section 123.3(5) and includes “native distilled spirits” as defined in Iowa Code section 123.3(34).

“*Beer*,” for the purposes of this rule, means “beer” as defined in Iowa Code section 123.3(7) and includes “high alcoholic content beer” as defined in Iowa Code section 123.3(22).

“*Mixed drink or cocktail*,” for the purposes of this rule, means the same as defined in Iowa Code section 123.3(32).

“*Original container*,” for the purposes of this rule, means a vessel containing alcoholic liquor, beer, or wine that has been lawfully obtained and has been securely capped, sealed, or corked at the location of manufacture.

“*Sealed container*,” for the purposes of this rule, means the same as defined in Iowa Code section 123.49(2) “d”(4)(a) 123.49(2) “d”(4)(b).

“*Tamper-evident*,” for the purposes of this rule, means the same as defined in Iowa Code section 123.49(2) “d”(4)(b) 123.49(2) “d”(4)(c).

“*Wine*,” for the purposes of this rule, means “wine” as defined in Iowa Code section 123.3(53) and includes “native wine” as defined in Iowa Code section 123.3(36).

1000.22(2) Filling conditions.

a. A sealed container may be filled and sold only by the licensee or the licensee’s employees who are 18 years of age or older.

b. A sealed container may be filled only upon receipt of an order by a consumer of legal age.

c. A sealed container may be filled only with mixed drinks or cocktails composed in whole or in part with alcoholic liquor, beer, or wine from an original container purchased from a class “E” retail alcohol licensee as prescribed by Iowa Code chapter 123.

d. The filling of a sealed container needs to be conducted in compliance with applicable state and federal food safety statutes and regulations at all times.

1000.22(3) to 1000.22(7) No change.

This rule is intended to implement Iowa Code sections 123.30, 123.33, and 123.49.

WORKFORCE DEVELOPMENT DEPARTMENT[871]

Regulatory Analysis

Notice of Intended Action to be published: 871—Chapter 62
“Iowa Industrial New Jobs Training Program”

Iowa Code section(s) or chapter(s) authorizing rulemaking: 260E.7(3)
State or federal law(s) implemented by the rulemaking: Iowa Code section 260E.2

Public Hearing

A public hearing at which persons may present their views orally or in writing will be held as follows:

July 1, 2025
9 a.m.

[Microsoft Teams](#)
Meeting ID: 238 408 589 250
Passcode: 6iu9Cw6Y
Dial in by phone: +1 469.998.6043
[Find a local number](#)
Phone conference ID: 324 020 485#

Public Comment

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by Iowa Workforce Development no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Rebecca Stonawski
Iowa Workforce Development
1000 East Grand Avenue
Des Moines, Iowa 50319
Phone: 515.868.1939
Email: rebecca.stonawski@iwd.iowa.gov

Purpose and Summary

The purpose of these proposed rules is to provide a framework for the operation of the Iowa Industrial New Jobs Training Program.

Analysis of Impact

1. **Persons affected by the proposed rulemaking:**
 - **Classes of persons that will bear the costs of the proposed rulemaking:**
Community colleges may have administrative costs involved in oversight of the 260E program.
 - **Classes of persons that will benefit from the proposed rulemaking:**
Iowa community colleges, businesses and employees will benefit.
2. **Impact of the proposed rulemaking, economic or otherwise, including the nature and amount of all the different kinds of costs that would be incurred:**
 - **Quantitative description of impact:**
There is no quantitative impact.
 - **Qualitative description of impact:**

Iowa employees gain additional skills that improve the competitiveness of Iowa businesses. New and expanding Iowa businesses also benefit through the creation of new jobs, ultimately boosting Iowa's economy.

3. Costs to the State:

• **Implementation and enforcement costs borne by the agency or any other agency:**

Iowa Workforce Development employs one person who oversees the 260E program. This work takes approximately 30 percent of the person's time.

• **Anticipated effect on State revenues:**

There is no anticipated effect on State revenues.

4. Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:

Not applicable.

5. Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:

The Iowa legislature has not implemented any legislative initiatives suggesting a change.

6. Alternative methods considered by the agency:

• **Description of any alternative methods that were seriously considered by the agency:**

Not applicable.

• **Reasons why alternative methods were rejected in favor of the proposed rulemaking:**

The Iowa legislature has not implemented any legislative initiatives suggesting a change.

Small Business Impact

If the rulemaking will have a substantial impact on small business, include a discussion of whether it would be feasible and practicable to do any of the following to reduce the impact of the rulemaking on small business:

• Establish less stringent compliance or reporting requirements in the rulemaking for small business.

• Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.

• Consolidate or simplify the rulemaking's compliance or reporting requirements for small business.

• Establish performance standards to replace design or operational standards in the rulemaking for small business.

• Exempt small business from any or all requirements of the rulemaking.

If legal and feasible, how does the rulemaking use a method discussed above to reduce the substantial impact on small business?

Not applicable.

Text of Proposed Rulemaking

ITEM 1. Rescind 871—Chapter 62 and adopt the following **new** chapter in lieu thereof:

CHAPTER 62

IOWA INDUSTRIAL NEW JOBS TRAINING PROGRAM

871—62.1(15,260E) Authority. The authority for rules governing the development of training projects under the Iowa industrial new jobs training Act and the operation of the program is provided in Iowa Code section 260E.7.

871—62.2(15,260E) Purpose. The purpose of the Act is to provide training for employees in new jobs with industries locating or expanding operations in Iowa and an incentive to industries considering locating or expanding operations in Iowa. The goal of the training should be skill development and enhancement for Iowa's workforce. Iowa workforce development is required to coordinate the training programs described in the Act.

871—62.3(15,260E) Definitions.

"Act" means Iowa Code chapter 260E.

"Agreement" means an agreement between an employer and a community college concerning a project and includes any written agreement, or amendment thereto, whether deemed by the parties to be preliminary or final.

"Base year" means, for the purpose of determining incremental property tax available to fund in part the jobs training agreement, the assessment rolls as of January 1 of the year preceding the first written agreement filed with the county assessor where the property is located or such other valuation as may be determined by the appropriate assessor as provided in Iowa Code section 403.19(1) "c."

"Department" means Iowa workforce development.

"Expanding industry" means an industry that will require the addition of new jobs that did not exist in that industry in Iowa prior to the signing of an agreement for training and that exceeds the level of employment in that industry six months prior to the date of the agreement.

"Formerly existing jobs" means jobs that were part of the payroll of the industry within the state any of the time during the six months prior to the signing of an agreement for training. Jobs that formerly existed do not qualify for training under the provisions of Iowa Code section 260E.2(15).

"Industry" means a business engaged in interstate or intrastate commerce for the purpose of manufacturing, processing, or assembling products, conducting research and development, or providing services in interstate commerce, but excludes solely retail, health, or professional services. An industry is a business engaged in activities described as eligible in the Act rather than the generic definition encompassing all businesses in the state doing the same activities. An industry is considered to be a single, corporate entity or operating subdivision. An industry that closes or substantially reduces its operation in one area of the state of Iowa and relocates substantially the same operation in another area of the state is not eligible for a project. This definition does not prohibit a business from expanding its operations in another area of the state provided that existing operations of a similar nature are not closed or substantially reduced.

"New industry" means an industry that has not done business in Iowa or an existing industry implementing a new process and product used or produced for the first time in Iowa, which results in the creation of new jobs not previously available in that industry in the state.

"New job" means a job in a new or expanding industry but does not include jobs of recalled workers or replacement jobs or other jobs that formerly existed in the industry in the state of Iowa. A new job is defined in the Act, except that an industry in violation of state or federal labor laws or involved in a lockout or strike in Iowa will not be eligible for a training program under the Act.

"New jobs training program" or *"program"* means the project or projects established by a community college for the creation of jobs by providing education and training of workers for new jobs for new or expanding industry in the merged area served by the community college. The proceeds of the certificates, as authorized by the Act, will be used only to fund program services related to training programs made necessary by the creation of new jobs.

871—62.4(15,260E) Agreements.

62.4(1) Notification. The community college will notify the department of all agreements deemed to be final and ready for project funding by entering data and uploading required documentation identified by the department into the 260E Data System within 30 days of execution by all parties. The corresponding official statement will be uploaded by the community college when it is completed. The notice of final agreement will provide all pertinent training services and financial

details in the manner determined by the department. The notice will be signed by the community college officials authorized by the college. All written agreements will also be reported and verified through updates by the college, provided in a time frame specified by the department, in the same manner that the annual report is provided to the department. Except where otherwise prescribed in these rules, the department, in conjunction with the community colleges, will develop a format and timetable for reporting relevant information to the department. Such reporting will include but will not be limited to information and official statements with respect to all final agreements and related certificate sales, information regarding college procedures for training agreement review and training project monitoring, and documentation of identified events of default, remedies and repayment policies.

62.4(2) *Additional agreement items.* In addition to the provisions of an agreement described in Iowa Code section 260E.3(1) through 260E.3(5), the agreement will include the following items:

- a. The length of time each new job category will be provided on-the-job training.
- b. The completion date of all other training.
- c. If the supplemental new jobs credit is to be utilized as authorized in Iowa Code section 256.7(14), the agreement must be signed by the business(es), community college, and the department of revenue for the use of an additional 1½ percent withholding to educate and train new employees.

62.4(3) *Compliance with department of revenue requirements.* When an agreement for training is deemed final and ready for project funding, the community college will notify the department of revenue within 30 days of the date of execution of the agreement. Notification will be in writing on forms and in the manner determined by the department and is considered complete when entries have been saved in the data system.

If, at any time after notification, the estimates are revised, or if changes are made in the agreement that would affect the above reporting requirements, the department of revenue and the department will be notified within 30 days.

62.4(4) *Allowable cost.* A community college may be reimbursed from certificate proceeds for reasonable administrative costs and legal fees incurred prior to the date of the preliminary agreement. Training costs incurred prior to the date of the preliminary agreement are not reimbursable.

62.4(5) *Cost standards.* The standard vocational preparation guide, as provided in the Dictionary of Occupational Titles for determining classification of jobs and the length of allowable training periods, may be used by a community college in estimating the cost of on-the-job training. Where these standards are not appropriate, reasonable time periods for on-the-job training will be based on the standard vocational preparation guide for similar classifications. Reimbursement of a new employee's wages for on-the-job training will not exceed 50 percent of the new employee's annual gross payroll costs. The maximum project total for on-the-job training will not exceed 50 percent of the total available training proceeds.

62.4(6) *Indirect cost rate.* The community colleges may be reimbursed indirect costs at the rate to be determined annually. The indirect cost rate and procedures will be communicated to the community colleges by the department. The rate will be based on function five and nine expenditures of the Iowa area community college uniform accounting system. The indirect cost rate will be applied against the total issuance. Acceptable accounting procedures, as determined by the community college with the department and the state auditor, will be followed in claiming indirect costs.

62.4(7) *Equipment.* Equipment required for training will be an allowable provision in a training project as described in Iowa Code chapter 260E. The cost of equipment used in training will be prorated to the project in that proportion chargeable to the training program, and the remainder of the cost of such equipment will be the responsibility of the employer. Proceeds of the certificates will not be used directly or indirectly to finance land, facilities or depreciable property to be owned by the employer or other private person.

871—62.5(15,260E) Resolution on incremental property tax.

62.5(1) A copy of the resolution by the board of directors of the community college, as described in Iowa Code section 260E.4, will be forwarded to the county auditor(s) affected by it within the merged area.

62.5(2) A community college board of directors anticipating the use of the incremental property tax as a source of funding for an eligible training program is referred to in Iowa Code sections 403.19 and 403.21 and will follow procedures as described therein as provided in Iowa Code section 260E.4.

871—62.6(15,260E) New jobs withholding credit.

62.6(1) *Notification of payments and claims for credit.* Withholding credit for payments to community colleges will be claimed by an employer on the semimonthly, monthly, or quarterly deposit forms during the calendar quarter in which payment is made to a community college. No credit may be claimed until the payment has been made to a community college. The community college will notify the department of revenue by making applicable entries in the 260E Data System within 30 days following the end of a calendar quarter of payments covering withholding credits that have been received for the quarter. If a credit is claimed by an employer and payment is not made to the community college, the amount of credit will be considered to be a delinquent withholding liability and will be subject to assessment of tax, penalty, and interest according to the provisions of Iowa Code section 422.16(10).

62.6(2) *Notification of termination of credit.* Community colleges will notify in writing the department of revenue and the department within 30 days when it is determined that payments for job training withholding credits will no longer be applied against the costs of a project. At project completion, any excess payments for job training withholding credits received by the community college will be forwarded to the department of revenue.

871—62.7(15,260E) Notice of intent to issue certificates. The notice of intent to issue certificates as provided in Iowa Code section 260E.6(5) will be published by the community college in a legal newspaper in the merged area. The application for an allocation of Iowa industrial new jobs training certificates should be submitted to the department, in the format determined by the department and by an official of the community college or by an attorney or agent of the community college, prior to the issuance of certificates for that portion of the issuance that is tax-exempt. Notice of issuance of certificates should be filed with the department within ten days of the issuance and delivery of certificates.

871—62.8(15,260E) Standby property tax levy. A standby property tax levy may be collected at any time other funds are insufficient as provided in Iowa Code section 260E.6(4). The county auditor will be notified by the community college board of directors on an annual basis to adjust the annual standby tax.

871—62.9(15,260E) Reporting. An annual report will be completed by the community college on or before September 15. The format and content will be determined by the department. The report will include training dollar expenditures and names of the providers of the training conducted, the number of pledged new job employees filled, provided program services under the project, the median wage of employees in the new jobs in the project, and the administrative costs directly attributable to the project.

871—62.10(15,260E) Monitoring.

62.10(1) *Monitoring system.* Each community college will establish a monitoring system that includes, at a minimum, a review of the business's compliance with the Act, these rules and the training agreement.

62.10(2) *Annual review.* Monitoring will be conducted by the community colleges at least annually.

62.10(3) Documentation. Each community college will document its monitoring efforts and promptly notify the department, on the forms provided, whenever it identifies an event of default.

871—62.11(15,260E) State administration. The community colleges will submit 1 percent of the gross sale of certificates within 30 days of receipt of proceeds from a sale of certificates to the department to defray administrative costs.

871—62.12(15,260E) Coordination with communities. The community colleges will follow the provisions of Iowa Code section 403.21.

871—62.13(15,76GA,SF2351) Supplemental 1.5 percent withholding. For the purposes of determining new jobs training programs established under Iowa Code section 260J.1 eligible to receive a supplemental new jobs credit of 1.5 percent of gross wages from withholding, the following criteria will be met:

62.13(1) Only those new jobs training programs established by a 260E final agreement, approved by the community college board of directors after June 30, 1996, and that include a provision for a supplemental new jobs credit from withholding from jobs created under the agreement are eligible for the supplemental credit.

62.13(2) The department will make available to the community colleges the applicable laborshed wages at the beginning of each state fiscal year for use in determining supplemental withholding credit eligibility for that fiscal year.

62.13(3) For the purposes of determining eligibility for the supplemental credit, starting wages for a new job will be determined on a one-time basis by the community college as follows:

a. The employer will agree, as a part of the final agreement, to pay starting wages that are equal to or greater than the laborshed wages.

b. Only those individual jobs for which the starting wage is equal to or greater than the laborshed wages are eligible for the supplemental new jobs credit from withholding.

c. For purposes of comparing starting wages to the laborshed wages, the community college will reduce the annual gross wages to be paid for the job to an hourly wage based upon a 40-hour workweek.

d. Such determination by the community college will be conclusive and the individual job will thereafter be eligible and may be used for the supplemental credit from withholding to fund the supplemental project under the agreement.

e. Future annual changes in laborshed wages will not affect the eligibility of those jobs that have been determined by the community college to be eligible at the time of final agreement for a project.

62.13(4) The community college may require the employer to supply appropriate payroll records and projections to verify eligibility of the supplemental credit.

This rule is intended to implement the provisions of 1996 Iowa Acts, Senate File 2351, section 8, effective July 1, 1996, and does not affect agreements that do not contain a provision for a supplemental new jobs credit from withholding.

These rules are intended to implement Iowa Code chapter 260E and Iowa Code chapter 403 as it relates to Iowa Code chapter 260E.

WORKFORCE DEVELOPMENT DEPARTMENT[871]

Regulatory Analysis

Notice of Intended Action to be published: 871—Chapter 63
“Iowa Jobs Training Program”

Iowa Code section(s) or chapter(s) authorizing rulemaking: 260F
State or federal law(s) implemented by the rulemaking: Iowa Code chapter 260F

Public Hearing

A public hearing at which persons may present their views orally or in writing will be held as follows:

July 1, 2025
9:30 a.m.

[Microsoft Teams](#)
Meeting ID: 241 057 225 551 9
Passcode: 42WL9Xa2
Dial in by phone: +1 469.998.6043
[Find a local number](#)
Phone conference ID: 428 181 217#

Public Comment

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by Iowa Workforce Development no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Rebecca Stonawski
Iowa Workforce Development
1000 East Grand Avenue
Des Moines, Iowa 50319
Phone: 515.868.1939
Email: rebecca.stonawski@iwd.iowa.gov

Purpose and Summary

These proposed rules govern the development of training programs under the Iowa Jobs Training Act provided in Iowa Code chapter 260F.

Analysis of Impact

1. **Persons affected by the proposed rulemaking:**
 - **Classes of persons that will bear the costs of the proposed rulemaking:**
Community colleges will bear the costs.
 - **Classes of persons that will benefit from the proposed rulemaking:**
Local businesses will benefit.
2. **Impact of the proposed rulemaking, economic or otherwise, including the nature and amount of all the different kinds of costs that would be incurred:**
 - **Quantitative description of impact:**
Community colleges may have an administrative cost in applying for and overseeing 260F program funds.
 - **Qualitative description of impact:**
Local businesses train their employees with advanced skills so that both the employees and the local businesses may become more advanced and competitive.

3. **Costs to the State:**

- **Implementation and enforcement costs borne by the agency or any other agency:**

Iowa Workforce Development employs one person to administer the 260F program. Approximately 45 percent of the person's time is devoted to 260F programs.

- **Anticipated effect on State revenues:**

Not applicable.

4. **Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:**

This proposed rulemaking makes no changes in costs and benefits. The same administrative costs will exist as previous to this update.

5. **Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:**

No less costly or intrusive methods exist.

6. **Alternative methods considered by the agency:**

- **Description of any alternative methods that were seriously considered by the agency:**

Not applicable.

- **Reasons why alternative methods were rejected in favor of the proposed rulemaking:**

Not applicable.

Small Business Impact

If the rulemaking will have a substantial impact on small business, include a discussion of whether it would be feasible and practicable to do any of the following to reduce the impact of the rulemaking on small business:

- Establish less stringent compliance or reporting requirements in the rulemaking for small business.
- Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.
- Consolidate or simplify the rulemaking's compliance or reporting requirements for small business.
- Establish performance standards to replace design or operational standards in the rulemaking for small business.
- Exempt small business from any or all requirements of the rulemaking.

If legal and feasible, how does the rulemaking use a method discussed above to reduce the substantial impact on small business?

By removing outdated rules from Chapter 63, this proposed rulemaking reduces confusion and time spent reviewing rules that no longer apply, thus reducing the burden on small businesses.

Text of Proposed Rulemaking

ITEM 1. Rescind 871—Chapter 63 and adopt the following **new** chapter in lieu thereof:

CHAPTER 63
IOWA JOBS TRAINING PROGRAM

871—63.1(260F) Authority. The authority for establishing rules governing the development of training projects under the Iowa jobs training Act is provided in Iowa Code chapter 260F.

871—63.2(260F) Purpose. The purpose of the Act is to foster the growth and competitiveness of Iowa's workforce and industry by ensuring that Iowa's workforce has the skills and expertise to compete with any workforce outside the state of Iowa.

871—63.3(260F) Definitions.

“Act” means Iowa Code chapter 260F.

“Certification” means the community college and business agree that the information contained in the application is accurate. The certification also gives the department permission to research the history of the business and perform other related activities necessary for the evaluation of the application.

“Community college consortium” means two or more businesses located in the same community college district that share a common training need.

“Department” or *“Iowa workforce development”* means the department of workforce development created in Iowa Code section 84A.1.

“Eligible business” or *“business”* means a business training employees that is engaged in interstate or intrastate commerce for the purpose of manufacturing, processing, or assembling products, warehousing or wholesaling products, conducting research and development, or providing services in interstate commerce but excludes solely retail, health, or professional services and that meets the other criteria established by the department. A business engaged in the provision of services must have customers outside of Iowa to be eligible. The business site to receive training must be located in Iowa. “Eligible business” does not include a business whose training costs can be economically funded under Iowa Code chapter 260E, a business that closes or substantially reduces its workforce by more than 20 percent at existing operations in order to relocate substantially the same operation to another area of the state, or a business that is involved in a strike, lockout, or other labor dispute in Iowa. If a business closes or substantially reduces its workforce by more than 20 percent at existing operations in order to relocate substantially the same operation to another area of the state, then the business is ineligible for 36 consecutive months at any of its Iowa sites from the date the new establishment opens.

“Employee” means a person currently employed by a business who is to be trained. An employee for whom training is planned must hold a current position intended by the employer to exist on an ongoing basis with no planned termination date. Training is available only to an employee who is hired by the business, who is currently employed by the business, and for whom the business pays withholding tax. However, “employee” does not include a person with executive responsibilities, a replacement worker who is hired as a result of a strike, lockout, or other labor dispute in Iowa, or an employee hired as a temporary worker. “Employee” does include a person with executive responsibilities if such person works in both an executive- and employee-based capacity for a small business with a total labor force of fewer than 50 persons.

“Program services” includes but is not limited to the following:

1. Training of employees;
2. Adult basic education and job-related instruction;
3. Career and technical skill-assessment services and testing;
4. Training facilities, equipment, materials, and supplies;
5. Administrative expenses for the jobs training program;
6. Subcontracted services with institutions governed by the state board of regents, private colleges or universities, or other federal, state, or local agencies;
7. Contracted or professional services;
8. Training-related travel and meals.

“Project” means a training arrangement that is the subject of an agreement entered into between a community college and an eligible business to provide program services.

871—63.4(260F) Program funding.

63.4(1) Program funds consist of any moneys allocated by the department for the purpose of this program, all repayments of loans or other awards or recaptures of awards, and earned interest, including interest earned on program funds held by the community colleges.

63.4(2) A community college 260F account is established in the department. The allocation of funds in this account to the community colleges will be determined using the distribution formula established in Iowa Code section 260C.18C.

63.4(3) Any unexpended or uncommitted funds remaining in the community college 260F account on May 1 of the fiscal year will revert to a general account to be available on a first-come, first-served basis, based on the date an application is received by the department.

871—63.5(260F) Funding for projects that include one business.

63.5(1) The maximum award that may be approved for each project at a business site is \$50,000 in a fiscal year.

63.5(2) A business site may be approved for multiple projects, but the total of the awards for two or more projects will not exceed \$100,000 within a three-year period. The three-year period will begin with the department approval date of the first project approved within the three-year period.

63.5(3) Awards will be made in the form of forgivable loans.

63.5(4) Financial assistance awarded to a project must be based on the actual cost of allowable services as identified in rule 261—7.9(260F).

63.5(5) Funds requested must be commensurate with training needs. Program funds shall not be used to cash flow a business.

63.5(6) Community colleges issue the proceeds of an award to a business on a reimbursement basis or directly pay for training expenses from the college-administered separate program account.

871—63.6(260F) Funding for projects that include multiple businesses.

63.6(1) A community college consortium of two or more businesses as defined in rule 261—7.3(260F) is eligible for a maximum award of \$100,000 per training project.

63.6(2) and **63.6(3)** Reserved.

63.6(4) Participation in a community college consortium does not affect a business site's financial eligibility for individual project assistance.

871—63.7 and 63.8 Reserved.

871—63.9(260F) Use of program funds.

63.9(1) The following costs associated with the administration of any project are eligible for program funding:

a. Community college administrative costs associated with the development and operation of a project, not to exceed 15 percent of the project cost.

b. Legal fees.

63.9(2) The costs associated with the provision of program services for any project are eligible for program funding.

63.9(3) Reimbursement of employee wages while the employee is in training is not allowed.

63.9(4) Production equipment, when used for training, may be an allowable cost. The cost of equipment used in training but subsequently used in production will be prorated, as identified in rule 261—8.12(15), with the percentage of “used in production” cost paid by the business.

63.9(5) A community college may use funds awarded to a project to cover reasonable administrative costs and legal fees for that project.

63.9(6) A community college may not use funds from one project's program award to cover any costs incurred by another project.

871—63.10(260F) Use of 260F earned interest.

63.10(1) The community college is authorized to use interest earned on program funds to pay administrative costs incurred as a result of administering the program. Administrative costs include all costs incurred from the time the application process commences minus any costs covered by application fees paid by applicants.

63.10(2) Earned interest that has not been spent by the end of any state fiscal year will be refunded to the department within ten days of the end of the state fiscal year. The community college may designate and carry forward specified interest funds, as permitted by these rules, for identified payments that will occur during the next state fiscal year.

871—63.11 Reserved.

871—63.12(260F) Separate account. The community college will establish a separate program account to document all program transactions and from which repayments for loans will be made to the department.

871—63.13 to 63.17 Reserved.

871—63.18(260F) Agreement of intent.

63.18(1) An agreement of intent allows training to start on a specific date.

63.18(2) A community college and a business sponsor may but are not required to enter into a letter of intent.

63.18(3) A community college and a business that enter into an agreement of intent will use Agreement of Intent, Form 260F-2.

63.18(4) An agreement of intent will remain in effect for a maximum of one calendar year from the date of the letter. An agreement of intent for one project does not establish the commencement date for subsequent projects.

871—63.19(260F) Project commencement date. The earliest date on which program funds may be used to pay training expenses incurred by the project is the effective date of the agreement of intent or the date the application is received by the department, whichever is first.

871—63.20(260F) Application process.

63.20(1) An application for training assistance must be submitted to the department by a community college on behalf of a business. An application will not be accepted by the department if submitted directly by a business.

63.20(2) Community colleges use Application for Assistance, available in the 260F data system, to apply for 260F business assistance.

63.20(3) Required contents of the application will be described in the application package.

63.20(4) Applications must be submitted via the 260F data system to the department.

63.20(5) The department will score applications according to the criteria specified in rule 261—7.21(260F).

63.20(6) To be funded, an application must receive a minimum score of 65 out of a possible 100 points and meet all other eligibility criteria specified elsewhere in these rules.

63.20(7) The department may approve, reject, or defer an application.

63.20(8) The department reserves the right to require additional information from the business.

63.20(9) Application approval is contingent on the availability of funds. The department will reject or defer an application if funds are not available.

871—63.21(260F) Application scoring criteria.

63.21(1) The criteria used for scoring 260F business or consortium applications and the points for each criteria are as follows:

- a.* The business has a plan for future potential growth and product diversification. 10 points.
- b.* The majority of the business's employees are permanent full-time. 10 points.
- c.* Average wages for employees are at or above the laborshed wages for the business's location. 10 points.
- d.* The business provides a cash match of 25 percent or greater. 10 points.

- e.* The application explains why the business needs the training identified in the training plan. 10 points.
- f.* The application explains how the training will contribute to the continued existence of the business. 10 points.
- g.* The application identifies which skills the employees will acquire from the training and how the skills will increase the employees' marketability. 5 points.
- h.* The average cost of training per employee is comparable to the cost of training at Iowa community colleges or universities. 5 points.
- i.* The application documents that all considerations, including funding required to begin the training project, have been addressed. 5 points.
- j.* The employer provides health insurance and at least one other employee benefit. 5 points.
- k.* Employee skills, knowledge, and abilities will be improved as a result of this training. 10 points.
- l.* The business's competitive stance will be improved as a result of this training. 10 points.

To be funded, applications must receive a minimum score of 65 out of 100 points and meet all other applicable eligibility criteria.

63.21(2) The criteria used for scoring a college business consortium and the points for each criterion are as follows:

- a.* The training will have a positive impact on the skills, knowledge and abilities of trainees. 29 points.
- b.* The training will help improve the competitive stance of participating businesses or the industry for which training is being provided. 28 points.
- c.* The training will result in economic benefits for the state. 28 points.
- d.* The average of the average wage rates for the businesses participating in the project is above the state average wage rate, which will be computed using the current county average wage rates. 10 points.
- e.* The project cost of training per employee does not exceed comparable costs for training at a state of Iowa community college or university. 5 points.

To be funded, applications must receive a minimum score of 65 out of 100 points and meet all other applicable eligibility criteria.

871—63.22(260F) Training agreement.

63.22(1) A community college will enter into a training agreement with the business(es), lead business, or lead organization within 90 days of written notice of application approval from the department, using Training Agreement, Form 260F-4, for 260F business-driven projects.

63.22(2) A business will not modify any provision of the agreement without the written approval of the community college.

63.22(3) The community college, with the written consent of the business, has the authority to modify all provisions of the agreement except for 260F business, business network and consortium project modifications that result in a reduction of the number of employees to be trained or that significantly change the training program.

63.22(4) The community college and the business are authorized to change the ending date of training, training provider, or other minor modifications to the training program. All modifications must be uploaded to the 260F data system prior to the ending date of training. If the modification authorizes a change of the ending date of training, the modification must be uploaded to the 260F data system prior to the original ending date of training. For example, if a training agreement specifies an ending date of training of December 31, 2018, and a community college and business agree to extend the ending date of training to December 31, 2019, then the modification must be uploaded prior to December 31, 2018.

63.22(5) Modifications of 260F business and consortium projects that result in a reduction of the number of employees to be trained or change the training program content must be approved by the department, community college, and business.

63.22(6) The agreement will not be modified in any way that would result in a violation of Iowa Code chapter 260F.

871—63.23(260F) Special requirements for community college consortium projects.

63.23(1) The community college will submit the Consortium Application for Assistance, available on the 260F data system, to the department for project approval.

63.23(2) The community college will enter into a training agreement with the consortium within 90 days of written notice of application approval from the department, using Consortium Training Agreement, Form 260F-4A.

63.23(3) All default provisions specified in rule 261—7.30(260F) apply to consortium projects.

63.23(4) In the event of a default, a financial penalty may be assigned by the department to the consortium business or businesses identified by the community college as being responsible for the default.

63.23(5) Each business that participates in the consortium will complete a Final Performance Report, Form 260F-5, at the completion of training as a condition of the loan being forgiven.

871—63.24(260F) Events of default.

63.24(1) A business that fails to complete the training project within the agreed period of time as specified in the training agreement will be required to repay 20 percent of total project funds expended by the community college and the business.

63.24(2) A business that fails to train the agreed number of employees as specified in the training agreement will be required to repay a proportionate amount of total project funds expended by the community college and the business. The proportion will be based on the number of employees who have not been trained compared to the number of employees who have been trained.

63.24(3) If both events in subrules 63.24(1) and 63.24(2) occur, both penalties apply.

63.24(4) A business that fails to comply with any requirements contained in the training agreement will be sent written notice by the community college that specifies the issue(s) of noncompliance, and the business will be allowed 20 days from the date notice is sent to effect a cure. If noncompliance is of such a nature that a cure cannot be reasonably accomplished within 20 days, the community college has the discretion to extend the period of cure to a maximum of 60 days.

63.24(5) A business ceases or announces the cessation of operations at the project site prior to completion of the training program.

63.24(6) A business directly or indirectly makes any false or misleading representations or warranties in the program application or training agreement, reports, or any other documents that are provided to the community college or the department.

63.24(7) A business acts in any manner contrary to, or fails to act in accordance with, any provision of the training contract.

63.24(8) A business takes corporate action to effect any of the preceding conditions of default.

871—63.25(260F) Options and procedures on default.

63.25(1) The community college will notify the department whenever the community college determines that an event of default has occurred or is likely to occur.

63.25(2) The community college will document its efforts to reconcile the condition(s) responsible for the default and will provide the department with copies of all related correspondence and documents of the community college and the business.

63.25(3) The community college will notify the department when it has determined that an event of default cannot be cured.

63.25(4) When notice of failure to cure the default is received from the community college, the department will communicate with the business, in writing, in an attempt to resolve the default.

63.25(5) When the department's efforts to reconcile are successful, the department will notify the community college, in writing, to continue project operations. Continuation of project operations may be subject to new conditions imposed by the department as part of the reconciliation.

63.25(6) When the department's efforts to reconcile are unsuccessful and upon the department's request, the community college will assign the agreement to the department for appropriate proceedings at which time the department will institute collection procedures or notify the attorney general to initiate appropriate legal actions.

63.25(7) When a community college assigns an agreement to the department for a project declared to be in default, the community college will return all remaining 260F funds to the department within 45 days of assignment.

871—63.26(260F) Remedies upon default.

63.26(1) When a community college determines that a business is in default, and the default has not been cured within the time period stated in the contract, the community college is authorized to withhold training funds and payments to the business without notice to the business.

63.26(2) The attorney general may take whatever action at law or in equity as necessary and desirable to satisfy the default.

63.26(3) No demand of amount due, from the community college to the business written or otherwise, is required to establish the business's financial liability.

63.26(4) No remedy conferred upon or reserved to the community college, the department, or the attorney general by the Act, these rules, or the training agreement is intended to be exclusive of any other current or future remedies existing in law, in equity, or by statute.

63.26(5) Any delay or omission by the community college, the department, or the attorney general to exercise any right or power prescribed by the Act, these rules, or the training agreement does not relinquish or diminish the department to act and does not constitute a waiver of default status. Any such right or power may be exercised at any time required and as often as may be deemed expedient.

63.26(6) Unless required by these rules, neither the community college, department, nor attorney general is required to provide written or other notice to the business regarding any circumstance related to and including a declaration of an event of default.

63.26(7) In the event any requirement of the Act, these rules, or the training agreement, relating to a default, should be breached by either party and then waived by the other party, such waiver will be limited to the specific breach being waived and will have no bearing on any subsequent breach.

871—63.27(260F) Return of unused funds. The community college will return all unused funds to the department within 45 days of project completion or within 45 days after being notified by the department that a project is in default.

871—63.28(260F) Open records. Information submitted to the department is subject to Iowa Code chapter 22, the public records law. Applications for training funds submitted to the department are available for public examination. If a business provides information that the business believes contains trade secrets recognized and protected as such by law, or the release of which would give an advantage to competitors and serves no public purpose or which meets other provisions for confidential treatment as authorized in Iowa Code section 22.7, and establishes that such information is subject to confidential treatment under Iowa Code section 22.7 or as otherwise provided for by law, then such information shall be kept confidential. Rule 261—195.5(15,22) describes how a person may request a record to be treated as confidential and withheld from public examination. Businesses requesting confidential treatment of certain information submitted to the department will follow the procedures

described in rule 261—195.5(15,22). The department will process such requests as outlined in rule 261—195.5(15,22).

871—63.29(260F) Required forms. The community college is required to complete and upload the following forms, as applicable, within the 260F data system:

1. General Application for Assistance, Form 260F-1;
2. Consortium Application for Assistance, Form 260F-1A;
3. Agreement of Intent, Form 260F-2;
4. Request for Release of Funds, Form 260F-3;
5. Training Agreement, Form 260F-4;
6. Consortium Training Agreement, Form 260F-4A;
7. Performance Report, Form 260F-5;
8. Notice of Possible Default, Form 260F-6;
9. Declaration of Default, Form 260F-7;
10. College and Business Certification, 260F-8;
11. Environmental Quality Form, to include a Solid Waste Plan and Hazardous Waste Plan (if applicable), Form 260F-9.

These rules are intended to implement Iowa Code chapter 260F.

WORKFORCE DEVELOPMENT DEPARTMENT[871]

Regulatory Analysis

Notice of Intended Action to be published: 871—Chapter 68
“Accelerated Career Education (ACE) Program”

Iowa Code section(s) or chapter(s) authorizing rulemaking: 84A, 17A, and 260G
State or federal law(s) implemented by the rulemaking: Iowa Code chapter 260G

Public Hearing

A public hearing at which persons may present their views orally or in writing will be held as follows:

July 1, 2025
10 a.m.

[Microsoft Teams](#)
Meeting ID: 246 930 694 517 5
Passcode: Mw9iX7yT
Dial in by phone: +1 469.998.6043
[Find a local number](#)
Phone conference ID: 257 197 044#

Public Comment

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by Iowa Workforce Development no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Rebecca Stonawski
Iowa Workforce Development
1000 East Grand Avenue
Des Moines, Iowa 50319
Phone: 515.868.1939
Email: rebecca.stonawski@iwd.iowa.gov

Purpose and Summary

The 260G (ACE) program provides businesses with a skilled workforce. Through 260G funding, community colleges offer programming to train individuals in needed occupations in Iowa.

Analysis of Impact

1. **Persons affected by the proposed rulemaking:**
 - **Classes of persons that will bear the costs of the proposed rulemaking:**
Community colleges apply for and manage the 260G program. They may have administrative costs related to the management of this program.
 - **Classes of persons that will benefit from the proposed rulemaking:**
Community college students will continue to benefit from the 260G program.
2. **Impact of the proposed rulemaking, economic or otherwise, including the nature and amount of all the different kinds of costs that would be incurred:**
 - **Quantitative description of impact:**
The 260G program provides direct funds for employee training. Funds are allocated directly to local business efforts at educating and advancing the local workforce.
 - **Qualitative description of impact:**

260G programming funds allow community colleges to collaborate with businesses. Through this collaboration, employees are offered skilled training that advances both their needs and the businesses' needs. The 260G program has a track record of joint efforts that improve communities across the State of Iowa.

3. Costs to the State:

- **Implementation and enforcement costs borne by the agency or any other agency:**

One person employed at Iowa Workforce Development administers the 260G program, in addition to other programs. This takes about 25 percent of the person's time.

- **Anticipated effect on State revenues:**

No change is anticipated.

4. Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:

The proposed rulemaking has little impact regarding costs and benefits.

5. Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:

Not applicable.

6. Alternative methods considered by the agency:

- **Description of any alternative methods that were seriously considered by the agency:**

Not applicable.

- **Reasons why alternative methods were rejected in favor of the proposed rulemaking:**

Not applicable.

Small Business Impact

If the rulemaking will have a substantial impact on small business, include a discussion of whether it would be feasible and practicable to do any of the following to reduce the impact of the rulemaking on small business:

- Establish less stringent compliance or reporting requirements in the rulemaking for small business.

- Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.

- Consolidate or simplify the rulemaking's compliance or reporting requirements for small business.

- Establish performance standards to replace design or operational standards in the rulemaking for small business.

- Exempt small business from any or all requirements of the rulemaking.

If legal and feasible, how does the rulemaking use a method discussed above to reduce the substantial impact on small business?

By removing "shall" requirements in the 260G administrative rules, businesses and community colleges will have more flexibility in working with Iowa Workforce Development. While no substantive changes are proposed, the overall review of this chapter allows for a holistic review of 260G programming.

Text of Proposed Rulemaking

ITEM 1. Rescind 871—Chapter 68 and adopt the following **new** chapter in lieu thereof:

CHAPTER 68

ACCELERATED CAREER EDUCATION (ACE) PROGRAM

871—68.1(260G) Purpose. The accelerated career education (ACE) program is designed to provide businesses with an enhanced skilled workforce in Iowa. The program assists Iowa's community colleges in establishing or expanding programs that train individuals in the occupations most needed by Iowa businesses.

871—68.2(260G) Definitions.

"260G data system" means the data system established by the department to record and submit data, upload documentation, and track programs and agreements.

"Accelerated career education program" or *"ACE program"* means the program established pursuant to Iowa Code chapter 260G and administered by the department.

"Allotment" means the distribution of program job credits among the community colleges in accordance with Iowa Code section 260C.18C.

"Community college board" means the governing board of a merged area as defined in Iowa Code section 260C.11.

"Department" means Iowa workforce development created in Iowa Code section 84A.1.

"Program" means a program of instruction designed by a community college that has been designated by a community college board and approved by the department as meeting the requirements of Iowa Code section 260G.4.

"Program agreement" means an agreement between an employer and a community college as described in Iowa Code section 260G.3.

"Program job credit" means a credit that an employer may claim against all withholding taxes due in an amount up to 10 percent of the gross program job wage of a program job position as authorized in an agreement between a community college and an employer.

"Program services" means services that include all of the following provided they are pursuant to a program agreement: program needs assessment and development, job task analysis, curriculum development and revision, instruction, instructional materials and supplies, computer software and upgrades, instructional support, administrative and student services, related school to career training programs, skill or career interest assessment services and testing and contracted services.

871—68.3(260G) Program eligibility and designation.

68.3(1) In order to receive an allotment of program job credits, a community college must designate an eligible program. All programs must demonstrate increased capacity to enroll additional students. To be eligible, a program must be either:

- a. A credit career or technical education program resulting in the conferring of a certificate, diploma, associate of science degree, or associate of applied science degree; or
- b. A credit-equivalent career or technical education program consisting of not less than 540 contact hours of classroom and laboratory instruction and resulting in the conferring of a certificate or other recognized, competency-based credential.

68.3(2) A community college board will designate and approve an eligible program by resolution. The community college board of directors will ensure compliance with Iowa Code chapter 260G.

68.3(3) The department will review and approve all program designations and maintain a record of all approved programs.

871—68.4(260G) Funding allocation.

68.4(1) *Base allocation.* The department will allocate the total amount of program job credits authorized and available to each community college for each fiscal year based on the formula established in Iowa Code section 260C.18C. For purposes of such allocation, the applicable ratios will be applied to commitments made by community colleges at the beginning of each fiscal year.

68.4(2) *Allotment of uncommitted funds.* Each community college will commit its allotment of program job credits as of April 1 of each fiscal year. Program job credits are considered committed if

there is an executed program agreement or if there is a statement of intent that a program agreement will be executed by May 1 of the current fiscal year. Uncommitted funds will be reallocated on a first-come, first-served basis to other community colleges with executed program agreements that have not received all of the program job credits required. Funds that remain uncommitted as of June 30 will be reallocated based on the formula established in Iowa Code section 260C.18C for use during the following fiscal year.

68.4(3) *Department role.* The department will calculate and report to each community college its allotment. The department may deny the allocation of program job credits to any program that fails to comply with Iowa Code chapter 260G. The department will maintain records of the proposed program job credits under each agreement for each fiscal year.

68.4(4) *Submission of program agreements.* A community college will submit program agreements via the 260G data system to access its allotment of program job credits.

68.4(5) *Total amount of program job credits in any one fiscal year.* The total amount of program job credits from all employers that will be allocated for all programs in any one fiscal year will not exceed the amount specified in Iowa Code section 260G.4B(1).

871—68.5(260G) Program job credits.

68.5(1) *Eligibility.* To be eligible to receive program job credits, an employer will demonstrate it has met the following requirements:

a. The program agreement must provide for pledged program positions paying at least 200 percent of the federal poverty level for a family of two as calculated at the time of approval of the agreement or any renewal. If the wage designated is to become effective after a training or probationary period, the employer must document that there is a plan in place regarding time frames for transition to the permanent full-time wage, and the employer must provide documentation that these time frames are reasonable and that the employer has previously adhered to the time frames.

b. The program agreement must establish a 20 percent employer cash or in-kind match for program costs.

68.5(2) *Determination of job credit amounts.*

a. Program job credits will be based upon the program job positions identified in the program agreement. No costs incurred prior to the effective date of a program agreement may be reimbursed or eligible for program job credits.

b. Eligibility for program job credits will be based on certification of program job positions and program job wages by the employer at the time established in the agreement.

c. An amount up to 10 percent of the gross program job wages as certified by the employer in the agreement will be credited from the total payment made by an employer pursuant to Iowa Code section 422.16.

d. The employer will remit the amount of the credit quarterly, in the same manner as withholding payments are reported to the department of revenue, to the community college to be allocated to and, when collected, paid into a special fund of the community college to pay, in part, the program costs.

e. When the program costs have been paid, the employer credits are to cease. Any moneys received after the program costs have been paid will be remitted to the treasurer of state to be deposited in the general fund of the state.

68.5(3) *Certification to department of revenue.*

a. The employer will certify to the department of revenue that the program job credits are in accordance with the program agreement and will provide other information the department may require.

b. The department will certify to the department of revenue on behalf of the community colleges that the amount of the program job credits is in accordance with each program agreement and will provide other information the department of revenue may require.

871—68.6(260G) Program agreements and administration.

68.6(1) Program agreements will be developed by an employer and a community college. The development of the program agreements may be facilitated by an entity representing a group of employers. If a bargaining unit is in place with the employer pledging the jobs, a representative of the bargaining unit may take part in the development of the program agreement. All participating parties must sign the program agreement. The program agreement must include employer certification of contributions that are made toward the program costs.

68.6(2) A program agreement will include, at a minimum, the following terms:

- a.* Match provided by the employer;
- b.* Tuition, student fees, or special charges fixed by the community college board;
- c.* Guarantee of employer payments;
- d.* Type and amount of funding sources that will be used to pay for program costs;
- e.* Description of program services and implementation schedule;
- f.* The term of the agreement, not to exceed five years;
- g.* The employer's agreement to interview graduates for full-time positions and provide hiring preference;
- h.* For employers with more than four sponsored participants, certification that a job offer will be made to at least 25 percent of those participants who complete the program;
- i.* An agreement by the employer to provide a wage level of no less than 200 percent of the federal poverty guideline for a family of two;
- j.* A provision that the employer does not have to fulfill the job offer requirement if the employer experiences an economic downturn;
- k.* A provision that the participants will agree to interview with the employer following completion of the program; and
- l.* Default procedures.

68.6(3) Program agreements will be submitted to the department via the 260G data system. Program agreements will document the findings of the community college that all program and employer eligibility requirements have been met. The department will review agreements for issues of quality. The department will maintain a record of all approved agreements.

68.6(4) Term, amendments, and renewals.

a. Term. The term of a program agreement will not exceed five years from the effective date of the agreement. Once a program agreement is approved, the department will obligate job credits, contingent upon the availability of funding, for each year of the term of the agreement.

b. Amendments. A program agreement can be amended only with the consent of both parties and approval by the department. A program agreement can be amended to extend the term of the agreement a maximum of two years.

c. Renewals. A program agreement may be renewed upon completion of its approved term. The community college must demonstrate the program meets the eligibility requirements in Iowa Code section 260G.4, including increased program capacity, as of the date of approval of renewal by the department. A renewed agreement, including exhibits, will be entered and uploaded into the 260G data system. In order to renew an agreement, the following budgeted items and employer commitments will be updated:

- (1) Sponsored positions;
- (2) Program costs;
- (3) Changes in tuition;
- (4) Other fees;
- (5) Changes in salaries and expenses;
- (6) Federal poverty thresholds;
- (7) Income;
- (8) Employer match amounts;
- (9) Any other items identified by the department.

68.6(5) The 260G data system will automatically assign a 12-digit agreement number once the agreement data is entered and approved. The agreement number will remain the same if an approved agreement is extended or otherwise amended. Program agreements that are renewed pursuant to paragraph 68.6(4) “c” will be assigned a new 12-digit number.

68.6(6) The department will provide information about the ACE program in accordance with its annual reporting requirements.

68.6(7) Each community college will establish a monitoring system that includes, at a minimum, a review of employers’ compliance with the Iowa Code, these rules, and the program agreement. Monitoring will be conducted at least annually by community colleges with active program agreements. Each community college will document its monitoring efforts and promptly notify the department of any changes.

68.6(8) Coordination with other state agencies.

a. Department of revenue. When a program agreement is approved for funding, the community college will notify the authority through the 260G data system, and the department will notify the department of revenue on behalf of the community college within 30 days of the date of its approval. Information to be provided to the department of revenue includes but is not limited to program agreement number, employer name, employer address, start and expiration dates, federal employer identification number, Iowa withholding permit number, wages, sponsored positions, and approved amount of program job credits. If, at any time after a program agreement is approved, changes are made that would affect the above reporting requirements, the department of revenue and the department will be notified within 30 days.

b. Department of education. Community colleges and the department will provide program data to the department of education as required.

68.6(9) Program costs for new and renewal program agreements will be calculated or recalculated based on the required program services for a specific number of participants. Program agreement updates reflecting this recalculation must be submitted to the department to review compliance.

These rules are intended to implement Iowa Code chapter 260G.

WORKFORCE DEVELOPMENT DEPARTMENT[871]

Regulatory Analysis

Notice of Intended Action to be published: 871—Chapter 69
“Innovative Businesses Internship Program”

Iowa Code section(s) or chapter(s) authorizing rulemaking: 15.411
State or federal law(s) implemented by the rulemaking: Iowa Code section 15.411

Public Hearing

A public hearing at which persons may present their views orally or in writing will be held as follows:

July 1, 2025
10:30 a.m.

[Microsoft Teams](#)
Meeting ID: 269 840 362 023 2
Passcode: UT7eL3AU
Dial in by phone: +1 469.998.6043
[Find a local number](#)
Phone conference ID: 440 242 943#

Public Comment

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by the Iowa Workforce Development (IWD) no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Dane Hopwood
Iowa Workforce Development
1000 East Grand Avenue
Des Moines, Iowa 50319
Phone: 515.672.4200
Email: dane.hopwood@iwd.iowa.gov

Purpose and Summary

The purpose of these proposed rules is to clarify the requirements of utilizing the funding of and administering Iowa’s Innovative Businesses Internship Program.

Analysis of Impact

1. **Persons affected by the proposed rulemaking:**
 - **Classes of persons that will bear the costs of the proposed rulemaking:**
Iowa employers will bear the costs.
 - **Classes of persons that will benefit from the proposed rulemaking:**
Iowa employers and students will benefit.
2. **Impact of the proposed rulemaking, economic or otherwise, including the nature and amount of all the different kinds of costs that would be incurred:**
 - **Quantitative description of impact:**
Iowa employers may have an administrative cost in applying for and overseeing their Innovative Businesses Internship Program, but these are the same administrative costs that existed as previous to this update.
 - **Qualitative description of impact:**

There is no qualitative impact because the proposed rules are substantially the same as the current rules.

3. Costs to the State:

• **Implementation and enforcement costs borne by the agency or any other agency:**

There are no implementation and enforcement costs other than the time IWD has spent completing the Red Tape Review.

• **Anticipated effect on State revenues:**

There is no anticipated effect on State revenues.

4. Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:

The proposed rulemaking makes no changes in costs and benefits. The same administrative costs will exist as previous to this proposed update.

5. Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:

No less costly or intrusive methods exist.

6. Alternative methods considered by the agency:

• **Description of any alternative methods that were seriously considered by the agency:**

Not applicable.

• **Reasons why alternative methods were rejected in favor of the proposed rulemaking:**

Not applicable.

Small Business Impact

If the rulemaking will have a substantial impact on small business, include a discussion of whether it would be feasible and practicable to do any of the following to reduce the impact of the rulemaking on small business:

• Establish less stringent compliance or reporting requirements in the rulemaking for small business.

• Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.

• Consolidate or simplify the rulemaking's compliance or reporting requirements for small business.

• Establish performance standards to replace design or operational standards in the rulemaking for small business.

• Exempt small business from any or all requirements of the rulemaking.

If legal and feasible, how does the rulemaking use a method discussed above to reduce the substantial impact on small business?

By updating the rules in this chapter, this proposed rulemaking simplifies the rule review.

Text of Proposed Rulemaking

ITEM 1. Rescind 871—Chapter 69 and adopt the following **new** chapter in lieu thereof:

CHAPTER 69
INNOVATIVE BUSINESSES INTERNSHIP PROGRAM

871—69.1(15) Authority. The authority for adopting rules establishing an innovative businesses internship program is provided in Iowa Code section 15.411(4).

871—69.2(15) Purpose. The purpose of the innovative businesses internship program is to link Iowa students to internship opportunities with innovative small- and medium-sized firms and to help such students convert their internships into employment opportunities.

871—69.3(15) Definitions.

“Board” means the members of the department appointed by the governor and in whom the powers of the department are vested pursuant to Iowa Code section 84A.1.

“Committee” means the technology commercialization committee established by the board pursuant to 261—Chapter 1.

“Community college” means a community college established under Iowa Code chapter 260C.

“Department” means Iowa workforce development created in Iowa Code section 84A.1.

“Director” means the director of Iowa workforce development.

“Innovative business” means the same as defined in Iowa Code section 15E.52(1) “c.”

“Internship” means temporary employment of a student that focuses on providing the student with work experience in the student’s field of study.

“Program” means the innovative businesses internship program established in this chapter.

“Prospective employee” means a student who is anticipated to be hired upon graduation.

“Student” means a student of one of the Iowa community colleges, private colleges, or institutions of higher learning under the control of the state board of regents or a student who graduated from high school in Iowa but attends an institution of higher learning outside the state of Iowa.

871—69.4(15) Program funding.

69.4(1) The maximum award amount that may be awarded for any single internship is \$3,100 or \$9,300 to any one employer.

69.4(2) Funds are to be used for reimbursement of wages during the designated internship period. Employers will pay students hired as interns an hourly wage that is at least twice the minimum wage.

69.4(3) The department will award funds to a business based upon department approval of a completed application and the execution of a contract between the business and the department.

69.4(4) A business may receive financial assistance on a matching basis for a portion of the wages paid to an intern. If providing financial assistance, the department will provide the assistance on a reimbursement basis such that for every two dollars of wages earned by the student, one dollar paid by the business is matched by one dollar from the department.

871—69.5(15) Eligible business. Eligible businesses may apply to the department for assistance under the program. The program is available to Iowa businesses that meet all of the following criteria:

69.5(1) The business is an Iowa-based business with fewer than 500 employees, with a significant portion employed within the state of Iowa.

69.5(2) The business is engaged in an innovative business.

69.5(3) The business offers the internship to students.

69.5(4) The business’s summer internships have a minimum duration of 8 weeks (a minimum of 240 hours per internship), and the business’s semester internships have a minimum duration of 14 weeks (a minimum of 140 hours per internship).

871—69.6(15) Ineligible business. The following businesses are not eligible for this program:

69.6(1) A business that is engaged in retail sales or that provides health services.

69.6(2) A business that closes or substantially reduces its workforce by more than 20 percent at existing operations in order to relocate substantially the same operations to another area of the state is ineligible for 36 consecutive months at any of its Iowa sites from the date the new establishment opens.

871—69.7(15) Eligible students. Students who are within one to two years of graduation and enrolled at one of Iowa's community colleges, private colleges, or institutions of higher learning under the control of the state board of regents are eligible. A student as defined in this chapter is eligible for an internship under this rule. The department will encourage youth who reside in economically distressed areas, youth adjudicated to have committed a delinquent act, and youth transitioning out of foster care to participate in the program.

871—69.8(15) Ineligible students. Students who are more than two years from graduation are ineligible. Students who are immediate family members of management employees or board members of the applicant business are ineligible. Students who do not otherwise meet the eligibility requirements described in rule 871—69.7(15) are not eligible.

871—69.9(15) Application submittal and review process.

69.9(1) The department will develop a standardized application and make the application available to eligible businesses. To apply for assistance under the program, a business will submit an application to the department. Required forms and instructions are available by contacting the department or from the department's website at www.workforce.iowa.gov.

69.9(2) Applications will be reviewed and scored by department staff. The director of the department will make final funding decisions after considering the recommendations of staff. The director has final decision-making authority on requests for financial assistance for this program. The director may approve, defer or deny an application.

871—69.10(15) Application content and other requirements.

69.10(1) A business seeking assistance under the program will submit a complete application to the department. Successful applicants will enter into a contract with the department prior to posting or advertising the internship.

69.10(2) If an award is made, the business will secure an intern or interns within the time period stated in the contract between the department and the business.

69.10(3) The application will include but not be limited to all of the following:

a. The dates and location of the internship.

b. A statement of duties the intern will perform at the business site and how the duties correlate to a substantive experience in one or more of the following areas: research and development; engineering; process management and production; product experimentation and analysis; product development; market research; business planning; and administration. The application will also include information regarding the intern's work space (e.g., access to telephone, computer, and other necessary items).

c. The name of the business's representative who will train and supervise the intern.

d. A statement of the anticipated workforce needs at the business and the student's potential for prospective employment with the business following graduation.

69.10(4) The department reserves the right to require additional information from the business.

871—69.11(15) Selection process. Applications will be reviewed in the order received by the department. The director may approve, defer or deny each application for financial assistance based on the availability of funds. The department will score applications according to the criteria specified in rule 871—69.12(15). Applications that receive a minimum score of 65 out of a possible 100 points and meet all other eligibility criteria specified in these rules will be considered for funding.

871—69.12(15) Application scoring criteria. When applications for financial assistance under the program are reviewed, the following criteria will be considered and scored as described below:

69.12(1) The extent to which the student is involved in a substantive experience in one or more of the following areas: research and development; engineering; process management and production;

product experimentation and analysis; product development; market research; business planning; and administration. 25 points.

69.12(2) The quality and sufficiency of the explanation of the business's anticipated workforce needs and of the student's potential for prospective employment with the business following graduation. 20 points.

69.12(3) The extent to which the internship duties require independent judgment, creativity, and intelligence to complete and contribute to the business's goals or processes. 10 points.

69.12(4) The extent to which the internship will have a positive impact on the intern's skills, knowledge and abilities. 15 points.

69.12(5) The extent to which the internship pays more than twice the minimum wage. 10 points.

69.12(6) The business's contribution to the internship program is above the minimum program match requirement. 10 points.

69.12(7) Whether applications will be accepted by the employer from more than one private college, university or community college. 5 points.

69.12(8) Whether the application establishes that all considerations, including funding required to begin the internship, have been addressed. 5 points.

871—69.13(15) Contract and reporting.

69.13(1) *Notice of award.* Successful applicants will be notified in writing of an award of assistance, including any conditions and terms of the approval.

69.13(2) *Contract required.* The department will execute a standard contract, which includes but is not limited to a description of the internship to be completed, conditions to disbursement, required reports, the applicable events of default, the repayment requirements imposed in the event of default, and other specific repayment provisions that may be established from time to time on a case-by-case basis.

69.13(3) *Reporting.* A business that has been awarded assistance under the program will submit any information requested by the department in sufficient detail to permit the department to prepare any reports required by the department, the board, the general assembly or the governor's office.

69.13(4) *Contract amendments.* The board does not need to approve a contract amendment. The director may approve contract amendments consistent with 2011 Iowa Acts, House File 590, section 9. These rules are intended to implement Iowa Code section 15.411(4).

WORKFORCE DEVELOPMENT DEPARTMENT[871]

Regulatory Analysis

Notice of Intended Action to be published: 871—Chapter 75
“STEM Internship Program”

Iowa Code section(s) or chapter(s) authorizing rulemaking: 15.411

State or federal law(s) implemented by the rulemaking: Iowa Code section 15.411

Public Hearing

A public hearing at which persons may present their views orally or in writing will be held as follows:

July 1, 2025
11 a.m.

[Microsoft Teams](#)

Meeting ID: 293 767 963 717 4

Passcode: pf69Y26P

Dial in by phone: +1 469.998.6043

[Find a local number](#)

Phone conference ID: 749 128 679#

Public Comment

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by Iowa Workforce Development (IWD) no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Dane Hopwood
Iowa Workforce Development
1000 East Grand Avenue
Des Moines, Iowa 50319
Phone: 515.672.4200
Email: dane.hopwood@iwd.iowa.gov

Purpose and Summary

The purpose of these proposed rules is to clarify the requirements of utilizing the funding of and administering Iowa’s STEM Internship Program.

Analysis of Impact

1. Persons affected by the proposed rulemaking:

- **Classes of persons that will bear the costs of the proposed rulemaking:**

Iowa employers will bear the costs.

- **Classes of persons that will benefit from the proposed rulemaking:**

Iowa employers and students will benefit.

2. Impact of the proposed rulemaking, economic or otherwise, including the nature and amount of all the different kinds of costs that would be incurred:

- **Quantitative description of impact:**

Iowa employers may have an administrative cost in applying for and overseeing their STEM Internship Program, but these are the same administrative costs that existed before this update.

- **Qualitative description of impact:**

There is no qualitative impact because the proposed rules are substantially the same as the current rules.

3. **Costs to the State:**

- **Implementation and enforcement costs borne by the agency or any other agency:**

There are no implementation or enforcement costs other than the time IWD has spent completing the red tape review.

- **Anticipated effect on State revenues:**

There is no anticipated effect on State revenues.

4. **Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:**

The proposed rulemaking makes no changes in costs and benefits. The same administrative costs will exist as previous to this update.

5. **Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:**

No less costly or intrusive methods exist.

6. **Alternative methods considered by the agency:**

- **Description of any alternative methods that were seriously considered by the agency:**

Not applicable.

- **Reasons why alternative methods were rejected in favor of the proposed rulemaking:**

Not applicable.

Small Business Impact

If the rulemaking will have a substantial impact on small business, include a discussion of whether it would be feasible and practicable to do any of the following to reduce the impact of the rulemaking on small business:

- Establish less stringent compliance or reporting requirements in the rulemaking for small business.
- Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.
- Consolidate or simplify the rulemaking's compliance or reporting requirements for small business.
- Establish performance standards to replace design or operational standards in the rulemaking for small business.
- Exempt small business from any or all requirements of the rulemaking.

If legal and feasible, how does the rulemaking use a method discussed above to reduce the substantial impact on small business?

By updating the rules in Chapter 75, this proposed rulemaking simplifies the rule review.

Text of Proposed Rulemaking

ITEM 1. Rescind 871—Chapter 75 and adopt the following **new** chapter in lieu thereof:

CHAPTER 75
STEM INTERNSHIP PROGRAM

871—75.1(15,85GA,ch1132,86GA,SF510) Authority. The authority for adopting rules establishing a STEM internship program is provided in Iowa Code sections 15.411(5) and 15.106A.

871—75.2(15,85GA,ch1132,86GA,SF510) Purpose. The purpose of the STEM internship program is to assist in placing Iowa students studying in the fields of science, technology, engineering, and mathematics into internships that lead to permanent positions with Iowa employers.

871—75.3(15) Definitions.

“Board” means the members of the department appointed by the governor and in whom the powers of the department are vested pursuant to Iowa Code section 84A.1.

“Committee” means the technology commercialization committee established by the board pursuant to 261—Chapter 1.

“Community college” means a community college established under Iowa Code chapter 260C.

“Department” means Iowa workforce development created in Iowa Code section 84A.1.

“Designated internship period” means the summer or semester internship during which a student is employed in an internship.

“Director” means the director of Iowa workforce development.

“Employer” means any enterprise located in this state that is operated for profit and under a single management.

“Internship” means temporary employment of a student that focuses on providing the student with work experience in the student’s field of study.

“Program” means the STEM internship program established in this chapter.

“STEM field” means a major course of study within the fields of science, technology, engineering, or mathematics or a related field. For purposes of this chapter, “STEM field” includes all majors and academic or degree programs listed on the ACT-defined STEM majors and occupations by area list. The ACT-defined STEM majors and occupations by area list may be found at www.act.org. If a student has declared a major or is enrolled in an academic or degree program not listed on the ACT-defined STEM majors and occupations by area list, the student may still be found eligible for participation in the program if, in the department’s sole discretion, the student’s major is substantially similar to a major that is listed on the ACT-defined STEM majors and occupations by area list.

“Student” means a student of one of the Iowa community colleges, private colleges, or institutions of higher learning under the control of the state board of regents or a student who graduated from high school in Iowa but now attends an institution of higher learning outside the state of Iowa.

871—75.4(15,85GA,ch1132,86GA,SF510) Program funding and disbursement.

75.4(1) The maximum amount that may be awarded to an employer for any one internship is \$5,000. The maximum amount that may be awarded to any one employer in any one fiscal year is \$50,000.

75.4(2) Funds are to be used for reimbursement of wages paid during the designated internship period. An employer will pay students hired as interns an hourly wage that is at least twice the minimum wage.

75.4(3) The department will award funds to an employer only after approval of a completed application and execution of a contract between the employer and the department. The department will have sole discretion in determining whether an application is fully complete.

75.4(4) An Iowa employer may qualify for financial assistance under the program on a matching basis for a portion of the wages paid to an intern during the designated internship period. If providing financial assistance, the department will provide the assistance on a reimbursement basis such that for every two dollars of wages earned by the student, one dollar paid by the employer is matched by one dollar from the department.

871—75.5(15,85GA,ch1132,86GA,SF510) Eligible employers. Eligible employers may apply to the department for assistance under the program. The program is available to employers that meet all of the following criteria:

75.5(1) The employer is an Iowa-based business and has a significant portion of its employees located within the state of Iowa.

75.5(2) The employer employs students who have either declared a major in a STEM field or who are enrolled in a STEM-related academic or degree program at a community college. The students are employed as interns at a location in Iowa.

75.5(3) The employer offers the internship to students of Iowa community colleges, private colleges, or institutions of higher learning under the control of the state board of regents or to students who graduated from high school in Iowa but attend an institution of higher learning outside the state of Iowa.

75.5(4) The employer offers either summer or semester-based internships. The summer internships have a minimum duration of 8 weeks (a minimum of 240 hours per internship), and the semester internships have a minimum duration of 14 weeks (a minimum of 140 hours per internship).

871—75.6(15,85GA,ch1132,86GA,SF510) Ineligible employers. The following employers are not eligible for the program:

75.6(1) An employer that is a business engaged in retail sales.

75.6(2) An employer that closes or substantially reduces its workforce by more than 20 percent at existing operations in order to relocate substantially the same operations to another area of the state is ineligible for 36 consecutive months at any of its Iowa sites from the date the new establishment opens.

75.6(3) An employer that has applied or will apply during the same state fiscal year to the innovative businesses internship program under 871—Chapter 69 is ineligible to receive funding under the STEM internship program.

871—75.7(15,85GA,ch1132,86GA,SF510) Eligible students. To be eligible, a person meets the requirements of a “student” as defined in rule 871—75.3(15) and is a person who is within one to two years of graduation, has declared a major in a STEM field or is enrolled in a STEM-related academic or degree program at a community college, and is hired for an internship at an Iowa employer during a designated internship period.

871—75.8(15,85GA,ch1132,86GA,SF510) Ineligible students. Students who are more than two years from graduation are ineligible. Students who have not declared a major in a STEM field or are not enrolled in a STEM-related academic or degree program at a community college are ineligible. Students who are immediate family members of management employees or board members of the applicant employer are ineligible. Students who do not otherwise meet the eligibility requirements described in rule 871—75.7(15,85GA,ch1132,86GA,SF510) are ineligible.

871—75.9(15,85GA,ch1132,86GA,SF510) Application submittal and review process.

75.9(1) The department will develop a standardized application and make the application available to eligible employers. To apply for assistance under the program, an employer will submit an application to the department. Required forms and instructions are available by contacting the department or from the department’s Internet site at www.workforce.iowa.gov.

75.9(2) Applications will be reviewed and scored by the staff of the department. The director of the department will make final funding decisions after considering the recommendations of staff. The director has final decision-making authority on requests for financial assistance for this program. The director may approve, defer or deny an application.

871—75.10(15,85GA,ch1132,86GA,SF510) Application content and other requirements.

75.10(1) An employer seeking assistance under the program will submit a complete application to the department.

75.10(2) If an award is made, the employer will secure an intern or interns within the time period stated in the contract between the department and the employer.

75.10(3) The application will include but not be limited to all of the following:

a. The dates and location of the internship.

b. A statement of duties the student will perform at the internship site and how the duties correlate to a substantive experience in an area closely related to the student’s STEM field. The

application will also include information regarding the student's work space (e.g., access to telephone, computer, and other necessary items).

c. The name of the employer's representative who will train and supervise the student.

d. A statement of the anticipated workforce needs at the internship site and the student's potential for prospective employment with the employer following graduation.

75.10(4) In accepting applications from employers, the department may require additional information reasonably related to the program.

871—75.11(15,85GA,ch1132,86GA,SF510) Award process. Applications will be reviewed in the order received by the department. The department will attempt to award as many eligible internships as funding allows. However, the department may deny applications for incompleteness or because of insufficient funds. The department will score applications according to the criteria specified in rule 871—75.12(15,85GA,ch1132,86GA,SF510). Applications that receive a minimum score of 65 out of a possible 100 points and meet all other eligibility criteria specified in these rules will be considered for funding.

871—75.12(15,85GA,ch1132,86GA,SF510) Application scoring criteria. When applications for financial assistance under the program are reviewed, the following criteria will be considered and scored as described below:

75.12(1) The extent to which the student is involved in a substantive experience closely related to the student's STEM field of study. 30 points.

75.12(2) The quality and sufficiency of the explanation of the employer's anticipated workforce needs and of the student's potential for prospective employment with the employer or another Iowa employer following graduation. 30 points.

75.12(3) The extent to which the internship duties require independent judgment, creativity, and intelligence to complete and contribute to the employer's goals or processes. 10 points.

75.12(4) The extent to which the internship will have a positive impact on the student's skills, knowledge and abilities. 10 points.

75.12(5) The extent to which the internship pays more than twice the minimum wage. 10 points.

75.12(6) Whether applications will be accepted by the employer from more than one private college, university or community college. 5 points.

75.12(7) Whether the application establishes that all relevant internship considerations, including necessary funding, have been addressed by the employer in advance. 5 points.

871—75.13(15,85GA,ch1132,86GA,SF510) Contract and reporting.

75.13(1) *Notice of award.* Successful applicants will be notified in writing of an award of assistance, including any conditions and terms of the approval.

75.13(2) *Contract required.* An employer receiving an award under the program will execute a standard contract prepared by the department. The contract may include but is not limited to a description of the internship to be completed, the conditions for disbursement, required reporting, the applicable events of default, the repayment requirements imposed in the event of default, and any other specific provisions that may be established from time to time on a case-by-case basis.

75.13(3) *Reporting.* An employer receiving assistance under the program will submit any information reasonably requested by the department in sufficient detail to permit the department to prepare any reports required by the department, the board, the general assembly or the governor's office.

75.13(4) *Contract amendments and terminations.* Contract amendments or termination may be approved by the director without board approval.

These rules are intended to implement 2014 Iowa Acts, chapter 1132, section 12, and Iowa Code section 15.411(5).

ADMINISTRATIVE SERVICES DEPARTMENT

Public Notice

NOTICE OF OFFICIAL PUBLICATION RATE INCREASE FOR THE FISCAL YEAR COMMENCING JULY 1, 2025, AND ENDING JUNE 30, 2026

In accordance with Iowa Code section 618.11, the Iowa Department of Administrative Services Director hereby publishes the lineage rate* for newspaper publications of any order, citation, or other publication required or allowed by law (also known as official publications) for the period commencing on July 1, 2025, and ending on June 30, 2026, in the following amounts:

* Lineage rate: "...each line of eight point type two inches in length, or its equivalent." (Iowa Code section 618.11)

One insertion = 62.9 cents

Each subsequent insertion = 42.5 cents

The rate becomes effective on July 1, 2025. The rate was determined by applying the formula specified in the statute. According to the federal Department of Labor, Bureau of Labor Statistics, the consumer price index for all urban consumers increased 2.3% for the 12 months ended April 2025. The April index was the most recent index available as of May 13, 2025, the date this notice was submitted for publication.

Pursuant to Iowa Code section 618.11, the calculation and publication of the rate by the Director of the Department of Administrative Services shall be exempt from the provisions of Iowa Code chapters 17A and 25B.

If you have questions regarding this notice, please contact:

Adam Steen, Director
Department of Administrative Services
1305 East Walnut Street, Third Floor
Des Moines, Iowa 50319
Telephone: 515.720.6176
Email: adam.steen@iowa.gov

ARC 9334C

TRANSPORTATION DEPARTMENT[761]

Notice of Intended Action

Proposing rulemaking related to interstate motor vehicle fuel licenses and permits and providing an opportunity for public comment

The Transportation Department hereby proposes to rescind Chapter 505, "Interstate Motor Vehicle Fuel Licenses and Permits," Iowa Administrative Code, and to adopt a new chapter with the same title.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code sections 307.12(1)"j" and 452A.59.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapter 452A.

Purpose and Summary

This rulemaking proposes to repromulgate Chapter 505 in compliance with Executive Order 10. Proposed Chapter 505 complies with Iowa Code chapter 452A by outlining the application and eligibility requirements to obtain fuel licenses and permits for operation and movement of vehicles for interstate commerce. An International Fuel Tax Agreement (IFTA) fuel license or permit is required before commercial vehicles registered in Iowa may operate in other jurisdictions.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on March 19, 2025. A public hearing was held on the following date(s):

- April 11, 2025

The Department received no comments.

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa.

Jobs Impact

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

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 761—Chapter 11.

Public Comment

Any interested person may submit written or oral comments concerning this proposed rulemaking, which must be received by the Department no later than 4:30 p.m. on July 1, 2025. Comments should be directed to:

Sara Siedsma
Department of Transportation
DOT Rules Administrator, Office of the Director
800 Lincoln Way
Ames, Iowa 50010
Phone: 515.237.3058
Email: sara.siedsma@iowadot.us

Public Hearing

Public hearings at which persons may present their views orally will be held as follows:

July 1, 2025 9 to 9:30 a.m.	Microsoft Teams link Or dial: 515.817.6093 Conference ID: 973 584 641#
July 1, 2025 2 to 2:30 p.m.	Microsoft Teams link Or dial: 515.817.6093 Conference ID: 390 122 549#

Persons who wish to make oral comments at a public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rulemaking.

Any persons who intend to attend a public hearing and have special requirements, such as those related to hearing impairments, should contact Sara Siedsma and advise of specific needs.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Rescind 761—Chapter 505 and adopt the following new chapter in lieu thereof:

CHAPTER 505
INTERSTATE MOTOR VEHICLE FUEL LICENSES AND PERMITS

761—505.1(452A) Definitions. The definitions in Iowa Code sections 452A.2, 452A.40 and 452A.57, where not inconsistent with the definitions below, apply to this chapter. In addition:

“*Department*” means the department of transportation.

“*Director*” means the director of transportation or the director’s designee.

“*Fuel(s)*” means and includes “motor fuel” and “special fuel” as defined in Iowa Code section 452A.2.

“*Fuel license*” or “*license*” means an IFTA license issued pursuant to Iowa Code section 452A.53.

“*Hydrogen gallon*” means a diesel gallon equivalent. A diesel gallon equivalent of hydrogen weighs 2.49 pounds.

“*IFTA*” means the International Fuel Tax Agreement, which is a multijurisdictional agreement for the administration of motor fuel tax laws for vehicles operated in multiple member jurisdictions.

“*IFTA member jurisdiction*” means a jurisdiction that is a member of the IFTA. A list of jurisdictions and their membership statuses may be obtained by contacting the motor vehicle division.

“*Lease*” means a contract or agreement by which a vehicle owner (lessor) provides a vehicle to a person or company (lessee) for use during a specified period of time.

1. “*Long-term lease*” means a lease for a period of 30 days or more.

2. “*Short-term lease*” means a lease for a period of 29 days or less, including trip leases. Back-to-back leases of 29 days or less are considered short-term leases.

“*Licensee*” means any person who holds a valid fuel license.

“*Non-IFTA member jurisdiction*” means a jurisdiction that is not a member of the IFTA. A list of jurisdictions and their membership statuses may be obtained by contacting the motor vehicle division.

“*Permittee*” means any person who holds a valid temporary fuel permit.

“*Qualified motor vehicle*” means a motor vehicle or combination of vehicles used or designed to transport persons or property if any of the following apply:

1. The vehicle or combination of vehicles weighs more than 26,000 pounds.

2. The vehicle or combination of vehicles is registered for more than 26,000 pounds.

3. The power unit has three or more axles.

“*Qualified motor vehicle*” does not include recreational vehicles.

“*Quarter*” means calendar quarter, January 1 through March 31, April 1 through June 30, July 1 through September 30 and October 1 through December 31.

“*Temporary fuel permit*” or “*temporary permit*” means a single trip fuel permit issued pursuant to Iowa Code section 452A.53.

This rule is intended to implement Iowa Code sections 452A.2, 452A.40, 452A.57 and 452A.59.

761—505.2(452A) General information.

505.2(1) *Information and location.* Applications, forms and information on interstate motor vehicle fuel permits and licenses are available on the department's website at www.iowadot.gov/mvd/motorcarriers/IFTA/File-IFTA; by mail from the Motor Vehicle Division, Iowa Department of Transportation, P.O. Box 10382, Des Moines, Iowa 50306-0382; in person at 6310 SE Convenience Blvd., Ankeny, Iowa; by telephone at 515.237.3268; by facsimile at 515.237.3225; or by email at omcs@iowadot.us.

505.2(2) *Organizational data.* The motor vehicle division is authorized pursuant to Iowa Code chapter 452A to:

- a. Issue fuel licenses or temporary fuel permits.
- b. Compute and collect interstate motor fuel taxes.
- c. Refund overpayments of interstate fuel taxes.
- d. Administer agreements with other jurisdictions for the collection and refund of interstate motor fuel tax. Pursuant to Iowa Code section 452A.56, the department has adopted and incorporates into this chapter the IFTA effective January 2025. IFTA governing documents do not create rights for the taxpayer.

505.2(3) *Waiver of rules.* In accordance with 761—Chapter 11, the director may, in response to a petition, waive provisions of this chapter. A waiver will not be granted unless the director finds that special or emergency circumstances exist.

“Special or emergency circumstances” means one or more of the following:

- a. Circumstances where the movement is necessary to cooperate with cities, counties, other state agencies or other states in response to a national or other disaster.
- b. Circumstances where the movement is necessary to cooperate with national defense officials.
- c. Circumstances where the movement is necessary to cooperate with public or private utilities in order to maintain their public services.
- d. Circumstances where the movement is essential to ensure safety and protection of any person or property due to events, such as but not limited to pollution of natural resources, a potential fire or an explosion.
- e. Circumstances where weather or transportation problems create an undue hardship for citizens of the state of Iowa.
- f. Circumstances where the movement involves emergency-type vehicles.
- g. Uncommon or extraordinary circumstances where the movement is essential to the existence of an Iowa business and the move may be accomplished without causing undue hazard to the safety of the traveling public or undue damage to private or public property.

This rule is intended to implement Iowa Code sections 452A.51, 452A.56 and 452A.59.

761—505.3(452A) General stipulations.

505.3(1) *IFTA member requirements.* In order to enter this state and not be in violation of Iowa Code section 452A.52, the operator of the qualified motor vehicle based in an IFTA member jurisdiction must do one of the following:

- a. Possess a fuel license pursuant to Iowa Code section 452A.53.
- b. Purchase a temporary fuel permit pursuant to Iowa Code section 452A.53 and subrule 505.3(9) when entering or before entering the state.

505.3(2) *Non-IFTA member requirements.* The operator of a qualified motor vehicle based in a non-IFTA member jurisdiction must do one of the following:

- a. Possess a fuel license pursuant to Iowa Code section 452A.53.
- b. Purchase a temporary fuel permit pursuant to Iowa Code section 452A.53 and subrule 505.3(9) when entering or before entering the state.
- c. Enter the state with 30 gallons of fuel or less.
- d. Enter the state with less than 350 kilowatt hours of electric fuel.
- e. Enter the state with only Iowa tax paid fuel.

505.3(3) *Determination of fuel supply.*

a. To determine if a vehicle has entered the state with more than 30 gallons of fuel, the total of all fuel in all tanks that could be used to fuel the power source of the vehicle shall be considered to reach a total gallonage, or diesel gallon equivalent. The fuel tank connected to a “reefer unit,” which can neither be directly nor indirectly connected to the power source of the vehicle, shall not be considered in arriving at the 30-gallon total.

b. To determine if a vehicle has entered the state with more than 350 kilowatt hours of electric fuel, the total of all electric fuel in the batteries or other energy storage devices of a commercial motor vehicle shall be considered to reach total kilowatt hours, regardless of whether the batteries or storage devices are connected to the motor of the vehicle.

505.3(4) *Fuel license.*

a. A fuel license may be obtained from the motor vehicle division, provided the following information is included with the application:

(1) Name and address of company or corporation or owner who operates or controls the qualified motor vehicle(s).

(2) Name(s) and address(es) of principal or corporate officers.

(3) Signature and telephone number of contact person.

(4) A power of attorney if someone other than an officer or employee of the company will be completing quarterly reports or requesting information from the department.

(5) Any other information required by the department.

b. The fuel license remains valid until canceled or revoked. The reporting and computation procedure for a fuel license allows for the payment of taxes due and a refund of any overpayment. All persons holding a valid fuel license must file quarterly reports with the department.

505.3(5) *Number of temporary permits or licenses required.* No vehicle may operate under more than one license or temporary permit at a time.

505.3(6) *Possession of the license or temporary permit.* A license or temporary permit must be carried in the vehicle. More than one vehicle may be operated and reported under the same license by making a photocopy of the license and carrying it in each vehicle operating under said license. A license, copy of a license or temporary permit is void if altered. A duplicate license may be purchased from the motor vehicle division.

505.3(7) *Cancellation and reissuance.*

a. If a qualified motor vehicle operating under a license is consistently operated only within the state or only outside the state, the licensee or the department shall request that the license be canceled for nonuse.

b. A fuel license that has been canceled for cause pursuant to Iowa Code section 452A.68 may be reinstated if a bond is filed.

505.3(8) *Bond requirements.*

a. The department will require a bond when:

(1) A previous fuel licensee is reapplying for a fuel license and has two or more outstanding fuel billings due for periods within the three years prior to date of application for a new license.

(2) A previous fuel licensee is reapplying for a new fuel license and has failed to file two or more reports for a calendar year within the three years prior to date of application for a new license.

(3) A previous fuel licensee is reapplying for a new license and has filed reports late for two or more reporting periods for a calendar year within the three years prior to date of application for a new fuel license.

(4) The department determines from an audit that a bond is required to protect the interests of member jurisdictions.

b. Bonds are to be made payable to the state of Iowa, in the minimum amount of \$500 or the equivalent to at least twice the estimated average tax liability for the reporting period in which the licensee will be required to file a tax return, whichever is greater.

c. A new license will not be issued until a copy of the bond is filed with the motor vehicle division. The motor vehicle division must be notified of bond cancellation 30 days before the cancellation is effective.

505.3(9) Temporary fuel permits.

a. A temporary fuel permit may be obtained by any person operating a qualified motor vehicle that is not otherwise covered by a license. The temporary permit may be obtained from the motor vehicle division. The temporary permit may also be obtained from a permit service or a processing agent. An application for a temporary permit may be made by phone, by facsimile or electronically to the motor vehicle division. Permittees who purchase temporary fuel permits in advance of use may not return unused permits for refund.

b. The temporary fuel permit is valid for 72 consecutive hours from the date and hour appearing on the temporary permit or upon departure from Iowa, whichever occurs first. A new temporary permit is required in order to reenter the state. While a permittee is operating under a temporary permit, unlimited travel is allowed within Iowa. No refund of tax paid on overpurchases of Iowa fuel is allowed.

c. An application for a temporary fuel permit is to include but is not limited to the following information:

- (1) The name and address of the person who owns or controls the vehicle.
- (2) The make, year, serial number, license number and unit number of the vehicle.
- (3) The address to which the temporary permit is to be sent, if applicable.

d. The temporary permit fee shall also accompany the application unless a method of collection upon delivery is requested.

e. A temporary permit is not eligible to be transferred and is valid only for the carrier and the vehicle that are described on the permit. Once a temporary permit has been issued to a qualified motor vehicle, the purchase price is nonrefundable.

f. The completed temporary permit must be carried in the qualified motor vehicle for which it is issued.

g. The 72-hour period for which the temporary permit is valid may be extended for “emergencies,” such as extreme weather conditions when travel is not advisable or other instances, at the discretion of the motor vehicle division.

h. A temporary fuel permit is invalid if the permittee has outstanding IFTA fuel tax bills.

i. Fees for a temporary permit may be paid by cash, company or personal check or credit card.

505.3(10) Qualified motor vehicles on lease.

a. *Long-term lease.* Under normal circumstances, the lessee is responsible for reporting all mileage and fuel activity unless otherwise specified by the lease. Supporting documentation, including the lease, must be made available to the department to confirm the reporting responsibility.

b. *Short-term lease.* The lessor is responsible for reporting all mileage and fuel activity unless otherwise specified by the lease. Supporting documentation, such as a maintenance agreement or lease, must be made available to the department to confirm the reporting responsibility.

c. *Purchase receipts.* Purchase receipts must be made out in the name of the lessor, in the name of the lessee or to cash and must identify the vehicle for which the purchase is made by showing one of the following: vehicle license number, full vehicle identification number (VIN) or vehicle unit number.

This rule is intended to implement Iowa Code sections 452A.52 through 452A.54, 452A.58, 452A.59 and 452A.68.

761—505.4(452A) Quarterly reports.

505.4(1) Failure to file. All valid fuel licensees shall file quarterly reports with the department, even if a licensee has not traveled in Iowa. Failure to file is cause for revocation of the license and assessment of a penalty.

505.4(2) Filing deadline. All persons holding a valid fuel license, pursuant to the provisions of Iowa Code section 452A.53, shall file quarterly reports with the department and either remit any tax due no later than the last day of the month following the last day of the quarter covered by the report, or request a refund no later than the last day of the third month following the last day of the quarter covered by the report. If the claim for refund is filed after that date, no refund will be allowed.

505.4(3) *Reporting multiple vehicles on single license.* The licensee shall select which vehicles may be operated under the license. All miles traveled, interstate and intrastate, and all fuel purchased for those vehicles shall be reported on a consistent basis.

505.4(4) *Tax refund.* Refunds will be computed separately for each fuel type. If a refund for a fuel type does not exceed \$10, it will not be processed unless there is more than one type of fuel reported on one return and the combined refunds for all fuel types exceed \$10.

505.4(5) *Refunds of tax on fuel purchased in Iowa and consumed out of Iowa.* Even when fuel is purchased in Iowa, fuel tax is paid in Iowa and the excess fuel tax paid is subject to refund under the provisions of Iowa Code chapter 452A, relating to interstate motor vehicle operation, the refund is not subject to state sales tax.

505.4(6) *Timely filing of report.*

a. The interstate fuel tax report required under Iowa Code section 452A.54 will be deemed timely filed if received by the motor vehicle division or postpaid, properly addressed and postmarked by the United States Postal Service on or before midnight of the filing deadline. If the filing date falls on a Saturday, Sunday or legal holiday, the next secular or business day is the filing deadline.

b. All reports and remittances shall be filed online at the department's website; mailed to the Motor Vehicle Division, Iowa Department of Transportation, P.O. Box 10382, Des Moines, Iowa 50306-0382; delivered in person to 6310 SE Convenience Blvd., Ankeny, Iowa; sent by facsimile to 515.237.3225 or email to omcs@iowadot.us.

c. If a report or remittance is not received by the department and the taxpayer can prove by competent evidence that the return or remittance was timely filed, the report will be considered timely filed. For the purpose of this rule, "competent evidence" means evidence in addition to the testimony of the sender sufficient or adequate to prove that the document was mailed on a specific date.

505.4(7) *Extension of time to file.* The department may grant an extension for the filing of any required report or tax payment. In order for an extension to be granted, the application requesting such extension must be filed with the department prior to the due date of the report or remittance. In determining whether an application for extension is timely filed, the provisions of subrules 505.4(2) and 505.4(6) apply. The application for extension shall be accompanied by an explanation of the circumstances justifying an extension. Any extension granted will be documented on a form issued by the department indicating the length of the extension. This form shall be attached to the report when it is filed. If an extension is granted, the penalties under Iowa Code section 452A.65 applicable to a late-filed report or remittance do not accrue until the expiration of the extension period.

505.4(8) *Penalties.*

a. A penalty of \$50 or 10 percent of the total tax due, whichever is greater, is assessed against the taxpayer if the report is not filed by the due date in accordance with subrule 505.4(6).

b. If the quarterly report shows no taxes owed or a refund due, the penalty for filing a report after the due date is \$50.

505.4(9) *Interest.* Interest at the rate established pursuant to Iowa Code chapter 421 will be assessed against the taxpayer for each month the tax remains unpaid. The interest will accrue from the date the return was required to be filed. Interest does not apply to any penalty. Each fraction of a month will be considered a full month for the computation of interest.

505.4(10) *Application of remittance.* All payments will be first applied to the interest, then to the penalty and then the balance, if any, on the amount of tax then due.

a. If a taxpayer remits a payment on or before the due date, but the payment is insufficient to discharge the tax liability, the entire amount of such payment will be applied to the tax. Any penalty or interest subsequently assessed will be based on the unpaid portion of the tax.

b. If the department determines there is additional tax due from a taxpayer, interest and penalty will accrue on that amount from the date the tax should have been reported and paid.

505.4(11) *Reports, records and variations.* The department will prescribe and furnish all forms upon which reports, claims for refund, temporary permits and license applications are to be made under Iowa Code chapter 452A.

a. If the information required in these documents is presented to the department on forms or in a manner other than on the prescribed form, the report, application or claim will not be deemed “filed.”

b. The fact that the reporting party does not have the prescribed form is not an acceptable reason for failure to file. The motor vehicle division may be contacted to request copies of any necessary forms.

505.4(12) *Estimating gallonage or kilowatt hours used.*

a. In the event the taxpayer’s records for a specific vehicle, or vehicles, in the fleet are lacking or inadequate to support any report filed or to determine the tax liability, the department is authorized to estimate the gallonage or kilowatt hours used upon which tax is due. This estimation will be based upon such factors, including but not limited to the following:

- (1) Prior experience of the licensee.
- (2) Licensees with similar operations.
- (3) Other vehicles in the fleet with similar operations.
- (4) Industry averages.
- (5) Records available from fuel distributors or other third parties.
- (6) Other pertinent information the base jurisdiction may obtain or examine.

b. In the event the taxpayer’s records for the fleet as a whole are lacking or inadequate to support any report filed or to determine the tax liability, the department is authorized to do either of the following when estimating gallonage or kilowatt hours used upon which tax is due:

- (1) Reduce the vehicle miles per gallon or kilowatt hours by 20 percent.
- (2) Adjust the vehicle miles per gallon to 4.00 or the kilowatt hours to 1.7.

c. The findings of the department as to the amount of fuel taxes due from any person are presumed to be the correct amount and in any litigation that may follow, the certificate of the department shall be admitted in evidence and shall:

- (1) Be considered to be true and accurate unless shown otherwise by an objecting party.
- (2) Impose upon the other party the burden of showing any error in the department’s finding and the extent thereof or that the finding was contrary to law.

505.4(13) *Information confidential.* Iowa Code section 452A.63, which makes all information obtained from reports or records required to be filed or kept under Iowa Code chapter 452A confidential, applies generally to the director, auditors, agents, officers, or other employees of the department. However, any person having acquired information disclosed in a taxpayer’s filed report is bound by the same rules of confidentiality. The information may only be divulged to the appropriate public officials enumerated in Iowa Code section 452A.63.

505.4(14) *Taxes erroneously or illegally collected.* Any licensee is entitled to a refund of taxes, penalties or interest erroneously or illegally collected by the department or as a result of a computation error. The claim must be filed within a year of payment and accompanied by evidence to support the claim. If the request for refund includes the return of penalties or interest, the interest or penalties will be refunded in the same proportion as the tax.

505.4(15) *Supplemental billings.* The amount due is payable upon being billed by the motor vehicle division. Billings will be generated by the department for the collection of additional amounts due in the following circumstances:

- a.* Penalties are assessed under the provisions of subrule 505.4(8).
- b.* Interest is assessed under the provisions of subrule 505.4(9).
- c.* An error in the computation on the front of the report results in additional tax due.
- d.* There is a failure to remit payment for part or all of the tax due with the filed report.
- e.* Payment is remitted and subsequently not honored.
- f.* Taxes, penalties or interest are assessed as the result of an audit.

This rule is intended to implement Iowa Code sections 452A.54, 452A.55, 452A.59, 452A.60, 452A.61 and 452A.63 through 452A.65.

761—505.5(452A) Audits—required reports.

505.5(1) *Delegation to audit and examine.* Pursuant to Iowa Code sections 452A.53, 452A.55, and 452A.62, the department reserves the right to examine returns and records, perform audits and determine the correct amount of tax due.

505.5(2) *Statute of limitations.* Within three years after a return is filed, the department may audit the return to determine the accuracy of taxes paid. There is no time limitation on collection activities for any tax, penalty or interest due the department.

505.5(3) *Outstanding tax, penalty or interest for canceled and inactive licenses.* Any outstanding taxes, penalties or interest must be paid before reapplying for a fuel license.

505.5(4) *Audit period—records—costs.* The statute of limitations on the determination of any additional tax liability shall be three years after a return is filed; therefore, all records must be kept for four years after a return is filed.

a. For the purpose of verifying the correctness of a return filed or for estimating the tax liability of any taxpayer, the department has:

(1) The right and duty to examine or cause to be examined the books, papers, records, memoranda or documents of a taxpayer that relate in any manner to fuel taxes.

(2) The authority to require, at a hearing, the attendance of the taxpayer and other witnesses and the production of books, papers, records, memoranda or documents.

b. The cost of an audit shall be at the taxpayer's expense when the records are maintained outside the state of Iowa.

505.5(5) *Taxpayers required to keep records.*

a. The records required to be kept by this rule, including invoices or other proofs of purchase, shall:

(1) Be preserved for a period of four years after a return is filed unless otherwise stated.

(2) Be open for examination by the department.

b. The fact that the tax has been paid shall appear on the proof of purchase.

505.5(6) *Records to be kept and preserved.* Every person required to file a quarterly report under Iowa Code section 452A.54 shall keep and preserve the following records:

a. Fuel purchase invoices containing:

(1) The date of the fuel purchase.

(2) The name and address of the seller of the fuel (a vendor code, properly identified, is acceptable for this purpose).

(3) The quantity of fuel purchased.

(4) The type of fuel purchased, the price of the fuel per gallon or per liter or the total price of the fuel purchased.

(5) The identification of the qualified motor vehicle into which the fuel was placed.

(6) The name of the purchaser of the fuel. When the qualified motor vehicle being fueled is subject to a lease, the name of either the lessor or lessee is acceptable for this purpose, provided a legal connection can be made between the purchaser named and the licensee.

b. Documentation for bulk fuel storage containing:

(1) Receipts for all deliveries.

(2) Quarterly inventory reconciliations for each tank.

(3) The capacity of each tank.

(4) Bulk withdrawal records for every bulk tank at each location.

(5) The purchase price of the fuel delivered into the bulk storage, including tax paid to the member jurisdiction where the bulk storage is located.

(6) Proof the licensee has paid fuel tax to the member jurisdiction where the bulk storage is located.

(7) The location of the bulk storage from which the withdrawal was made.

(8) The date of each withdrawal, including non-IFTA withdrawals.

(9) The quantity of fuel withdrawn, including non-IFTA withdrawals.

(10) The type of fuel withdrawn.

(11) The identification of the vehicle or equipment into which the fuel was placed.

- c. Distance records (manual records) containing:
 - (1) The beginning and ending dates of the trip to which the records pertain.
 - (2) The origin and destination of the trip.
 - (3) The route of travel.
 - (4) The beginning and ending reading from the odometer, hubodometer, engine control module (ECM) or any similar device for the trip.
 - (5) The total distance of the trip.
 - (6) The distance traveled in each jurisdiction during the trip.
 - (7) The VIN or vehicle unit number.
- d. Electronic tracking device record created and maintained at a minimum every ten minutes when the vehicle's engine is on, containing the following data elements:
 - (1) The date and time of each system reading.
 - (2) The latitude and longitude to include a minimum of four decimal places (0.0001) of each system reading.
 - (3) The odometer reading from the ECM of each system reading. If no ECM odometer is available, a beginning and ending dashboard odometer or hubodometer for the trip will be acceptable.
 - (4) The VIN or vehicle unit number.
- e. Data required under paragraph 505.5(6) "d" must be accessible in an electronic spreadsheet format, such as XLS, XLSX, CSV or delimited text file. Formats from a vehicle tracking system that provides a static image, such as PDF, JPEG, PNG or Word, are not acceptable.

505.5(7) *New licensees.* When a person is issued a new license, the department may, within one year of issuance of the license, audit the records of the new licensee for a period going back two years from the date of issuance.

505.5(8) *Nonlicense and nonpermit holders.* All persons who bring into the state a qualified motor vehicle, upon which the Iowa tax on said fuel has not been paid, are operating within the purview of these rules as stated in Iowa Code section 452A.55. Such persons are therefore subject to audit and must keep the same records required of a fuel licensee.

505.5(9) *Interstate—intrastate operators—motor vehicle special fuel holding tanks.* If a person operates one or more qualified motor vehicles under a fuel license and also operates one or more qualified motor vehicles that are not operated under the fuel license, recordkeeping regarding the fuel consumed from the special holding tank may be performed in either of the following ways:

- a. Operators of interstate vehicles shall be given an invoice that meets the standards set forth in Iowa Code section 452A.17, for each tank fill, and the vehicle operator must then log the mileage.
- b. The licensee shall report total miles driven and total fuel used from the bulk tank, including both interstate and intrastate vehicles.

This rule is intended to implement Iowa Code sections 452A.53, 452A.55, 452A.59, 452A.60, 452A.62 and 452A.69.

761—505.6(452A) Hearings.

505.6(1) *Conduct of hearings.* Hearings are conducted in accordance with Iowa Code section 452A.69.

505.6(2) *Circumstances for holding hearings.*

a. When there is reasonable cause to believe that there is an evasion of fuel taxes, the department may cause a hearing to be held to determine the amount of fuel taxes due, if any. The person who is suspected of evading fuel taxes will be sent at least ten days' notice of the hearing. The provisions of Iowa Code section 452A.64 and paragraph 505.4(12) "b" apply.

b. If a licensee disputes the findings of an investigation or audit by the department, the licensee may request a hearing to present further evidence, information or records to support the claim. The hearing request shall be submitted in writing to the director of the motor vehicle division within 30 days of the date of notice of audit results issued by the department. A copy of the hearing request must be sent to: Iowa Attorney General's Office, Transportation Section, Attn: Audit Appeals, 800 Lincoln Way, Ames, Iowa 50010.

This rule is intended to implement Iowa Code sections 452A.59, 452A.64 and 452A.69.

ARC 9335C

TRANSPORTATION DEPARTMENT[761]

Notice of Intended Action

Proposing rulemaking related to license examination and providing an opportunity for public comment

The Transportation Department hereby proposes to rescind Chapter 604, “License Examination,” Iowa Administrative Code, and to adopt a new chapter with the same title.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code sections 307.12(1)“j” and 321.186.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code sections 307.12(1)“j,” 321.1, 321.2, 321.3, 321.13, 321.20A, 321.174, 321.177 through 321.178A, 321.180 through 321.181, 321.186, 321.186A, 321.189, 321.193, 321.196, 321.198 and 321.210.

Purpose and Summary

This rulemaking proposes to repromulgate Chapter 604 in compliance with Executive Order 10. Proposed Chapter 604 complies with Iowa Code sections 321.177 and 321.186. Iowa Code section 321.177 prohibits the Department from issuing a driver’s license to an applicant who fails to pass an examination or who is unable to operate a motor vehicle safely due to a physical or mental disability. Iowa Code section 321.186 authorizes the Department to examine an applicant for a driver’s license to determine an applicant’s ability to operate a motor vehicle safely.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on March 19, 2025. A public hearing was held on the following date(s):

- April 11, 2025

The Department received no comments.

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa.

Jobs Impact

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

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 761—Chapter 11.

Public Comment

Any interested person may submit written or oral comments concerning this proposed rulemaking, which must be received by the Department no later than 4:30 p.m. on July 1, 2025. Comments should be directed to:

Sara Siedsma
Department of Transportation
DOT Rules Administrator, Office of the Director
800 Lincoln Way
Ames, Iowa 50010
Phone: 515.237.3058
Email: sara.siedsma@iowadot.us

Public Hearing

Public hearings at which persons may present their views orally will be held as follows:

July 1, 2025 9:30 to 10 a.m.	Microsoft Teams link Or dial: 515.817.6093 Conference ID: 479 043 651#
July 1, 2025 2:30 to 3 p.m.	Microsoft Teams link Or dial: 515.817.6093 Conference ID: 882 355 408#

Persons who wish to make oral comments at a public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rulemaking.

Any persons who intend to attend a public hearing and have special requirements, such as those related to hearing impairments, should contact Sara Siedsma and advise of specific needs.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Rescind 761—Chapter 604 and adopt the following **new** chapter in lieu thereof:

CHAPTER 604 LICENSE EXAMINATION

761—604.1(307,321) Authority and scope.

604.1(1) The department is authorized to determine by examination an applicant's ability to operate motor vehicles safely upon the highways and to issue all driver's licenses.

604.1(2) This chapter applies to the examination for all driver's licenses. Information on the additional examination procedures and requirements for a commercial driver's license or commercial learner's permit is given in 761—Chapter 607.

This rule is intended to implement Iowa Code sections 307.12(1)“j,” 321.2, 321.3, 321.13, 321.177 and 321.186.

761—604.2(307,321) Definitions.

“*Binocular field of vision*” is the sum of the temporal measurements or the sum of the nasal measurements.

“*License*” means “driver's license” as defined in Iowa Code section 321.1(20A) unless the context otherwise requires.

“*Monocular field of vision*” is the sum of the temporal measurement and the nasal measurement for one eye.

“Representative vehicle” is a vehicle that is characteristic of and requires operating skills comparable to those vehicles that may legally be operated under the class of license or endorsement desired.

This rule is intended to implement Iowa Code sections 307.12(1)“j,” 321.174 and 321.186.

761—604.3(307) Information and forms.

604.3(1) Applications, forms and information about driver’s license examinations are available at any driver’s license service center. Assistance is also available by mail at Motor Vehicle Division, Iowa Department of Transportation, P.O. Box 9204, Des Moines, Iowa 50306-9204; in person at 6310 SE Convenience Blvd., Ankeny, Iowa; by telephone at 515.244.8725; by facsimile at 515.239.1837; or on the department’s website at www.iowadot.gov/mvd/driverslicense/driverslicense/descriptions.

604.3(2) The “Iowa Driver Manual” and the “Iowa Motorcycle Operator Manual” are also available from the department and on the department’s website.

This rule is intended to implement Iowa Code section 307.12(1)“j.”

761—604.4(307,321) Examination.

604.4(1) An examination is to include:

- a. A vision screening if the person has not filed a vision report.
- b. A knowledge test of Iowa traffic laws and highway signs.
- c. A driving test of the person’s ability to operate a motor vehicle.

604.4(2) The examination required for a driver’s license depends upon the class of license requested, applicable endorsements and the qualifications of the applicant.

This rule is intended to implement Iowa Code sections 307.12(1)“j,” 321.186 and 321.186A.

761—604.5(307,321) Vision screening.

604.5(1) *Method.* Prior to issuance, the department will use a vision screening instrument to screen the applicant’s vision. An applicant who uses corrective lenses may be screened with or without the corrective lenses.

604.5(2) *Report.* A vision report measuring visual acuity level and field of vision is to be submitted on Form 430032 signed by a licensed vision specialist within 30 days prior to submission to the department for consideration. In lieu of Form 430032, a letter signed by a licensed vision specialist may be accepted if it contains all the information specified on Form 430032.

604.5(3) *Exception for persons renewing electronically.* An applicant renewing a driver’s license electronically pursuant to 761—subrule 605.25(7) is not required to complete a vision screening or submit a vision report. This subrule does not preclude the department from requiring a vision screening or vision report of a person who has renewed a driver’s license electronically when the department has reason to believe that the person is not capable of operating a motor vehicle safely.

This rule is intended to implement Iowa Code sections 307.12(1)“j,” 321.186, 321.186A and 321.196.

761—604.6(307,321) Vision standards. The visual acuity and field of vision standards for licensing and the applicable restrictions are as follows.

604.6(1) *Visual acuity standards.*

a. *When the applicant is screened without corrective lenses.* If the visual acuity is 20/40 or better with both eyes or with the better eye, no restriction will be imposed. If the visual acuity is less than 20/40 but at least 20/70 with both eyes or with the better eye, the applicant is to be restricted from driving when headlights are required.

b. *When the applicant is screened with corrective lenses.* If the visual acuity is 20/40 or better with both eyes or with the better eye, the applicant is to be restricted to wear corrective lenses when driving. If the visual acuity is less than 20/40 but at least 20/70 with both eyes or with the better eye, the applicant is to be restricted from driving when headlights are required and to wear corrective lenses when driving.

c. *Other standards.*

(1) If the visual acuity in the left eye is less than 20/100, the applicant is to be restricted to driving a vehicle with both left and right outside rearview mirrors. However, if the applicant has a visual acuity of 20/40 in the right eye and less than 20/100 in the left eye without corrective lenses and has corrective lenses that improve the vision in the left eye to better than 20/100, the applicant is to have the option of being restricted to driving with corrective lenses or driving a vehicle with both left and right outside rearview mirrors.

(2) A driving test is required prior to issuance the first time visual acuity measures below 20/40.

604.6(2) *Field of vision standards.*

- a. If the binocular field of vision is at least 140 degrees, no restriction will be imposed.
- b. If the binocular field of vision is less than 140 degrees but at least 110 degrees, or one eye has a monocular field of vision of at least 100 degrees, the applicant is to be restricted to driving a vehicle with both left and right outside rearview mirrors.

This rule is intended to implement Iowa Code sections 307.12(1)“j,” 321.186, 321.193 and 321.196.

761—604.7(307,321) Vision referrals.

604.7(1) *Referral.*

a. If, during any vision screening, an applicant cannot attain 20/40 with at least one eye but can attain 20/70 with at least one eye, the department will not issue a license to the applicant and will advise the applicant to consult a licensed vision specialist.

b. A vision report, pursuant to subrule 604.5(2), is required before the department will reconsider licensing.

604.7(2) *License.* If the applicant’s license is valid, the department may issue a temporary driving permit with restrictions appropriate to the applicant’s visual acuity level and field of vision. If the applicant’s license is valid for less than 30 days, the temporary driving permit will not be valid for more than 60 days from the end of the current license validity.

604.7(3) *Report.* If the vision report recommends a restriction, the department will issue a restricted license even though it would not be required by departmental standards.

604.7(4) *Applicant refusal.* If an applicant refuses to consult a licensed vision specialist, the department will issue or deny the license based on the results achieved on the vision screening.

This rule is intended to implement Iowa Code sections 307.12(1)“j,” 321.181, 321.186, 321.186A, 321.193 and 321.196.

761—604.8(307,321) Vision screening results.

604.8(1) *Two-year license.* An applicant who cannot attain a visual acuity of 20/40 with both eyes or with the better eye will be issued a two-year license.

604.8(2) *License denied.*

a. An applicant who cannot attain a visual acuity of 20/70 with both eyes or with the better eye will not be licensed subject to discretionary issuance under subrule 604.8(4).

b. If the applicant’s binocular field of vision is less than 110 degrees or the monocular field of vision is less than 100 degrees, the applicant will not be licensed subject to discretionary issuance under subrule 604.8(4).

604.8(3) *Reapplication.* An applicant who cannot meet the vision standards in subrule 604.8(2) may reapply when the vision improves and the applicant meets the vision standards. If a suspension or denial notice was served, reapplication is to be made to the motor vehicle division at the address in subrule 604.3(1) or at a driver’s license service center.

604.8(4) *Discretionary issuance.*

a. An applicant whose license is restricted under rule 761—604.6(321) or who cannot meet the vision standards in subrule 604.8(2) may submit a written request for review by the department.

b. Based upon consideration of the applicant’s vision report, driving test and driving record, the written recommendation of the applicant’s licensed vision specialist and traffic conditions in the vicinity of the applicant’s residence, the department may recommend issuing a license with restrictions suitable to the applicant’s capabilities subject to the following:

(1) An applicant who cannot attain a visual acuity of 20/100 with both eyes or with the better eye may be considered for licensing only after recommendation by the medical advisory board.

(2) An applicant who cannot attain a visual acuity of 20/199 with both eyes or with the better eye will not be licensed.

(3) An applicant who cannot attain a binocular or monocular field of vision of 75 degrees may be considered for licensing only after recommendation by the medical advisory board.

(4) An applicant who cannot attain a binocular or monocular field of vision of 21 degrees will not be licensed.

c. The department's recommendation denying discretionary issuance or regarding the extent and nature of restrictions is subject to reversal or modification upon review or appeal only if it is clearly characterized by an abuse of discretion.

This rule is intended to implement Iowa Code sections 307.12(1)“j,” 321.186, 321.186A, 321.193 and 321.196.

761—604.9(307,321) Knowledge test.

604.9(1) *Written test.* A knowledge test is used to determine an applicant's ability to read and understand Iowa traffic laws and the highway signs that regulate, warn and direct traffic. The department reserves the right to revise a test at any time and will declare the minimum passing score for each test.

604.9(2) *Oral test.* An applicant who is unable to read or understand a written test may request an oral test. The oral test may be administered by an examiner or by an automated testing device.

604.9(3) *Test score.* The test score result is valid for 180 days.

604.9(4) *Retesting.* An applicant who fails a knowledge test may repeat the test at the discretion of the examiner.

This rule is intended to implement Iowa Code sections 307.12(1)“j” and 321.186.

761—604.10(307,321) Knowledge test requirements and waivers.

604.10(1) *Knowledge test requirements.* The knowledge test requirements are as follows:

a. An operator's knowledge test is required for all classes of noncommercial driver's licenses and all types of special driver's licenses and permits.

b. A motorcycle knowledge test is required for all:

(1) Motorcycle instruction permits.

(2) Class M driver's licenses.

(3) Motorcycle endorsements.

604.10(2) *Knowledge test waivers.* The department may waive a knowledge test listed in subrule 604.10(1) if the applicant meets one of the following qualifications:

a. The applicant has passed the same type of test for another Iowa driver's license or an equivalent out-of-state license that is still valid or has expired within the past year.

b. The applicant has a valid, equivalent driver's license issued by a foreign jurisdiction with which Iowa has a nonbinding reciprocity agreement.

c. The applicant has a military extension and is renewing the applicant's Iowa driver's license within six months following separation from active duty.

d. The applicant is renewing an Iowa driver's license or endorsement within a period of one year after the expiration date of the license or endorsement.

e. The applicant is reinstating from a denial, cancellation, suspension, revocation, disqualification or bar of an Iowa driver's license or endorsement within a period of one year after the expiration date of the denial, cancellation, suspension, revocation, disqualification or bar.

This rule is intended to implement Iowa Code sections 307.12(1)“j,” 321.1(8), 321.180 through 321.180B, 321.186, 321.189, 321.196 and 321.198.

761—604.11(307,321) Driving test. A driving test is used to determine an applicant's ability to exercise ordinary and reasonable control in the operation of a motor vehicle under actual traffic conditions. The test may also be called a road test, field test or driving demonstration. A motorcycle skills test is an off-

street demonstration of an applicant's ability to control the motorcycle in a set of standard maneuvers, and a motorcycle driving test is an on-street demonstration.

604.11(1) *Vehicle type and safety.*

a. For the driving test, the applicant is to provide a representative vehicle and proof of financial responsibility for the representative vehicle.

b. The examiner or other authorized personnel will visually inspect the vehicle. If a vehicle is illegal or unsafe or is not a representative vehicle, the examiner will refuse to administer the test until an acceptable vehicle is provided.

604.11(2) *Criteria and route.* Form 430024 explains the test criteria and will be given to the applicant before any operator's driving test. The applicant will be directed over one of the routes that have been preselected by the examiner to test driving skills and maneuvers.

604.11(3) *Test score.* The examiner will use the standard departmental score sheet to record the test score and the licensing decision. At the end of the test, the examiner will explain the test score to the applicant. The test score result is valid for 180 days.

604.11(4) *Retesting.* An applicant who fails a driving test may repeat the test at the discretion of the examiner.

This rule is intended to implement Iowa Code sections 307.12(1) "j," 321.174 and 321.186.

761—604.12(307,321) Driving test requirements and waivers for noncommercial driver's licenses.

604.12(1) *Driving test requirements.* The driving test requirements for noncommercial driver's licenses are as follows.

a. Instruction permits. An applicant is not required to obtain an instruction permit for a driving test.

b. Class C driver's licenses. For a Class C driver's license other than an instruction permit or a motorized bicycle license, an operator's driving test is to be in a representative vehicle, except that an autocycle as defined in Iowa Code section 321.1(6A) cannot be used for the driving test.

c. Class D driver's licenses. For a Class D driver's license, a driving test in a representative vehicle for the endorsement requested, as set out in 761—subrule 605.7(3), is required.

d. Class M driver's licenses and motorcycle endorsements. The driving test for a Class M driver's license or motorcycle endorsement consists of two parts: an off-street motorcycle skill test and an on-street motorcycle driving test.

(1) The off-street motorcycle skill test is required. The on-street motorcycle driving test is also required if the applicant does not have another driver's license that permits unaccompanied driving. Neither motorcycle test is required for the purposes of operating an autocycle.

(2) A motorcycle is to be used for the motorcycle skills test and motorcycle driving test. If a three-wheeled motorcycle is used, the driver's license will be restricted: "Not valid for 2-wheel vehicle." An autocycle is not considered a motorcycle or a three-wheeled motorcycle for testing purposes.

e. Motorized bicycle licenses. For a motorized bicycle license, an off-street or on-street driving test may be required. A motorized bicycle is to be used for the test.

604.12(2) *Driving test waivers.* The department may waive a required driving test listed in subrule 604.12(1) if the applicant meets one of the following qualifications:

a. The applicant has successfully completed the appropriate Iowa-approved course or courses. The appropriate Iowa-approved courses are the following: driver education, other than driver education by a teaching parent under rule 761—634.11(321), for an applicant's first Class C driver's license that permits unaccompanied driving other than motorized bicycle; motorcycle rider education for a Class M driver's license or motorcycle endorsement; and motorized bicycle education for a motorized bicycle license. However, if an applicant is under the age of 18, a driving test is required if requested by the applicant's parent, guardian or course instructor.

b. The applicant is renewing a Class C, Class D or Class M Iowa driver's license or endorsement within a period of one year after the expiration date of the license or endorsement.

c. The applicant is reinstating from a denial, cancellation, suspension, revocation, disqualification or bar of an Iowa driver's license or endorsement within a period of one year after the expiration date of the denial, cancellation, suspension, revocation, disqualification or bar.

d. The applicant has passed the same type of driving test for another Iowa driver's license or endorsement that is still valid or has expired within the past year.

e. The applicant has a military extension and is renewing the applicant's Iowa driver's license within six months following separation from active duty.

f. The applicant is applying for a Class C Iowa driver's license that permits unaccompanied driving and has an equivalent out-of-state license that is valid or has expired within the past year.

g. The applicant is applying for a Class D Iowa driver's license and has an equivalent out-of-state license that is valid or has expired within the past year.

h. The applicant is applying for a Class M driver's license or a motorcycle endorsement and has an equivalent out-of-state Class M driver's license or motorcycle endorsement that is valid or has expired within the past year.

i. The applicant has a valid, equivalent driver's license issued by a foreign jurisdiction with which Iowa has a nonbinding reciprocity agreement.

This rule is intended to implement Iowa Code sections 307.12(1)“j,” 321.1, 321.174, 321.178, 321.178A, 321.180 through 321.180B, 321.186, 321.189, 321.193, 321.196 and 321.198.

761—604.13(307,321) Failure to pass examination.

604.13(1) An applicant who fails to pass a required examination or reexamination will not be licensed.

a. If the applicant does not have a valid Iowa license, the department will deny the applicant a license.

b. If the applicant has a valid Iowa license, the department will suspend the license for incapability. However, if the applicant's license is valid for less than 30 days, the department will deny further licensing. The department will serve a notice of suspension or denial.

c. More information regarding denials and suspensions for incapability can be found in rule 761—615.4(321).

d. An applicant may contest a denial or suspension in accordance with rule 761—615.38(321).

604.13(2) Limitations on the hearing and appeal process.

a. After a suspension or denial for failure to pass a required knowledge or driving test, a person who contests the suspension or denial has exhausted the person's administrative remedies after three unsuccessful attempts to pass the required test.

b. After the three unsuccessful attempts, no further testing will be allowed until six months have elapsed from the date of the last test failure and then only if the applicant demonstrates a significant change or improvement in those physical or mental factors that resulted in the original decision. A request for further testing must be submitted in writing to the motor vehicle division at the address in subrule 604.3(1).

c. Notwithstanding paragraphs 604.13(2)“a” and “b,” no testing will occur if the department determines that it is unsafe to allow testing.

This rule is intended to implement Iowa Code sections 307.12(1)“j,” 321.177, 321.180A and 321.210.

761—604.14(307,321) Reinstatement. A person whose license has been suspended or denied for failure to pass a required examination or reexamination is to meet the vision standards for licensing and pass the required examination(s) before an Iowa license will be issued.

This rule is intended to implement Iowa Code sections 307.12(1)“j,” 321.177 and 321.186.

761—604.15(307,321) Special reexaminations.

604.15(1) As provided in Iowa Code section 321.186, the department may require a special reexamination of any licensee. The reexamination may consist of one or more of the following:

a. Medical report.

- b.* Vision report.
- c.* Vision screening.
- d.* Cognitive screening.
- e.* Knowledge test.
- f.* Driving test.

604.15(2) The department may require a special reexamination when a licensee has been involved in a fatal motor vehicle accident and the investigating officer's report of the accident indicates the licensee contributed to the accident.

604.15(3) The department may require a special reexamination when a licensee has been involved in two accidents within a three-year period and the investigating officer's report of each accident lists one of the following "Driver/Vehicle Related Contributing Circumstances" for the licensee:

- a.* Ran traffic signal.
- b.* Ran stop sign.
- c.* Passing, interfered with other vehicle.
- d.* Left of center, not passing.
- e.* Failure to yield right-of-way at uncontrolled intersection.
- f.* Failure to yield right-of-way from stop sign.
- g.* Failure to yield right-of-way from yield sign.
- h.* Failure to yield right-of-way making left turn.
- i.* Failure to yield right-of-way to pedestrian.
- j.* Failure to have control.

604.15(4) The department may require a special reexamination when a licensee has been involved in an accident and the investigating officer's report lists a driver condition for the licensee of "fatigue or asleep."

604.15(5) The department may require a special reexamination when a licensee who is 65 years of age or older has been involved in an accident and information in the investigating officer's or the person's own report of the accident indicates the need for reexamination. A circumstance that may indicate a need for reexamination includes but is not limited to any one of the following:

- a.* The licensee made a left turn that resulted in the accident.
- b.* The licensee failed to yield the right-of-way at a stop sign.
- c.* The licensee failed to yield the right-of-way at a yield sign.
- d.* The licensee failed to yield the right-of-way at an uncontrolled intersection.
- e.* The licensee failed to yield the right-of-way at a traffic control signal.
- f.* The licensee's vision may be a contributing factor to an accident.
- g.* The licensee has a physical disability-related license restriction other than "corrective lenses" and the accident involved one of the circumstances listed in paragraphs 604.15(5) "a" through "f."
- h.* The investigating officer's report lists a driver condition for the licensee of "loss of consciousness."
- i.* The investigating officer's report lists a driver condition for the licensee of "illness which resulted in the accident."

604.15(6) The department may require a special reexamination when the department receives an accident report or a recommendation by a peace officer, a court or a properly documented citizen's request. A factor that may indicate a need for reexamination includes but is not limited to any one of the following:

- a.* Loss of consciousness.
- b.* Confusion, disorientation or dementia.
- c.* Inability to maintain a vehicle in the proper lane.
- d.* Repeatedly ignoring traffic control devices.
- e.* Inability to interact safely with other vehicles.
- f.* Inability to maintain consistent speed when no reaction to other vehicles or pedestrians is required.
- g.* Illness that resulted in an accident.

This rule is intended to implement Iowa Code sections 307.12(1)“j,” 321.177, 321.186 and 321.210.

ARC 9336C

TRANSPORTATION DEPARTMENT[761]

Notice of Intended Action

Proposing rulemaking related to nonoperator’s identification and providing an opportunity for public comment

The Transportation Department hereby proposes to rescind Chapter 630, “Nonoperator’s Identification,” Iowa Administrative Code, and to adopt a new chapter with the same title.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code sections 307.12(1)“j” and 321.190.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code sections 321.13, 321.181, 321.189, 321.190, 321.195 and 321.216 through 321.216C; the REAL ID Act of 2005 (49 U.S.C. Section 30301) as amended by the REAL ID Modernization Act, H.R. 133, Division U, Title X; and 6 CFR Part 37.

Purpose and Summary

This rulemaking proposes to repromulgate Chapter 630 in compliance with Executive Order 10. Proposed Chapter 630 complies with Iowa Code section 321.190 and the federal REAL ID Act, which require the Department to adopt rules to administer nonoperator’s identification cards and to administer REAL ID nonoperator’s identification cards in compliance with federal regulations.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on March 19, 2025. A public hearing was held on the following date(s):

- April 11, 2025

The Department received no comments. The Department is making additional changes to the chapter to incorporate changes needed due to 2025 Iowa Acts, Senate File 418, which will take effect on July 1, 2025. Senate File 418 adds a new definition of “sex” in Iowa Code section 4.1A referring to sex as male or female as observed or clinically verified at birth. Senate File 418 also removes the process of obtaining an amended birth certificate to reflect a change in a person’s sex designation from Iowa Code section 144.23. Due to these Iowa Code changes, a person will no longer be able to change the sex designation on the person’s nonoperator’s identification card to reflect a sex designation different than what is listed on the person’s identity document, thus necessitating the conforming changes to this chapter.

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa.

Jobs Impact

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

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 761—Chapter 11.

Public Comment

Any interested person may submit written or oral comments concerning this proposed rulemaking, which must be received by the Department no later than 4:30 p.m. on July 1, 2025. Comments should be directed to:

Sara Siedsma
Department of Transportation
DOT Rules Administrator, Office of the Director
800 Lincoln Way
Ames, Iowa 50010
Phone: 515.237.3058
Email: sara.siedsma@iowadot.us

Public Hearing

Public hearings at which persons may present their views orally will be held as follows:

July 1, 2025 10 to 10:30 a.m.	Microsoft Teams link Or dial: 515.817.6093 Conference ID: 115 805 399#
July 1, 2025 3 to 3:30 p.m.	Microsoft Teams link Or dial: 515.817.6093 Conference ID: 399 107 303#

Persons who wish to make oral comments at a public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rulemaking.

Any persons who intend to attend a public hearing and have special requirements, such as those related to hearing impairments, should contact Sara Siedsma and advise of specific needs.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Rescind 761—Chapter 630 and adopt the following **new** chapter in lieu thereof:

CHAPTER 630
NONOPERATOR'S IDENTIFICATION

761—630.1(321) General information.

630.1(1) The department will issue a nonoperator's identification card only to an Iowa resident who does not have a driver's license. However, a card may be issued to a person holding a temporary permit under Iowa Code section 321.181.

630.1(2) Definitions.

“License” means “driver’s license” as defined in Iowa Code section 321.1(20A) unless the context otherwise requires.

“Temporarily present in this state” means a person who has temporary lawful status as defined in 6 CFR Section 37.3 effective January 1, 2024.

630.1(3) Applications, forms and information concerning the nonoperator’s identification card are available at any driver’s license service center. Assistance is also available by mail from the Motor Vehicle Division, Iowa Department of Transportation, P.O. Box 9204, Des Moines, Iowa 50306-9204; by telephone at 515.244.8725; by facsimile at 515.239.1837; or on the department’s website at www.iowadot.gov/mvd/driverslicense/Fees-and-license-type#54672691-id-card-only.

761—630.2(321) Application and issuance.

630.2(1) An applicant for a nonoperator’s identification card is to complete and sign an application form at a driver’s license service center. The signature shall be without qualification and contain only the applicant’s usual signature without any other titles, characters or symbols.

630.2(2) The applicant is to present proof of identity, date of birth, social security number, Iowa residency, current residential address and lawful status as required by rule 761—601.5(321). If applicable, submission of a parent’s, guardian’s, or custodian’s consent is also required in accordance with rule 761—601.6(321). The applicant or a current cardholder may provide the department with emergency contact information in accordance with rule 761—601.3(321).

630.2(3) The nonoperator’s identification card will be coded for identification only as explained on the reverse side of the card. A card issued to a person who is a foreign national who is temporarily present in this state shall be issued only for the length of time the person is authorized to be present in the United States as verified by the department pursuant to 6 CFR Section 37.21, not to exceed two years. However, if the person’s lawful status has no expiration date, the card shall be issued for a period of no longer than one year pursuant to 6 CFR Section 37.21(b)“1.”

630.2(4) Upon the request of the cardholder, the department may indicate on the nonoperator’s identification card any of the following:

- a. That the cardholder has a medical condition.
- b. That the cardholder is a donor under the uniform anatomical gift law.
- c. That the cardholder has in effect a medical advance directive.
- d. That the cardholder is hard of hearing or deaf.
- e. That the cardholder is a veteran.

(1) To be eligible for a veteran designation, the cardholder must be an honorably discharged veteran of the armed forces of the United States, the national guard or reserve forces as described in Iowa Code section 35.1. A cardholder who requests a veteran designation may provide one of the following:

1. Form 432035, properly completed by the cardholder and a designee of the Iowa department of veterans affairs.

2. Certification of release or discharge from active duty, DD Form 214, to the department indicating that the cardholder was honorably discharged from active duty.

(2) A cardholder who was a member of the national guard or reserve forces and who applies directly to the department must present a DD Form 214, which indicates that the cardholder was honorably discharged after serving for at least a minimum aggregate (total) of 90 days of active duty service for purposes other than training. A cardholder who was a member of the national guard or reserve forces and who has a discharge document other than a DD Form 214 must submit Form 432035, properly completed by the cardholder and a designee of the Iowa department of veterans affairs.

(3) The department may consult with and defer to the Iowa department of veterans affairs regarding what constitutes a properly completed DD Form 214 and veteran status in general.

- f. That the cardholder has autism spectrum disorder.

630.2(5) No issuance fee is to be charged for a person whose license has been suspended for incapability pursuant to rule 761—615.14(321), who has been denied further licensing in lieu of a suspension for incapability pursuant to rule 761—615.4(321), or who voluntarily surrenders the person’s license in lieu of suspension for incapability pursuant to rule 761—615.14(321).

630.2(6) An applicant who is a foreign national who is temporarily present in this state must provide documentation of lawful status as required by 761—subrule 601.5(4) at each renewal.

630.2(7) A person who seeks a nonoperator's identification card that is compliant with the REAL ID Act of 2005, 49 U.S.C. Section 30301 note, as implemented in 6 CFR Part 37 ("REAL ID nonoperator's identification card") effective January 1, 2024, must meet and comply with all lawful requirements for an Iowa nonoperator's identification card and must also meet and comply with all application and documentation requirements set forth at 6 CFR Part 37, including but not limited to documentation of identity, date of birth, social security number, address of principal residence and evidence of lawful status in the United States. Documents and information provided will be verified pursuant to 6 CFR Section 37.13. An applicant for a REAL ID nonoperator's identification card is subject to a mandatory facial image capture that meets the requirements of 6 CFR Section 37.11(a). A REAL ID nonoperator's identification card may not be issued, reissued or renewed except as permitted in 6 CFR Part 37 and may not be issued, reissued or renewed by any procedure, in any circumstance, to any person or for any term prohibited under 6 CFR Part 37. The information on the front of any REAL ID nonoperator's identification card must include all information and markings required by 6 CFR Section 37.17. Nothing in this subrule requires a person to obtain a REAL ID nonoperator's identification card.

630.2(8) A nonoperator's identification card issued to a foreign national who is temporarily present in this state shall include the following statement on the face of the card: "limited term."

630.2(9) A nonoperator's identification card that is not issued as a REAL ID nonoperator's identification card as described in subrule 630.2(7) is to include the following statement on the face of the card: "not for REAL ID Act purposes" as required by 6 CFR Section 37.71 and any subsequent guidance issued by the U.S. Department of Homeland Security.

630.2(10) The department may determine means or methods for electronic renewal of a nonoperator's identification card.

a. An applicant who meets the following criteria may apply for electronic renewal:

- (1) The applicant is at least 18 years old.
- (2) The applicant's photo was updated at the applicant's last issuance or renewal.
- (3) The applicant's nonoperator's identification card has not been expired for more than one year.
- (4) The department's records show the applicant is a U.S. citizen.
- (5) The applicant's nonoperator's identification card is not marked "valid without photo."
- (6) The applicant is not seeking to change any of the following as it appears on the applicant's nonoperator's identification card:

1. Name.
2. Date of birth.

b. An applicant who has not previously been issued a REAL ID nonoperator's identification card may not request a REAL ID nonoperator's identification card by electronic renewal.

630.2(11) An applicant for a nonoperator's identification card is to surrender all other driver's licenses and nonoperator's identification cards, other than a temporary permit held under Iowa Code section 321.181. This includes any driver's licenses or nonoperator's identification cards issued by a state other than Iowa or a foreign jurisdiction unless otherwise provided in a letter of understanding or other written memorialization of reciprocity or understanding. An applicant who renews a nonoperator's identification card electronically pursuant to subrule 630.2(10) is to destroy the previous nonoperator's identification card upon receipt of a renewed nonoperator's identification card.

761—630.3(321) Duplicate card.

630.3(1) *Lost, stolen or destroyed card.* To replace a nonoperator's identification card that is lost, stolen or destroyed, the cardholder shall provide the cardholder's full legal name, date of birth and social security number, all of which must be verified by the department, and pay the statutory replacement fee. A cardholder subject to 761—paragraph 601.5(2) "b" is to provide the applicant's U.S. Customs and Immigration Services number, which will be verified by the department. The department may investigate or require additional information as may be reasonably necessary to determine that the cardholder's

identity matches the identity of record and will not issue the replacement card if the cardholder's identity is questionable, cannot be determined or otherwise does not match the identity of record. If the cardholder's current residential address, name or date of birth has changed since the previous card was issued, the cardholder is to comply with 761—subrule 605.11(2).

630.3(2) *Voluntary replacement.* To voluntarily replace a nonoperator's identification card, the cardholder is to surrender to the department the card to be replaced. The reasons a card may be voluntarily replaced and any additional supporting documentation required are the same as those listed in 761—paragraphs 605.11(2)“a” through “j.”

630.3(3) *Replacement upon attaining the age of 21.*

a. A cardholder, upon attaining the age of 21, who is otherwise eligible for a nonoperator's identification card, is eligible to electronically apply for a replacement card under this rule for the unexpired months of the card, regardless of whether the most recent issuance occurred electronically.

b. Except for the requirements in 761—subparagraphs 605.25(7)“a”(1) and “a”(2), the cardholder must meet the eligibility requirements listed in 761—paragraph 605.25(7)“a” to replace the card electronically and must also meet the following criteria:

(1) The cardholder is at least 21 years old.

(2) The cardholder currently holds a nonoperator's identification card marked “under 21” as provided in Iowa Code section 321.190.

These rules are intended to implement Iowa Code sections 321.13, 321.181, 321.189, 321.190, 321.195 and 321.216 through 321.216C; the REAL ID Act of 2005 (49 U.S.C. Section 30301 note) as amended by the REAL ID Modernization Act, H.R. 133, Division U, Title X; and 6 CFR Part 37.

ARC 9345C

LABOR SERVICES DIVISION[875]**Adopted and Filed Emergency After Notice****Rulemaking related to posting, inspections, citations and proposed penalties**

The Labor Commissioner hereby amends Chapter 3, “Posting, Inspections, Citations and Proposed Penalties,” Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code section 88.5.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, 29 CFR 1903.15.

Purpose and Summary

This rulemaking adopts mandatory, annual cost-of-living adjustments in order to align Iowa’s penalties for occupational safety and health citations with the corresponding federal penalties.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on April 16, 2025, as **ARC 9099C**. A public hearing was held on the following date(s):

- May 6, 2025
- May 7, 2025

No one attended the public hearings. No public comments were received. No changes from the Notice have been made.

Reason for Waiver of Normal Effective Date

Pursuant to Iowa Code section 17A.5(2)“b”(1)(b), the Labor Services Division finds that the normal effective date of this rulemaking, 35 days after publication, should be waived and the rulemaking made effective on May 23, 2025, because this rulemaking adopts an amendment to federal law. Adopting federal Occupational Safety and Health Administration (OSHA) amendments is mandatory for the State-run OSHA program to be “as effective as” federal OSHA per OSHA Instruction CSP 01-00-005. This rulemaking confers a benefit on employees by enhancing employee work safety and confers a benefit on employers by meeting a deadline, which is a necessary condition of continuing to administer work safety law by a State program.

Adoption of Rulemaking

This rulemaking was adopted by the Commissioner on May 21, 2025.

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa.

Jobs Impact

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

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Division for a waiver of the discretionary provisions, if any, pursuant to 875—Chapter 5.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rulemaking became effective on May 23, 2025.

The following rulemaking action is adopted:

ITEM 1. Amend subrule 3.11(1) as follows:

3.11(1) The civil penalties proposed by the labor commissioner on or after June 1, ~~2024~~ 2025, are as follows:

a. Willful violation. The penalty for each willful violation under Iowa Code section 88.14(1) shall not be less than ~~\$11,190~~ \$11,823 and shall not exceed ~~\$161,323~~ \$165,514.

b. Repeated violation. The penalty for each repeated violation under Iowa Code section 88.14(1) shall not exceed ~~\$161,323~~ \$165,514.

c. Serious violation. The penalty for each serious violation under Iowa Code section 88.14(2) shall not exceed ~~\$16,131~~ \$16,550.

d. Other-than-serious violation. The penalty for each other-than-serious violation under Iowa Code section 88.14(3) shall not exceed ~~\$16,131~~ \$16,550.

e. Failure to correct violation. The penalty for failure to correct a violation under Iowa Code section 88.14(4) shall not exceed ~~\$16,131~~ \$16,550 per day.

f. Posting, reporting, or recordkeeping violation. The penalty for each posting, reporting, or recordkeeping violation under Iowa Code section 88.14(9) shall not exceed ~~\$16,131~~ \$16,550.

[Filed Emergency After Notice 5/22/25, effective 5/23/25]

[Published 6/11/25]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 6/11/25.

ARC 9354C**ADMINISTRATIVE SERVICES DEPARTMENT[11]****Adopted and Filed****Rulemaking related to department organization, disposal of state personal property,
and state library of Iowa**

The Administrative Services Department hereby amends Chapter 1, “Department Organization,” and Chapter 111, “Disposal of State Personal Property,” and adopts a new Chapter 130, “State Library of Iowa,” Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code section 8A.104(5) and 2024 Iowa Acts, Senate File 2385.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code sections 8A.104 and 8A.201 through 8A.234.

Purpose and Summary

The intended purpose of these rules is to provide the public, local libraries, and any branch of State government with the framework for the organization of the State Library of Iowa. The State Library of Iowa became a part of the Department of Administrative Services through 2023 Iowa Acts, Senate File 514, which has since been codified in Iowa Code chapter 8A. These rules are being moved under agency [11].

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on December 25, 2024, as **ARC 8674C**. Public hearings were held on the following date:

- January 14, 2025

Attendees’ comments were not germane to the library rules.

Under Chapter 130, the date on the collection guidelines has been updated to January 2025. The guidelines themselves have been updated based on current collections.

Adoption of Rulemaking

This rulemaking was adopted by the Department on May 23, 2025.

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa.

Jobs Impact

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

Waivers

The Department will not grant waivers under the provisions of these rules, other than as may be allowed under Chapter 9 of the Department’s rules concerning waivers.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rulemaking will become effective on July 16, 2025.

The following rulemaking action is adopted:

ITEM 1. Adopt the following **new** subrule 1.4(7):

1.4(7) State library of Iowa. The state librarian, appointed by the director, administers the operations of the state library of Iowa. The state librarian also works with the commission of libraries. The state library of Iowa is located at 1112 East Grand Avenue, Des Moines, Iowa 50319. Information regarding the library can be found at statelibraryofiowa.gov.

ITEM 2. Adopt the following **new** subrule 111.2(12):

111.2(12) Disposal of library materials. Disposal of library materials under the control of the state library of Iowa shall be undertaken by the state librarian only as a means of strengthening and benefiting the mission of the state library. Materials may be deaccessioned from the collections of the state library if they are no longer deemed relevant and appropriate to the mission of the state library or if they have deteriorated beyond repair and usefulness. Revenue from the disposition of any books or other library materials under the control of the state library of Iowa shall be credited to the state library fund established by the treasurer of state, and proceeds shall be used solely for the purchase of books and other information resources for the state library. Notwithstanding Iowa Code section 8.33, any balance in the fund on June 30 of any fiscal year shall not revert to the general fund of the state. This subrule implements Iowa Code section 8A.204(2)“c.”

ITEM 3. Reserve **11—Chapter 122 to 129.**

ITEM 4. Adopt the following **new** 11—Chapter 130:

CHAPTER 130
STATE LIBRARY OF IOWA

11—130.1(8A) Definitions. The definitions used in Iowa Code chapters 8A and 17A will apply for terms used throughout this chapter. In addition, the following definitions will apply:

“*Circulating materials*” means items that may be loaned and used outside the library.

“*Deaccession*” means permanent removal of materials from the state library’s collections.

“*Department*” means the department of administrative services.

“*Director*” means the director of the department of administrative services.

“*Holds*” means patron requests to reserve items checked out to other patrons. Materials may be placed on hold through the library’s online catalog using a library card. When an item on hold becomes available, the patron placing the hold will be contacted and given five days to pick up the item(s) or make arrangements for receipt of items.

“*Individual library card*” means a card distributed by the state library that allows a patron to access the library’s collections, reference assistance, and online resources.

“*Library materials*” includes but is not limited to books, journals, documents, audiovisuals, and software in any format.

“*Proof of identity and state residence*” means a government-issued form of identification with a photo and indication of Iowa residency, including but not limited to a driver’s license, a passport, a

nonoperator's identification card, or a military identification card; or, for minors, a school identification card.

"Resident" means a person who lives in Iowa or pays property taxes in Iowa.

"State employee library card" means a card distributed by the state library that allows a state employee to access the library's collections, reference assistance, online resources, and interlibrary loan services.

"State librarian" means the chief operating officer of the state library.

"State library" means the library agency within the department of administrative services.

11—130.2(8A) Organization and mission. The state library of Iowa exists to improve library services in Iowa and deliver specialized information services to state government and Iowans. The state librarian, appointed by the director, heads the state library of Iowa. The state library consists of the following three units: the library support network (includes the LSTA Grant Program, public library accreditation, library staff endorsement, Enrich Iowa, continuing education and consulting), specialized library services (includes state documents, the state publications depository program, special collections, the state law library, and technical services), and the state data center. Additionally, the commission of libraries advises the department and the state librarian concerning library services.

130.2(1) Commission of libraries. The commission of libraries consists of nine members as defined in Iowa Code section 8A.203. The commission shall meet at a time and place specified by the chairperson. All meetings are open to the public, and public notice of all meetings shall be posted in accordance with Iowa Code chapter 21. The current and archived minutes are accessible on the state library's website: statelibraryofiowa.gov.

130.2(2) State library advisory panel. The library services advisory panel consists of no fewer than 11 members as defined in Iowa Code section 8A.221. The advisory panel shall meet at a time and place specified by the chairperson. All meetings are open to the public, and public notice of all meetings shall be posted in accordance with Iowa Code chapter 21.

11—130.3(8A) Operations. The state library provides information services to the three branches of government and the general public in accordance with Iowa Code section 8A.211. Services include information delivery and collection access. In-person services are provided at the state capitol building in the state law library, located on the second floor. Digital access to services is available through the state library's website: statelibraryofiowa.gov.

130.3(1) Information delivery. Library staff, in conjunction with the patron needs, will determine the best method to process the materials for delivery. Processing fees may be applicable and will be posted on the state library's website: statelibraryofiowa.gov.

130.3(2) Collection access. The state library's collections are housed in the Ola Babcock Miller state office building, 1112 East Grand Avenue, Des Moines, and in the state capitol building. Primary research and study areas of the library's two locations are accessible to the disabled; however, upper tiers are generally closed to all public access. Staff will retrieve materials requested by library users or may authorize access on a case-by-case basis.

a. Library cards. A resident of Iowa may obtain an individual library card by providing proof of identity and state residence in person, by mail, or online. A state employee may obtain a state employee library card by providing proof of identity, state residence, and state employment in person, by mail, or online. Cards expire regularly but can be reactivated. Library privileges will be suspended or canceled when a patron's library card has expired.

b. Circulation of library materials. Circulating library materials are able to be checked out to library card holders and may be renewed. Patrons may renew materials in person, by contacting the state library, or through the library's online catalog.

c. Fines and fees. Fines are not assessed for overdue materials. Lost, unreturned or damaged materials may incur replacement costs. Replacement copies will not be accepted. Library privileges will be suspended or canceled when a patron has outstanding debt to the library.

d. Library records confidential. Library records are confidential pursuant to Iowa Code section 22.7(13). The state librarian is the custodian of the library's records.

e. Collection policy of the library. The purpose of this policy, dated January 2025, is to define the intended coverage and clientele; establish collection management and selection policies; provide staff with the means to ensure consistency, responsiveness, and wise use of funds in collection building; assist in development of performance measures; establish priorities to guide budget allocations and cataloging and preservation decisions; and document the library's commitment to intellectual freedom. The collection policy shall be developed and made available on the state library's website: statelibraryofiowa.gov.

These rules are intended to implement Iowa Code sections 8A.202, 8A.203, 8A.210, 8A.211, and 8A.221.

[Filed 5/22/25, effective 7/16/25]

[Published 6/11/25]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 6/11/25.

ARC 9355C

ADMINISTRATIVE SERVICES DEPARTMENT[11]

Adopted and Filed

Rulemaking related to procurement of goods and services of general use and purchasing standards for service contracts

The Administrative Services Department hereby amends Chapter 117, "Procurement of Goods and Services of General Use," and Chapter 118, "Purchasing Standards for Service Contracts," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code section 8A.104(5).

State or Federal Law Implemented

This rulemaking implements, in whole or in part, 2024 Iowa Acts, House File 2708.

Purpose and Summary

2024 Iowa Acts, House File 2708, related to the powers, duties, and responsibilities of State government entities associated with information technology, among other items. 2024 Iowa Acts, House File 2708, provided that the Department of Management shall be the sole authority in state government for the procurement of information technology goods and services for supported entities. The same goes for establishing information technology master agreements and for determining whether a procurement is an information technology procurement. These amendments comport with 2024 Iowa Acts, House File 2708, by rescinding references to information technology within the scope of the Department's central procurement enterprise.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on January 8, 2025, as **ARC 8776C**. Public hearings were held on the following date:

- January 30, 2025

No one attended the public hearings. No public comments were received. No changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Department on May 23, 2025.

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa.

Jobs Impact

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

Waivers

The Department will not grant waivers under the provisions of these rules, other than as may be allowed under Chapter 9 of the Department's rules concerning waivers.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rulemaking will become effective on July 16, 2025.

The following rulemaking action is adopted:

ITEM 1. Rescind paragraph **117.1(1)“c”**.

ITEM 2. Rescind the definitions of “Board,” “Information technology device,” “Information technology services,” “Material modification,” “Negotiated contract,” “Operational standards,” “Participating agency,” “Software,” “Systems software” and “Upgrade” in rule **11—117.2(8A)**.

ITEM 3. Rescind subparagraph **117.5(5)“a”(5)**.

ITEM 4. Renumber subparagraph **117.5(5)“a”(6)** as **117.5(5)“a”(5)**.

ITEM 5. Amend subparagraph **117.9(7)“a”(1)** as follows:

(1) ~~Information technology consulting~~ Consulting services.

ITEM 6. Rescind paragraph **117.9(7)“i”**.

ITEM 7. Rescind and reserve rule **11—117.11(8A)**.

ITEM 8. Rescind paragraph **117.14(4)“a”**.

ITEM 9. Reletter paragraphs **117.14(4)“b”** to **117.14(4)“e”** as **117.14(4)“a”** to **117.14(4)“d”**.

ITEM 10. Rescind and reserve subrule **118.2(1)**.

ITEM 11. Amend rule **11—118.3(8A)**, definition of “Service,” as follows:

“Service” or “services” means work performed for a state agency or for its clients by a service provider and includes; but is not limited to:

1. Professional or technical expertise provided by a consultant, advisor or other technical or service provider to accomplish a specific study, review, project, task, or other work as described in the scope of work. By way of example and not by limitation, these services may include the following: accounting services; aerial surveys; aerial mapping and seeding; appraisal services; land surveying services; construction manager services; analysis and assessment of processes, programs, fiscal impact, compliance, systems and the like; auditing services; communications services; services of peer

reviewers, attorneys, financial advisors, and expert witnesses for litigation; ~~information technology consulting services; services of investment advisors and managers; marketing services; policy development and recommendations; program development; public involvement services and strategies; research services; scientific and related technical services; software development and system design; and services of underwriters, physicians, and pharmacists; or~~

2. No change.

ITEM 12. Amend paragraph **118.7(1)“g”** as follows:

g. ~~The procurement is an information service that is systems software or an upgrade, or compatibility~~ Compatibility is the overriding consideration, ~~or~~ the procurement would prevent avoidance or termination of a warranty, or the procurement would prevent default under a contract or other obligation.

[Filed 5/22/25, effective 7/16/25]

[Published 6/11/25]

EDITOR’S NOTE: For replacement pages for IAC, see IAC Supplement 6/11/25.

ARC 9356C

ADMINISTRATIVE SERVICES DEPARTMENT[11]

Adopted and Filed

Rulemaking related to programs and funding

The Administrative Services Department hereby adopts new Chapter 131, “Programs and Funding,” Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code section 8A.104(5) and 2024 Iowa Acts, Senate File 2385.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code sections 8A.104 and 8A.201 through 8A.234.

Purpose and Summary

This new chapter addresses rules for library programs. These rules have been condensed from the two chapters the rules previously existed in. The chapter provides the public, local libraries, and any branch of State government information on the statewide programs and services provided by the State Library of Iowa.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on December 25, 2024, as **ARC 8676C**. Public hearings were held on the following date:

- January 15, 2025

No one attended the public hearings. No public comments were received. No changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Department on May 23, 2025.

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa.

Jobs Impact

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

Waivers

The Department will not grant waivers under the provisions of these rules, other than as may be allowed under Chapter 9 of the Department's rules concerning waivers.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rulemaking will become effective on July 16, 2025.

The following rulemaking action is adopted:

ITEM 1. Adopt the following **new** 11—Chapter 131:

CHAPTER 131
PROGRAMS AND FUNDING

11—131.1(8A) Purpose. The state library is charged with developing a long-range plan, known as the State Library of Iowa Library Services and Technology Act (LSTA) Five-Year Plan, for the continued improvement of library services in the state. The major outcomes of this planning effort include the maintenance of the State of Iowa Libraries Online (SILO) program; professional development and continuing education of Iowa library staff, including a voluntary endorsement program for public library staff; the development of standards for public libraries that includes a voluntary accreditation program; the IA Shares delivery service for public libraries; providing Iowans access to the publications of state government; and digital information resources.

11—131.2(8A) Financial support.

131.2(1) Funding. Funding for the stated outcomes is provided through both state appropriations and federal funding to the state library.

a. Funding for the Enrich Iowa program, through a state appropriation, allows the state library to implement the program as outlined in Iowa Code section 8A.209.

b. Funding from the federal government is provided through the Grants to States program from the Institute for Museum and Library Services (IMLS). The program's focus is on the following six focal areas: lifelong learning, information access, institutional capacity, employment and economic development, human services, and civic engagement. The current authorization is through the Museum and Library Services Act of 2018 (PL 115-410).

131.2(2) Federal funding administration. The state library administers and uses the state-based LSTA funds (in any proportion) directly or through subgrants or cooperative agreements. The actual amount, timing, and availability of funds for projects is determined by the state library in consultation with the Iowa library community. In accordance with the principles set forth in the basic guidelines of the Five-Year Plan for the use of LSTA funds, individual grants are not anticipated. However, when

individual grants are deemed to be the appropriate vehicle to meet the identified needs as well as the intent of the guidelines, information on grants will be published and distributed statewide.

a. Eligibility. Eligibility of projects will be determined by the Five-Year Plan for the use of LSTA funds, effective October 2022. The use of the funds will have a major impact on library service to Iowans; increase access to information; have a statewide benefit; foster cooperation, resource sharing, and partnerships; involve all types and sizes of libraries; encourage innovation; and emphasize evaluation. The plan is found on the state library's website: statelibraryofiowa.gov.

b. Reporting procedures. All LSTA grant recipients shall submit to the state library documentation of LSTA project-related expenses and periodic and final project reports. LSTA-funded projects are subject to on-site monitoring by state library personnel.

131.2(3) Appeals. Applicants for financial support under these rules may file appeals as outlined below.

a. Informal appeals. Informal appeals shall be made on procedural grounds only. Such grounds include alleged conflicts of interest, unfair or impartial treatment of applications or procedures not uniformly applied to all applicants. An informal appeal must be filed with the state librarian within seven days of when the appellant was denied financial support.

b. Informal appeal hearing. A written request for an informal appeal hearing shall be sent to the state librarian. The hearing shall be held within 15 calendar days of the date of the request during regular business hours of the state library. The hearing shall be held before the state librarian or a designee of the state librarian. The state librarian or their designee shall:

- (1) Notify the appellant as to the day, hour, and location of the hearing;
- (2) Inform the appellant of the right to submit any written documents regarding the application;
- (3) Inform the appellant that a spokesperson must be appointed if the appeal involves more than one person per project. The state librarian or designee shall direct questions only to the spokesperson during the hearing. Any other discussions or comments shall be reserved for a closed executive session. No indication of decision shall be given at the time of the hearing;
- (4) Notify the appellant in writing of the decision of the state librarian or designee within five calendar days of the hearing.

c. Formal appeal. If unsatisfied with the decision of the state librarian or designee under the informal appeal process, an applicant may file a formal written appeal with the director within seven days of the informal decision of the state librarian or designee. The director shall issue a written decision within 30 days of receipt of the written appeal. The decision of the director shall be considered final agency action and is subject to judicial review in accordance with Iowa Code chapter 17A.

- (1) Appeals will be allowed on the procedural grounds that:
 1. Staff or agents of the state library acted outside their statutory authority;
 2. Approved projects do not fall within the guidelines of the five-year plan;
 3. Staff or agents of the state library were influenced to act as a result of a conflict of interest;
 4. Staff or agents of the state library acted in a biased manner.
- (2) An appellant's written appeal shall contain:
 1. Facts of the appeal.
 2. An argument in favor of the appeal.
 3. The remedy sought.

11—131.3(8A) Enrich Iowa.

131.3(1) Purpose. The Enrich Iowa program is set forth in Iowa Code section 8A.209. Enrich Iowa provides direct state assistance to public libraries, supports the open access and interlibrary loan programs, provides public libraries with an incentive to improve library services, and reduces inequities among communities in the delivery of library services. Enrich Iowa funding is intended to supplement, not replace, local funding.

131.3(2) Eligibility. All Iowa libraries are eligible to participate in the Enrich Iowa program. Direct State Aid funding is limited to public libraries meeting Tier 1 requirements or higher. Open Access funding is limited to public libraries meeting Tier 1 requirements or higher and academic libraries.

Interlibrary loan reimbursement funding is available to all public, academic, AEA, institutional, school, and special libraries. To participate in the Enrich Iowa program, an Iowa library must sign an agreement from the state library that outlines the general provisions and assurances. Information, including forms for signature, terms of agreement, and program reporting requirements are made available on the state library's website: statelibraryofiowa.gov.

11—131.4(8A) State of Iowa Libraries Online (SILO). Pursuant to Iowa Code section 8A.202, the state library provides resource sharing services, including the Iowa Locator, the statewide union catalog used to locate library items, and the SILO Interlibrary Loan System to all types of libraries in Iowa. SILO also offers hosted services including DNS, email lists, and web hosting to any public library.

11—131.5(8A) Standards and accreditation program. Pursuant to Iowa Code section 8A.202, the state library provides performance measures to encourage the ongoing development of high-quality public library service in the state. "In Service to Iowa: Public Library Measures of Quality, 6th ed. State Library, 2016," is the manual for the state library of Iowa's standards program. Iowa's voluntary public library standards program was established to give public libraries a tool to identify strengths and areas for improvement. It is also used to document the condition of public library service in Iowa, to distribute Direct State Aid funding, and to meet statutory requirements. Program information can be found on the state library's website: statelibraryofiowa.gov.

This rule is intended to implement Iowa Code section 8A.202(1) "k."

11—131.6(8A) Endorsement program for the Iowa public library community. Pursuant to Iowa Code section 8A.202, the state library improves library service in Iowa by developing the skills of public library directors and staff, providing recognition for public librarians, enhancing the public image of librarians and libraries, and providing guidelines that public library boards may use in developing staff hiring policies. Program information can be found on the state library's website: statelibraryofiowa.gov.

11—131.7(8A) Summer library program. Pursuant to Iowa Code section 8A.202, the state library aids public libraries in planning summer reading programs by working with an outside vendor for promotional and programming materials, which are locally adaptable, to help improve library service to youth in Iowa and to improve skills of librarians. Program information can be found on the state library's website: statelibraryofiowa.gov.

11—131.8(8A) State publications depository program. Pursuant to Iowa Code sections 8A.202 and 8A.208, the state publications depository program is established within the state library for the collection and distribution of publications issued by state agencies to designated depository libraries around the state and maintains a digital repository for electronic government publications. The program shall be administered by the state librarian and coordinated through the library's specialized library services unit. The state library shall serve as the last copy depository for predepository state information products and for those products never deposited with the center since its 1979 inception. Both print and digital materials are collected for the program.

131.8(1) Definitions.

"State agency" means a legislative, executive, or judicial office of the state and all of its respective offices, departments, divisions, bureaus, boards, commissions, committees, and state institutions of higher education governed by the state board of regents.

"State publications" are defined as any multiply produced informational products or materials regardless of format, method of reproduction, or source, originating in or produced with the imprint of, by the authority of, or at the total or partial expense of, any state agency. The definition incorporates those publications that may or may not be financed by state funds but are released by private bodies such as research and consultant firms under contract with or supervision of any state agency. State information products specifically include but are not limited to public documents appearing as reports, directories, statistical compendiums, bibliographies, lists, state plans, statutes, codes, laws and bills, rules, regulations, transcripts of public hearings, journals, newsletters, bulletins, periodicals, books, pamphlets,

brochures, charts, maps, surveys, other printed matter, audiovisual materials, microfilm, microfiche, and all electronic information sources in all electronic formats. State information products do not include correspondence and memoranda intended solely for internal use within the agency or between agencies, materials designated by law as being confidential, materials excluded from this definition by the department through the adoption and enforcement of rules, and materials determined by the depository library center staff to be exempt.

131.8(2) State agency requirements. Pursuant to Iowa Code section 8A.205, upon issuance of a state publication in any format, a state agency shall provide the state library an electronic version of the publication at no cost to the state library. The publication will be deposited into Iowa Publications Online, publications.iowa.gov, a digital repository of documents produced by Iowa state agencies. Print documents are accepted. It shall be the responsibility of the issuing state agency to create duplicate copies of publications in limited supply to meet the minimal copy requirements of the depository program as specified by the state library.

131.8(3) Depository libraries. The state library and the University of Iowa shall be designated as the two permanent depositories for Iowa state publications. The Library of Congress shall receive one copy of each state publication collected. Depository status shall be determined by the state librarian. Information about the depository libraries program can be found on the state library's website: statelibraryofiowa.gov.

11—131.9(8A) IA Shares. A statewide delivery service program has been established in the state library to provide a method of sending and receiving library materials between public libraries and the state library. Program information can be found on the state library's website: statelibraryofiowa.gov.

11—131.10(8A) People's law library of Iowa. The state library, in conjunction with the University of Iowa law library, provides an easy-to-understand, basic information website about the law. The people's law library of Iowa is available at: www.peopleslawiowa.org.

These rules are intended to implement Iowa Code sections 8A.202, 8A.205, 8A.208, and 8A.209.

[Filed 5/22/25, effective 7/16/25]

[Published 6/11/25]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 6/11/25.

ARC 9357C

ADMINISTRATIVE SERVICES DEPARTMENT[11]

Adopted and Filed

Rulemaking related to internet use policy

The Administrative Services Department hereby adopts new Chapter 132, "Internet Use Policy," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code section 8A.104(5) and 2024 Iowa Acts, Senate File 2385.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code sections 8A.104 and 8A.201 through 8A.234.

Purpose and Summary

The State Library of Iowa is now a part of the Department of Administrative Services as a result of State government alignment. As part of Executive Order 10, these proposed rules have been reviewed and are being repromulgated under agency [11]. The purpose of these proposed rules is to show that the State Library of Iowa's Internet Use Policy is in compliance with 20 U.S.C. §9134(f) and the Children's Internet Protection Act as required by the Institute for Museum and Library Services (IMLS). IMLS is the main federal funding agency.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on December 25, 2024, as **ARC 8673C**. Public hearings were held on the following date:

- January 16, 2025

No one attended the public hearings. No public comments were received. No changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Department on May 23, 2025.

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa.

Jobs Impact

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

Waivers

The Department will not grant waivers under the provisions of these rules, other than as may be allowed under Chapter 9 of the Department's rules concerning waivers.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rulemaking will become effective on July 16, 2025.

The following rulemaking action is adopted:

ITEM 1. Adopt the following **new** 11—Chapter 132:

CHAPTER 132
INTERNET USE POLICY

11—132.1(8A) Rights and responsibilities. The state library expects the use of all its electronic sources such as the Internet to be responsible, ethical, and legal, and consistent with the purpose for which those resources are provided. The state library complies with the Children's Internet Protection Act (PL 106-554 and 47 U.S.C. 254(h)). To this end:

132.1(1) The state library affirms the right of every individual to have access to constitutionally protected material as stated in the library's collection development policy.

132.1(2) Parents or guardians, not the library or its staff, are responsible for the Internet use by their children.

132.1(3) Internet access is provided in a public area shared by users of all ages, backgrounds, and sensibilities. Users should consider this when accessing potentially controversial information and images.

132.1(4) The state library reserves the right to ask users to discontinue the display of information and images that cause a disruption.

132.1(5) Users should respect the privacy of other Internet users by not observing what sites others are accessing.

132.1(6) Users will not misrepresent themselves as any other user; will not attempt to modify or gain access to files, passwords, or data belonging to others; will not seek unauthorized access to any computer system; and will not damage or alter software components of any network or database.

132.1(7) Illegal activities subject to prosecution include:

- a. Destruction of or damage to equipment, software, or data belonging to the library;
- b. Violation of computer system security or system configuration;
- c. Violation of the copyright laws of the United States;
- d. Downloading or provision of child pornography or display of pornography where it may be seen by children.

132.1(8) To the extent practical, steps shall be taken to promote the safety and security of users of the Internet when they are using electronic mail, chat rooms, instant messaging and other forms of direct electronic communications.

132.1(9) The state library ensures the safety and security of minors by:

- a. Prevention of inappropriate network usage.
 - (1) Technology measures shall be used to prevent unauthorized access and other unlawful activities.
 - (2) Technology measures shall be used to prevent unauthorized disclosure, use, and dissemination of personal identification information.
- b. Prevention of access to inappropriate material.
 - (1) Technology protection measures (i.e., Internet filters) shall be used to block or filter access to inappropriate material on the Internet.
 - (2) Blocking shall be applied to visual depictions of material deemed obscene, to child pornography, or to any material deemed harmful to minors.
 - (3) Technology protection measures may be disabled by library staff for adults or, in the case of minors, minimized for bona fide research or other lawful purposes.

11—132.2(8A) Violation of policy. Violation of this computer use policy shall result in the loss of computer privileges and may lead to financial responsibility. Illegal activities will be prosecuted.

11—132.3(8A) Internet access. The Internet can be accessed via wireless connection for any user on a personal device who visits the state library. The Internet may be unavailable due to unforeseen problems with hardware, software or telecommunications. Downloading and saving files to the user's own portable device is allowed. Files saved to the computer's drives are erased at the end of each user's session. Devices may be available to visitors for use during the library's normal business hours. Files saved to devices that the library makes available for visitors to use are erased at the end of each user's session.

11—132.4(8A) Staff assistance. State library staff will answer basic questions about Internet use or help locate resources. Staff reserves the right to waive these procedures as circumstances warrant.

These rules are intended to implement Iowa Code sections 8A.202, 8A.205, 8A.206, 8A.207, and 8A.208.

[Filed 5/22/25, effective 7/16/25]

[Published 6/11/25]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 6/11/25.

ARC 9337C

INSPECTIONS AND APPEALS DEPARTMENT[481]

Adopted and Filed

Rulemaking related to definitions and licenses, registrations, and permits

The Department of Inspections, Appeals, and Licensing hereby adopts new Chapter 550, "Definitions," and Chapter 551, "Licenses, Registrations, and Permits," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code chapters 147, 155A and 272C and sections 124.303, 147.76 and 147.80.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapters 147, 155A and 272C and sections 124.302, 147.76 and 147.80.

Purpose and Summary

This rulemaking establishes a chapter for definitions to be adopted by reference in other Board of Pharmacy chapters. The rulemaking also establishes one chapter for the requirements to obtain and maintain a license, registration, or permit to engage in the practice of pharmacy; handling of controlled substances; or distribution of prescription products in or into Iowa. The rules provide general requirements for applicants; notification requirements for licensees, registrants, and permittees; and specific requirements for each different type of license, registration, or permit.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on November 27, 2024, as **ARC 8420C**. A public hearing was held on the following date(s):

- January 6, 2025
- January 9, 2025

The Iowa Pharmacy Association provided comment in support of the Board's rulemaking. The Iowa Pharmacy Association expressed its support for the clarity and simplicity of the approach to modernizing pharmacy practice and the standard of care regulatory framework in Iowa. The National Association of Boards of Pharmacy (NABP) recommended the addition of language to specify the jurisprudence examination required of pharmacist license candidates be an examination administered by NABP. In an effort to maintain flexibility in the future, the Board declined this suggestion. DHL Supply Chain recommended that the Drug Distributor Accreditation requirement for initial Third-Party Logistics Provider license applicants be either eliminated or be modified to allow licensure upon documentation that the applicant has initiated the accreditation process. It was determined that such a modification would put an undue burden on licensing staff to track such accreditation processes of new licensees as well as create an administrative burden to require a contested case proceeding in the event that the applicant/licensee fails to achieve accreditation. Under the current requirement, applicants are able to petition the Board (which the Board has considered many such petitions) to waive the accreditation requirement in certain, unique situations where delaying the accreditation process is warranted in favor of allowing the entity to distribute drugs in the drug supply chain in or into Iowa.

No changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Department on May 8, 2025.

Fiscal Impact

This rulemaking has minimal fiscal impact to the State of Iowa. The application fees for a new pharmacist license applicant is being modified to be a single \$180 that will be inclusive of application processing, potential examination retake requests, and issuance of a temporary pharmacist license, where available. The single \$180 fee is taking the place of the current fees for pharmacist license (\$180), application processing fee (\$72), examination retake requests (\$36 per examination) and temporary pharmacist license for license by license transfer candidate (\$20 with potential for one renewal). Based on 2023 data, this would result in an annual reduction in licensing fees (deposited into the Licensing and Regulation Fund) of approximately \$14,700 (approximately \$8,400 in application processing fees, \$3,600 in re-examination fees, and \$2,700 in temporary pharmacist license fees). The rules also decouple the pharmacy license from its pharmacist in charge in response to enactment of 2024 Iowa Acts, House File 555. Based on 2023, this will result in an annual reduction in licensing fees (deposited into the Licensing and Regulation Fund) of approximately \$45,000. While it is unknown to what degree the impact will be, it is presumed there will be an increase in licensing fees for new telepharmacy license applications in response to the modification of distance requirements in House File 555.

Jobs Impact

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

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Board for a waiver of the discretionary provisions, if any, pursuant to 481—Chapter 6.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rulemaking will become effective on July 16, 2025.

The following rulemaking action is adopted:

ITEM 1. Adopt the following new 481—Chapter 550:

CHAPTER 550
DEFINITIONS

481—550.1(124,147,155A,272C) Definitions. For the purposes of 481—Chapter 550 through Chapter 557, and in addition to the definitions found in Iowa Code sections 124.101 and 155A.3, the following definitions apply:

“3PL” means third-party logistics.

“ACPE” means the Accreditation Council for Pharmacy Education.

“AMDS” means an automated medication dispensing system.

“Board” means the board of pharmacy.

“Certified pharmacy technician” or *“certified technician”* means an individual who holds a valid current national certification and who has registered with the board as a certified pharmacy technician.

“CFR” means the United States Code of Federal Regulations.

“CGMP” means current good manufacturing practices.

“Change of ownership” occurs when the owner listed on the pharmacy’s most recent application changes.

“Continuing education” means a structured educational activity that is applicable to the practice of pharmacy, that promotes problem solving and critical thinking, and that is designed or intended to support the continuing development of pharmacists while maintaining and enhancing their competence in the practice of pharmacy.

“CSA” means the Iowa controlled substances Act.

“DEA” means the United States Drug Enforcement Administration.

“DSCSA” means the federal Drug Supply Chain Security Act, Part II of the Drug Quality and Security Act, as codified in 21 U.S.C. §360eee-1 and 360eee-2 as created November 27, 2013.

“EMS program” means an emergency medical services program that is licensed with the bureau of emergency and trauma services.

“FDA” means the United States Food and Drug Administration.

“FPGEC” means the Foreign Pharmacy Graduate Examination Committee.

“NABP” means the National Association of Boards of Pharmacy.

“NAPLEX” means the North American Pharmacist Licensure Examination.

“National pharmacy technician certification” means documentation of the successful completion of a program and examination, including renewal, for the certification of pharmacy technicians that is accredited by the National Commission for Certifying Agencies.

“NCDQS” means the National Coalition for Drug Quality and Security.

“NDC” means National Drug Code.

“Office use” means the utilization of a compounded preparation from an outsourcing facility for direct patient administration by a health care practitioner in the normal course of professional practice or for dispensing by a health care practitioner or a pharmacy pursuant to a patient-specific prescription for patient self-administration.

“PMP” means the Iowa prescription monitoring program.

“Preceptor” means an Iowa-licensed pharmacist in good standing.

“U.S.C.” means the United States Code.

“USP” means the United States Pharmacopoeia.

This rule is intended to implement Iowa Code sections 124.302, 147.76 and 147.80 and chapters 155A and 272C.

ITEM 2. Adopt the following new 481—Chapter 551:

CHAPTER 551 LICENSES, REGISTRATIONS, AND PERMITS

481—551.1(124,147,155A,272C) Definitions. The definitions found in 481—Chapter 550 are incorporated by reference into these rules.

481—551.2(124,124B,147,155A,272C) General requirements.

551.2(1) Issuance. The board will issue or renew a license, registration or permit upon receipt of a completed application and determination that the applicant has satisfied the requirements of applicable statutes and any additional criteria specified by these rules. A license or registration is necessary prior to engaging in the authorized activity into, out of, or within this state. A permit is necessary prior to engaging in the authorized activity in this state. Except as provided in these rules, the expiration date for any newly issued license, registration or permit will be extended by one year when the initial license, registration or permit is issued within two months of the standard expiration date.

551.2(2) Board forms. Initial applications, renewal applications, and other forms used for licensure, registration, or other purposes will be on board forms unless specified in these rules.

551.2(3) Fees.

a. Fees are nonrefundable and nontransferable and will be considered a repayment receipt as defined in Iowa Code section 8.2.

b. Fees apply to applications submitted for initial, changed and renewed licenses, registrations or permits or for a criminal history background check, when applicable.

c. A license, registration or permit will be invalidated when the method of payment is returned or rejected.

551.2(4) Fee table.

License/ Registration	Application Fee	Background Check Fee	Renewal Period	Renewal Fee	Delinquent Renewal Fee	Reactivation Fee
Pharmacist	\$180	\$45	2 years	\$180	\$360	\$630
Pharmacist-Intern	\$30	N/A	N/A	N/A	N/A	N/A
Technician Trainee	\$20	N/A	1 year	\$20	\$40	\$80
Certified Pharmacy Technician	\$20	N/A	2 years	\$40	\$80	\$160
Pharmacy Support Person	\$25	N/A	2 years	\$25	\$50	\$100
CSA—Individual	\$90	N/A	2 years	\$90	\$180	\$360
CSA—Business	\$90	N/A	2 years	\$90	\$180	\$360
Nonresident Pharmacist in Charge	\$75	N/A	1 year	\$75	\$150	\$300
Pharmacy	\$135	N/A	1 year	\$135	\$270	\$540
Wholesale Distributor	\$750	\$45	1 year	\$750	\$1,500	\$2,000
3PL Provider	\$750	\$45	1 year	\$750	\$1,500	\$2,000
Limited Distributor	\$175	N/A	1 year	\$175	\$350	\$500
Outsourcing Facility	\$400	\$45	1 year	\$400	\$800	\$1,600
Precursor Substances	\$180	N/A	1 year	\$180	\$360	\$360

551.2(5) Criminal history background check. The fee for a criminal history background check is \$45 and, in accordance with Iowa Code section 155A.40, is necessary for:

a. Pharmacists.

b. Outsourcing facility supervising pharmacists, except as provided in subparagraph 551.14(2)“a”(1).

c. Wholesale distributor and 3PL facility managers, except as provided in paragraphs 551.13(3)“a” and 551.16(3)“a.”

551.2(6) Separate locations. Each separate business location wherein activities occur that require a license, registration or permit will be separately licensed, registered or permitted.

551.2(7) Complete applications. An application is considered complete when all application information and fees are submitted to the board.

551.2(8) Incomplete applications. Applications that remain incomplete after six months from the date of initial board receipt will expire, except that applications for pharmacist licensure will expire:

a. After one year for an application for license transfer.

b. After two years for an application for license by examination or score transfer.

551.2(9) Inspections.

a. Prior to the issuance of a new license, registration or permit for any business that will maintain prescription drugs or for any individual CSA registrant who will maintain controlled substances, an inspection will be required, except as provided for limited distributors pursuant to subrule 551.15(1).

b. Any CSA registrant that does not maintain stocks of controlled substances will provide notice to the board at least 30 days prior to procuring controlled substances, and an inspection will be required prior to storage of controlled substances at the registered location.

551.2(10) *Denial of license, registration or permit.*

a. Grounds for denial. The board or authorized delegate may deny the issuance or renewal of a license, registration or permit for:

(1) Any violation of the laws of this state, another state, or the United States by the applicant relating to prescription drugs, controlled substances, or nonprescription drugs or for a violation of any rule of the board.

(2) The receipt of a certificate of noncompliance from child support services of the department of health and human services or the centralized collection unit of the department of revenue.

(3) The furnishing of false or fraudulent information in the application process.

(4) Noncompliance with licensing or practice standards under previously granted licenses, registrations or permits.

(5) Any other factors or qualifications the board considers relevant to and consistent with public health and safety.

b. Appeal of denial. An individual whose application is denied may, within 30 days after issuance of the notice of denial, appeal to the board for reconsideration of the application.

551.2(11) *Renewals.* Renewal applications will be submitted to the board in accordance with Iowa Code section 147.10.

551.2(12) *Untimely renewals or change applications.* Any licensee, registrant or permittee that fails to timely apply for renewal or change is provided a 30-day grace period to submit an application. The applicant may continue engaging in the authorized activity while the application is pending. Untimely applications will be subject to a late penalty fee that is equal to the application fee.

551.2(13) *Expired licenses, registrations or permits—reactivation.* Any licensee, registrant or permittee that fails to apply for renewal or change within the 30-day grace period may not engage in the authorized activity until the license, registration or permit is reactivated. An application will be subject to a fee of four times the application fee, except as provided herein.

a. A reactivation fee will not be assessed when the applicant voluntarily canceled the license, registration or permit when the applicant discontinued the authorized activity.

b. The reactivation fee for a wholesale distributor or 3PL provider license is \$2,000.

c. The reactivation fee for a pharmacist license is \$630.

d. The reactivation fee for a limited distributor license is \$500.

e. The reactivation fee for a precursor substances permit is \$360.

551.2(14) *Termination of licenses, registrations or permits.*

a. A business license, registration or permit will terminate when the business ceases to legally exist or discontinues business.

b. An individual license or registration will automatically terminate upon the death of the individual or upon the issuance of a superseding license or registration (e.g., issuance of a pharmacist license will result in the termination of the individual's intern registration).

c. When a license or registration was issued by the board based on an underlying license, certificate or other credential and the underlying license, certificate or credential expires or is suspended or revoked, the board may take action to suspend or revoke the license or registration. Board action will not be taken against a pharmacist license issued by license transfer when the pharmacist's original license upon which license transfer was granted expires.

551.2(15) *Voluntary cancellations.*

a. Businesses and CSA registrants who stock controlled substances.

(1) A licensee, registrant or permittee may voluntarily request cancellation via written notice to the board at least 30 days prior to the discontinuation of business. The notice will include the following

information: the licensee, registrant or permittee name and address; the license, registration or permit number; the anticipated date of business discontinuation; and, if applicable, the identification of the licensee, registrant or permittee to whom drugs and records will be transferred. A canceled license, registration or permit is not subject to expired status or reactivation requirements.

(2) A business that has dispensed or distributed prescription or nonprescription products in the previous 18 months will provide written notice, which may include electronic communication, to its customers at least 30 days prior to the discontinuation of business that will include the anticipated date of business discontinuation and the identification of the licensee, registrant or permittee to whom the customers' records will be transferred.

b. Individuals. An individual licensee or registrant may voluntarily request cancellation via written notice to the board. Except as provided herein for pharmacists, a licensee or registrant who requests voluntary cancellation is not subject to expired status or reactivation requirements. A pharmacist who voluntarily surrenders a license is subject to the reinstatement requirements pursuant to 481—Chapter 506.

551.2(16) *Grounds for discipline.* In addition to the grounds for discipline identified in 481—Chapter 504, the board may take disciplinary action against a license or registration for the following:

a. Distribution of drugs for other than lawful purposes, which includes but is not limited to the distribution of counterfeit drugs and the disposition of drugs in violation of Iowa Code chapters 124, 126, and 155A.

b. Obtaining, diverting, possessing, or attempting to obtain or possess prescription drugs without lawful authority, including but not limited to forging or altering a prescription for personal use or for distribution.

c. Practicing pharmacy, or assisting in the practice of pharmacy, while under the influence of alcohol, illicit substances, or prescription drugs or substances for which the licensee does not have a lawful prescription or while impaired by the use of legitimately prescribed prescription drugs.

d. Noncompliance with a child support order or with a written agreement for payment of child support as evidenced by a certificate of noncompliance issued pursuant to Iowa Code chapter 252J.

551.2(17) *Agency rules adopted by reference.* The board adopts by reference the following agency rules:

a. Military service, veteran reciprocity, and spouses of active-duty service members as found in 481—Chapter 7.

b. Contested cases and informal settlement as found in 481—Chapter 506.

c. Discipline as found in 481—Chapter 504.

d. Licensing and child support noncompliance, student loan repayment noncompliance, and nonpayment of state debt as found in 481—Chapter 8.

e. Use of criminal convictions in eligibility determinations and initial licensing decisions as found in 481—Chapter 502.

481—551.3(124,124B,147,155A,272C) Notifications to the board.

551.3(1) *Criminal convictions and pleas.* Within 30 days of adjudication, any conviction of or entry of a plea of guilty, nolo contendere, or no contest to a crime, other than a minor traffic offense, including if the judgment of conviction or sentence is deferred, will be reported to the board. Notification will include an unredacted copy of the final order of judgment. The notification requirement applies to:

a. An individual licensee or registrant.

b. A business licensee, registrant or permittee or any owner, supervising pharmacist or facility manager when the conviction is related to the practice of pharmacy or the distribution of drugs.

551.3(2) *Disciplinary action.* Any disciplinary action in another state or federal jurisdiction of a licensee, registrant or permittee or an owner, supervising pharmacist or facility manager of a license, registration or permit relating to the practice of pharmacy or the distribution of drugs will be reported to the board within 30 days of adjudication. Notification will include an unredacted copy of the action or

order. Disciplinary action includes but is not limited to citations; reprimands; fines; restrictions; probation; or surrender, suspension or revocation of the license, registration, or permit.

551.3(3) *Individual licensee or registration changes.* Within 30 days of a change to the following, the licensee or registrant will provide the updated information to the board via written notice or via the board's online licensing database:

- a. Address.
- b. Email address.
- c. Telephone number.
- d. Pharmacy of employment, if applicable.
- e. Name, of which a written notice will include evidence of the legal name change.

481—551.4(147,155A,272C) Pharmacists.

551.4(1) *License by examination or score transfer.* An applicant for licensure by examination or score transfer will satisfy the requirements of Iowa Code sections 155A.8 and 155A.9 and do the following:

a. Graduate from an ACPE-accredited college of pharmacy within the United States, or, if a graduate of a foreign college of pharmacy, submit FPGEC certification and preceptor affidavit(s) of satisfactory completion of internship in accordance with subrule 551.6(3).

b. Pass the following examinations:

- (1) NAPLEX. NAPLEX score transfers are accepted for one year from the date of the examination.
- (2) A board-approved jurisprudence examination.

551.4(2) *License transfer—general requirements.* An applicant is eligible for license transfer when the applicant:

- a. Holds a current and unencumbered license in a state or territory of the United States; and
- b. Passes a board-approved jurisprudence examination.

551.4(3) *License fee and duration.* The license fee is \$180, and the license will expire on June 30 two years after initial licensure.

551.4(4) *Renewal standard.*

a. *Continuing education.* Except for the first renewal following licensure by examination, a pharmacist will complete at least 30 hours of continuing education (CE) since the date of issuance or last renewal of the license, except as provided by Iowa Code section 272C.2(2) "h," as a condition for license renewal. The type of CE completed shall be sufficient to meet the standard of care for the pharmacist's specific practice setting and be provided by an accredited CE provider. The following will be deemed compliant with the CE hours:

- (1) Active-duty military personnel serving honorably during the renewal period.
- (2) Nonresident pharmacists who are actively licensed in the state in which they live and who do not practice in Iowa.

b. *Child and dependent adult abuse training.* A pharmacist who, in the course of employment or professional practice, examines, attends, counsels, or treats a minor or dependent adult will provide evidence of completion of training relating to the identification and reporting of child abuse or dependent adult abuse in accordance with Iowa Code section 232.69(3) "b" or 235B.16(5) "b," respectively.

481—551.5(155A) Nonresident pharmacists in charge. Unless currently licensed as a pharmacist in Iowa, the pharmacist in charge of an Iowa-licensed nonresident pharmacy will be registered.

551.5(1) *Registration fee and duration.* The registration fee is \$75, and the registration will expire annually on December 31.

551.5(2) *Change.* Within 30 days of a change to the home state license or registration information or status, the registrant will provide written notice of the change to the board.

481—551.6(155A) Pharmacist-interns.

551.6(1) *Registration required.* Unless currently licensed as a pharmacist in Iowa, an individual completing an internship, fellowship, or residency experience will be registered.

551.6(2) *Registration fee and duration.* The registration fee is \$30, and the registration will expire one year following graduation from a college of pharmacy, following completion of a residency or fellowship, upon withdrawal from a college of pharmacy, or upon pharmacist licensure in Iowa, whichever occurs first.

551.6(3) *Internship credit.* Credit for internship hours completed in Iowa will only be granted for the pharmacy practice experience completed under the supervision of a preceptor during the period the pharmacist-intern was registered. Internship hours will remain valid for application for licensure by examination or score transfer pursuant to rule 481—551.4(147,155A,272C) for three years from the earlier of the date of graduation from an ACPE-accredited college of pharmacy or the expiration of the pharmacist-intern registration.

481—551.7(155A) Pharmacy technicians. Prior to engaging in technical functions in an Iowa pharmacy, an individual will register pursuant to this rule.

551.7(1) *Technician trainee.* An individual who does not hold current and active national pharmacy technician certification will register as a technician trainee. The registration fee is \$20, and the registration will expire one year after initial registration. When necessary due to exceptional circumstances, a technician trainee will be limited to one renewal.

551.7(2) *Certified pharmacy technician.* An individual who holds current and active national pharmacy technician certification will register as a technician. The registration fee is \$20 per annum, and the registration will expire on the date that the technician's national certification expires.

481—551.8(155A) Pharmacy support persons. The registration fee is \$25, and the registration will expire the last day of the birth month the second year after initial registration.

481—551.9(124) CSA—individuals.

551.9(1) *Registration for independent activities.* A separate registration will be necessary for each separate independent activity as provided in 21 CFR §1301.13 as amended on April 11, 2022.

551.9(2) *Registration for separate locations—exemption.* Notwithstanding subrule 551.2(5), a registered prescriber will not be required to obtain a separate registration for each additional location where the prescriber prescribes or administers controlled substances but does not procure or maintain stocks of controlled substances under the prescriber's registration.

551.9(3) *Registration fee and duration.*

a. Researchers. The registration fee is \$90, and the registration will expire the last day of the month the second year after initial registration.

b. Practitioners. The registration fee is \$45 per annum, and the registration will expire on the date that the practitioner's Iowa professional license expires.

551.9(4) *Exempt from registration.* An individual practitioner who meets the conditions of 21 CFR §1301.22(c) amended to March 24, 1997, is exempt from registration.

551.9(5) *Changes.* Within 30 days of a change to the registered location or substances authorized, the registrant will provide the updated information to the board via written notice or via the board's online licensing database.

481—551.10(124,155A) Pharmacies.

551.10(1) *License types.* Licensed pharmacy types include:

- a. General pharmacy.*
- b. Hospital pharmacy.*
- c. Telepharmacy.*
- d. Limited-use pharmacy.*
- e. Nonresident pharmacy.*

551.10(2) *License fee and duration.* The license fee is \$135, and the license will expire annually on December 31.

551.10(3) *Changes.*

a. Written notice. Within 30 days of a change, except as provided herein, the pharmacy will provide the following updated information to the board via a board form.

(1) Pharmacist in charge, except that notification of a change of pharmacist in charge of a nonresident pharmacy will be submitted within ten days of the change.

(2) Ownership.

b. Application. A licensee will seek modification of the pharmacy license for the following changes via submission of a completed application and fee prior to the effective date of the change, except as provided herein. A resident licensee will submit the application at least 30 days prior to the anticipated change, and, except as provided, a nonresident licensee will submit the application within 30 days of the licensee's receipt of an updated license from the home state regulatory authority, if applicable, reflecting the change.

(1) Name.

(2) Location, except for a temporary relocation of limited duration due to an exceptional circumstance. An application will be submitted at least 30 days prior to the anticipated relocation.

(3) License type. An application will be submitted at least 30 days prior to the anticipated change.

481—551.11(124) CSA—businesses.

551.11(1) *Registration for independent activities.* A separate registration will be necessary for each separate independent activity as provided in 21 CFR §1301.13 amended to April 11, 2022.

551.11(2) *Separate registrations for separate locations.*

a. A separate registration will be necessary for each location where controlled substances are manufactured, distributed, imported, exported, dispensed, stored, or collected for the purpose of disposal unless exempt from registration pursuant to Iowa Code section 124.302(2) or as provided in 21 CFR §1301.12 amended to February 28, 2024.

b. A separate registration for a pharmacy will not be required when providing an emergency kit of limited drug quantities to an entity authorized to administer such emergency drugs, such as a care facility or EMS program.

551.11(3) *Registration fee, duration, and exemptions.*

a. The registration fee is \$45 per annum and will expire on the second-last day of the month following initial registration, except that the expiration may be aligned with the entity's underlying business license, if applicable.

b. The registration fee is waived for federal, state, and local law enforcement agencies and the following federal and state institutions: hospitals; health care or teaching institutions; and analytical laboratories authorized to possess, manufacture, distribute, and dispense controlled substances in the course of official duties.

551.11(4) *Changes.*

a. Written notification. Within 30 days of a change to the following, the registrant will provide the updated information to the board via a board form or via the board's online licensing database:

(1) Substances authorized.

(2) Responsible individual, except as required in subparagraph 551.11(4) "b"(2).

(3) Ownership.

b. Application. A CSA—business registrant will seek modification of the registration for the following changes via submission of an application and fee within 30 days of the change, except as provided herein:

(1) Location. For an in-state registrant, an application will be submitted at least 30 days prior to the change of location.

(2) Responsible individual for outsourcing facilities, 3PL providers, and wholesale distributors.

(3) Name.

481—551.12(124B) Precursor substances.

551.12(1) *Permit fee and duration.* The permit fee is \$180, and the permit will expire annually on December 31.

551.12(2) Exemptions. A permit is not required for the distribution of exempt chemical mixtures or for transactions deemed excluded by 21 CFR Part 1310 as amended on October 31, 2023.

481—551.13(155A) Wholesale distributors.

551.13(1) License standards.

a. To be eligible for licensure as a wholesale distributor, each application will include evidence of:

- (1) Surety bond or equivalent security pursuant to the DSCSA.
- (2) Current drug distributor accreditation by NABP, NCDQS, or another accreditation body approved by the board. New applicants located in Iowa that undergo an opening inspection will not be obligated to provide evidence of accreditation for initial licensure.

b. In the event the requirements in paragraph 551.13(1)“*a*” directly conflict with any federal law or regulation, the federal law or regulation will supersede the requirements in paragraph 551.13(1)“*a*.”

551.13(2) License fee and duration. The license fee is \$750, and the license will expire annually on December 31.

551.13(3) License changes.

a. Written notice. A licensee will provide written notice to the board within 30 days of:

(1) The designation of a temporary facility manager who will not be subject to a criminal history background check.

(2) A change of business type.

(3) A change of ownership.

b. Application. A licensee will seek modification of the license for the following changes via submission of an application and fee. A resident licensee will submit the application at least 30 days prior to the anticipated change, and, except as provided, a nonresident licensee will submit the application within 30 days of the licensee’s receipt of an updated license from the home state regulatory authority, if applicable, reflecting the change.

(1) Name.

(2) Location.

(3) Permanent facility manager. A licensee will submit an application within 30 days of the identification of a new permanent facility manager and within 90 days of the initial vacancy.

481—551.14(155A) Outsourcing facilities.

551.14(1) License fee and duration. The license fee is \$400, and the license will expire annually on December 31.

551.14(2) License changes.

a. Written notice. A licensee will provide written notice to the board via a board form within 30 days of:

(1) The designation of a temporary supervising pharmacist who will not be subject to a criminal history background check.

(2) A change of ownership.

b. Application. A licensee will seek modification of the license for the following changes via submission of an application and fee. Except as provided herein, a resident licensee will submit the application at least 30 days prior to the anticipated change and a nonresident licensee will submit the application within 30 days of the change to the FDA registration or home state license, if applicable, reflecting the change.

(1) Name.

(2) Location.

(3) Permanent supervising pharmacist. A licensee will submit an application identifying the new permanent supervising pharmacist within 30 days of the identification of the permanent supervising pharmacist and within 90 days of the initial vacancy.

481—551.15(155A) Limited distributors.

551.15(1) Self-inspection. Each application for a limited distributor license will include a completed self-inspection.

551.15(2) *License fee and duration.* The license fee is \$175, and the license will expire annually on December 31.

551.15(3) *License changes.*

a. Written notice. The licensee will provide written notice within 30 days of a change of:

- (1) Facility manager.
- (2) Business type.
- (3) Ownership.

b. Application. Modification of the license for the following changes will be pursuant to the submission of an application and fee at least 30 days prior to the change, except as provided herein, for a resident licensee and within 30 days of the change to the home state license for a nonresident licensee, if applicable, reflecting the change.

- (1) Name.
- (2) Location.

481—551.16(155A) Third-party logistics providers.

551.16(1) *License standards.*

a. To be eligible for licensure, each application will include evidence of current drug distributor accreditation by NABP, NCDQS, or another accreditation body approved by the board. New applicants located in Iowa that undergo an opening inspection will not be obligated to provide evidence of accreditation for initial licensure.

b. In the event the requirements in this subrule directly conflict with any federal law or regulation, the federal law or regulation will supersede the requirements herein.

551.16(2) *License fee and duration.* The license fee is \$750, and the license will expire annually on March 31.

551.16(3) *License changes.*

a. Written notice. A licensee will provide written notice to the board within 30 days of:

(1) The designation of a temporary facility manager who will not be subject to a criminal history background check.

(2) A change of ownership.

b. Application. A licensee will seek modification of the license for the following changes via submission of an application and fee. A resident licensee will submit the application at least 30 days prior to the anticipated change, and, except as provided, a nonresident licensee will submit the application within 30 days of the licensee's receipt of an updated license from the home state regulatory authority, if applicable, reflecting the change.

(1) Name.

(2) Location.

(3) Permanent facility manager. A licensee will submit an application within 30 days of the identification of a new permanent facility manager and within 90 days of the initial vacancy.

These rules are intended to implement Iowa Code sections 124.302, 147.76 and 147.80 and chapters 155A and 272C.

[Filed 5/14/25, effective 7/16/25]

[Published 6/11/25]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 6/11/25.

ARC 9338C

INSPECTIONS AND APPEALS DEPARTMENT[481]

Adopted and Filed

Rulemaking related to practice of pharmacy

The Department of Inspections, Appeals, and Licensing hereby adopts new Chapter 552, “Standards—Practice of Pharmacy,” Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code chapter 155A and sections 124.303 and 147.76 and 2024 Iowa Acts, House File 555.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapter 155A and sections 124.302 and 147.76 and 2024 Iowa Acts, House File 555.

Purpose and Summary

The purpose of this rulemaking is to establish the minimum requirements for the practice of pharmacy regardless of the practice setting. The rules provide the minimum standards for a pharmacy relating to facilities, security, personnel, patient care services, prescription handling and processing, technology, quality improvement, and records.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on November 27, 2024, as **ARC 8417C**. A public hearing was held on the following date(s):

- January 6, 2025
- January 9, 2025

An Amended Notice of Intended Action was published in the Iowa Administrative Bulletin on March 5, 2025, as **ARC 8978C**.

As it relates to rule 481—552.18(155A) for telepharmacy practice, one comment was received recommending that the limitation that only an in-state pharmacy that serves as a managing pharmacy of a telepharmacy site in Iowa be expanded to allow for a nonresident pharmacy to serve as a managing pharmacy. Due to the variation in State laws and rules for nonresident pharmacies that may result in the Board of Pharmacy having limited jurisdiction to enforce violations of Iowa laws and rules by a nonresident pharmacy and the importance of a managing pharmacy to be geographically within a reasonable distance to provide support as needed to a telepharmacy site (e.g., for unexpected staffing needs, supply needs, or required monthly onsite staffing and inspections), the Board declined this recommendation. Another comment was received (by an entity that does not operate any telepharmacy sites in this State) recommending to eliminate subrule 52.18(5), which requires conversion to a general pharmacy when the average daily prescription volume at the telepharmacy site exceeds 150 prescriptions. When the Iowa Code was amended to allow for telepharmacies in Iowa (without required automated dispensing systems), the Board convened a Telepharmacy Task Force that endeavored to identify the minimum standards to protect the public in this area of pharmacy practice. The Task Force considered a range of daily prescription volumes that would trigger a conversion to a general pharmacy with full-time onsite pharmacist staffing. The volume of 150 prescriptions was a compromise of the Task Force between lower and higher numbers that were discussed. In fact, when the rules were adopted in 2017 with this volume limitation, comments were received expressing concern that 150 prescriptions per day was too many prescriptions for a telepharmacy technician to safely fill in one day. Since adoption in 2017, the Board has received one petition to waive the daily volume limitation and to allow an increase to 200 prescriptions daily from the telepharmacy site. In that situation, the managing pharmacy was able to demonstrate a number of supports being provided to the telepharmacy site to provide assurance to the Board that the telepharmacy technician would have the resources and support to safely fill prescriptions and provide the minimum standard of patient care. The Board cannot be assured that removing the limitation entirely would result in the same situation for every telepharmacy site. As has been the case since this limitation was enacted in 2017, any licensed telepharmacy site may petition the Board to waive

the volume limitation and demonstrate its ability to provide the minimum standard of care in its unique situation.

As it relates to rule 481—552.21(155A) for labeling of prescriptions, one commenter recommended changing labeling to include “For Office Use Only – Not for Resale” for outsourcing facilities. The labeling requirements for outsourcing facilities are addressed in rule 481—554.6(155A), which includes a requirement for labeling to state “Not for distribution or resale”. Though the comment is not applicable to this rulemaking, the Board declined a modification to rule 481—554.6(155A) since such modification would conflict with the ability of a practitioner, clinic or pharmacy that receives a non-patient specific supply of a compounded preparation from an outsourcing facility to further dispense from that supply to a patient for self-administration outside the office setting, which is consistent with federal law and the Board’s newly adopted rules.

As it relates to rule 481—552.22(155A) for compounding, two comments were received from one commenter. One comment recommended that the Board retain its current prohibition on the dispensing by a practitioner, clinic, or pharmacy from a supply of non-patient specific compounded preparation from an outsourcing facility to a patient for self-administration outside of the office setting. The prohibition on dispensing from a non-patient specific supply of compounded product from an outsourcing facility was initially implemented in response to a perceived prohibition by federal law. Since the rule’s original adoption, additional federal guidance and review has found that federal law only prohibits further distribution but does not prohibit dispensing pursuant to a patient-specific prescription. The commenter inaccurately implied that the removal of the prohibition on dispensing would inherently authorize distribution, but distribution would still be prohibited by federal law. The second comment recommended the inclusion of language from federal law relating to outsourcing facilities and the compounding of essentially copies of approved drugs. The requirements for outsourcing facilities are found in 481—Chapter 554 and, in accordance with Executive Order 10, the Board declined to reiterate federal law in Board rules.

As it relates to rule 481—552.23(155A) for patient counseling, one comment recommended adding an allowance to provide counseling in a written form to the patient if the medication will be delivered by courier or the mail and to allow for the utilization of technology in the practice of pharmacy, implying that the rule mandates in-person counseling prior to dispensing. The Board’s current rules require patient counseling for all new or changed prescriptions prior to dispensing. There is no requirement in the Board’s current rules or these newly adopted rules that would mandate counseling be provided in person. There is also no prohibition in these rules relating to the use of technology in pharmacy practice as it relates to counseling. The Board’s expectation remains unchanged—that patients who are receiving a new medication or having their existing therapy changed receive counseling from a pharmacist prior to that medication being dispensed. The rule provides an opportunity for a pharmacy to provide counseling in an alternative format if oral counseling is not practicable, including after reasonable attempts to provide such counseling. Iowa’s patients deserve to have the benefit of receiving vital information about their medication prior to the dispensing of that medication, especially to give the patient the opportunity to decline the medication if the patient wishes to discuss the therapy further with the patient’s practitioner, regardless of where the prescription is being dispensed from. As such, the Board declined this recommendation.

No changes from the Amended Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Department on May 8, 2025.

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa.

Jobs Impact

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

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Board for a waiver of the discretionary provisions, if any, pursuant to 481—Chapter 6.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rulemaking will become effective on July 16, 2025.

The following rulemaking action is adopted:

ITEM 1. Adopt the following new 481—Chapter 552:

CHAPTER 552
STANDARDS—PRACTICE OF PHARMACY

481—552.1(124,155A) Definitions. The definitions found in 481—Chapter 550 are incorporated by reference into these rules.

481—552.2(155A) Pharmacy department.

552.2(1) Standards. Each pharmacy will maintain:

- a.* Adequate drug storage areas to ensure that drug products are maintained under sanitary conditions and in accordance with package labeling standards.
- b.* References and drug information as needed to meet the needs of the patients served.
- c.* Policies and procedures for all aspects of the pharmacy's operation that ensure that all drugs and patient records are secure from unauthorized access, maintain accountability and protect patient confidentiality.
- d.* Equipment as needed to meet the needs of the patients served that is maintained in accordance with manufacturer recommendations.
- e.* Drug storage and handling areas in compliance with USP General Chapter 800 (2019) for hazardous drug handling.
- f.* When open to the public and a pharmacist is working on site, the current pharmacist license certificate posted within view of the public.

552.2(2) Notice of remodel. A pharmacy will provide written notice to the board at least 30 days prior to any remodel involving a change to or addition of a primary engineering device or cleanroom suite.

481—552.3(155A) Security.

552.3(1) Physical security. Each pharmacy will maintain adequate security to ensure the confidentiality of patient information and to prevent theft of, diversion of, or unauthorized access to prescription drugs or records, including when prescription drugs or records are stored outside the pharmacy department pursuant to federal law or regulation or these rules. Pharmacy staff personal items allowed in the pharmacy will be stored away from drug storage areas and monitored. Security will include a basic alarm system and video surveillance system unless the pharmacy is located within a facility that provides equivalent monitoring.

552.3(2) *Processing systems security.* Each pharmacy will maintain adequate security of any electronic device or system that is used to maintain or process patient, practitioner, drug, or prescription records to prevent and detect unauthorized access, modification, or manipulation of such records. Authentication credentials will be securely maintained by the individual to whom the credentials are issued and cannot be shared with or disclosed to any other individual.

552.3(3) *Access when pharmacy department is closed.* When the pharmacist is absent from the facility, the pharmacy department will be closed and secured to prevent unauthorized access. Policies and procedures will identify individuals, by title or designation, who are authorized to access the pharmacy department and the specific activities that are authorized.

481—552.4(155A) Pharmacy personnel standards.

552.4(1) *Pharmacy personnel.* Each pharmacy will employ personnel who:

- a. Are licensed or registered pursuant to 481—Chapter 551.
- b. Have documented training or education for the activities within their scope of practice.

552.4(2) *Identification.* When the pharmacy is open to the public, pharmacy personnel will wear visible identification to provide the individual's first name and title.

552.4(3) *Telepharmacy certified pharmacy technicians.* Prior to working in a telepharmacy under remote pharmacist supervision, a certified pharmacy technician will have:

- a. Worked at least 1,000 hours in an Iowa-licensed pharmacy.
- b. Completed at least 160 hours of training in a managing pharmacy, at another pharmacy using the same audiovisual technology system, or at the telepharmacy site under the direct supervision of an on-site pharmacist.

481—552.5(155A) Standard of care. Each licensee and registrant will provide the accepted standard of care within the individual's scope of practice that would be provided in a similar setting by a reasonable and prudent licensee or registrant with similar education, training and experience.

481—552.6(155A) Patient confidentiality. In the absence of express consent from the patient or an order or direction of a court, except where the best interests of the patient require, pharmacy personnel will not divulge or reveal to any person other than the patient or the patient's authorized representative, the prescriber or other licensed practitioner then caring for the patient, a licensed pharmacist, or a person duly authorized by law to receive such information any information contained in a patient's record relating to any prescription for, medical information about, or pharmacy service provided to the patient.

481—552.7(155A) Pharmacist-interns. An internship will include no fewer than 1,500 hours of pharmacy practice experience that, at a minimum, includes community, institutional and clinical pharmacy practice settings that are licensed in the state in which they are located. A student who has been awarded a pharmacy degree from an ACPE-accredited college of pharmacy located in the United States is deemed to have satisfied this requirement.

481—552.8(155A) Supervision of nonpharmacist personnel.

552.8(1) *Temporary absence of pharmacist.*

a. *Pharmacist is not on site.* Pharmacy policies and procedures may designate pharmacy personnel who may be present in the pharmacy department to perform delegated functions in accordance with subrule 552.3(3), with the exception of dispensing filled prescriptions, when the pharmacy is closed and, excluding institutional practice settings, when a pharmacist is not on site for a period of time not to exceed two hours.

b. *Pharmacist is on site and absent from the pharmacy department.* Pharmacy policies and procedures may designate pharmacy personnel who may be present in the pharmacy department to perform delegated functions.

552.8(2) *Remote supervision.* Pharmacist supervision of certified pharmacy technicians performing delegated functions at a location other than the licensed location will ensure that:

- a. Patient information is secure and confidential.

- b. The pharmacist has real-time access to the system used or record processed.
- c. The technician has real-time access to the pharmacist.

552.8(3) Telepharmacy. Notwithstanding subrules 552.8(1) and 552.8(2), a pharmacist may provide remote supervision of pharmacy personnel in a licensed telepharmacy.

481—552.9(155A) Delegation of functions.

552.9(1) Technicians and pharmacy support persons. A supervising pharmacist may delegate any nonclinical function to a pharmacy technician or pharmacy support person in accordance with the individual's registration, training, and education.

552.9(2) Pharmacist-interns. A preceptor or supervising pharmacist is responsible for the professional oversight of a pharmacist-intern and may delegate any task in accordance with the education and training of the pharmacist-intern.

481—552.10(155A) Technician product verification. A pharmacy may establish a technician product verification program in accordance with this rule for the purpose of redirecting pharmacist time to clinical services.

552.10(1) Policies and procedures. A pharmacy will establish policies and procedures prior to initiation of a program that will include but not be limited to:

- a. Utilization of barcode scanning and prohibition of technician overrides,
- b. Training of checking technicians and pharmacists,
- c. Authorization of checking technicians,
- d. Exclusion of certain medications from the program, and
- e. Documentation of each technician involved in filling or verifying prescriptions in the program.

552.10(2) Quality assurance. A pharmacy utilizing a technician product verification program will establish and utilize a quality assurance program to ensure ongoing compliance with its policies and procedures.

481—552.11(155A) Unprofessional conduct. Acts or practices that constitute unprofessional conduct contrary to public interest include but are not limited to:

552.11(1) Unethical conduct that includes but is not limited to fraud, misrepresentation, negligence, concealment, negating the patient's freedom of choice for pharmacy services, or breaching the public trust with respect to the practice of pharmacy.

552.11(2) Discrimination against a patient or group of patients.

552.11(3) Unprofessional behavior that includes but is not limited to verbal abuse, coercion, intimidation, harassment, sexual advances, threats, degradation of character, indecent or obscene conduct, theft, or refusal to provide reasonable information or answer reasonable questions for the benefit of a patient.

481—552.12(155A) Manner of issuance of prescriptions.

552.12(1) Legitimate purpose. Prescriptions will be valid when issued for a legitimate medical purpose by a prescriber acting in the usual course of the prescriber's professional practice to a patient within an established prescriber/patient relationship, except when issued in accordance with Iowa Code section 135.185, 135.190, 139A.41, 147A.18, or 280.16A.

552.12(2) Security paper. A prescription for a noncontrolled substance that is authenticated with an electronic signature and printed will be printed on security paper that ensures the prescription information is not obscured or rendered illegible during fax transmission or scanning into an electronic record system.

552.12(3) Inaccessibility of prescriber.

a. Once the prescriber/patient relationship is broken and the prescriber is no longer available to treat the patient or oversee the patient's use of the medication, a prescription loses its validity. Upon becoming aware of the situation, the pharmacist will cancel the prescription and any remaining refills but may exercise prudent judgment in individual circumstances to ensure sufficient patient access to continued treatment until the patient can reasonably obtain the service of another prescriber.

b. In the event that a pharmacist is unable to obtain a response from a prescriber after reasonable attempts, the pharmacist may refill a patient's prescription, excluding controlled substances, when, in the pharmacist's judgment, the patient may experience undue harm due to the lapse in therapy.

552.12(4) *Therapeutic substitution.*

a. The patient record will include the originally prescribed medication as well as the therapeutic substitution made by the pharmacist.

b. For noninstitutionalized patients, the pharmacist will obtain patient consent prior to substitution and notify the prescriber of the therapeutic substitution within three business days following dispensing.

c. For institutionalized patients, the pharmacist will follow institutional policies and procedures for therapeutic substitution and documentation.

481—552.13(124,155A) Electronic transmission mandate—exemptions and petition.

552.13(1) *Exemptions.* In addition to the exemptions identified in Iowa Code sections 124.308 and 155A.27, the following prescriptions will be exempt from the electronic transmission requirement:

a. A prescription issued pursuant to Iowa Code section 280.16A.

b. A prescription issued in an emergency to meet the immediate care need of a patient when a prescriber is unable to access electronic prescribing capabilities. Such prescription will be limited to a quantity sufficient to meet the acute need of the patient with no authorized refills.

552.13(2) *Form.* An exemption from the electronic transmission mandate provided in Iowa Code sections 124.308 and 155A.27 may be requested on a form provided by the board.

552.13(3) *Criteria for board consideration.* Except for petitions citing the exceptional circumstances listed herein, which will be administratively reviewed for approval, each petition will be reviewed on a case-by-case basis.

a. A free or low-income clinic where health care is provided at no cost or at a reduced cost to the patient without reimbursement from a third-party payer that requests an exemption for noncontrolled substances only.

b. A licensed prescriber who issues no more than 50 noncontrolled substance prescriptions per year who requests an exemption for noncontrolled substances only.

c. The department of veterans affairs for prescriptions that are not filled at a veterans affairs pharmacy.

d. A prescriber at a student health center based at a college or university, for noncontrolled substances only.

e. A dentist seeking an exemption for prescriptions limited to toothpastes and mouthwashes.

f. A compounding pharmacy that dispenses no more than 50 prescriptions for commercially available prescription medications per year that requests an exemption for noncontrolled substances only.

481—552.14(155A) Manner of issuance of medication orders.

552.14(1) *Required elements.* Each medication order for a hospital patient or for a noncontrolled substance for a care facility or correctional facility patient will include:

a. Patient name.

b. Drug name, strength, and dosage form.

c. Instructions for use.

d. Date of authorization.

e. Prescriber name and signature.

552.14(2) *Pharmacist verification.* Except as provided in facility policies, a pharmacist will review the entry of a new medication order completed by a nonpharmacist prior to the administration of the medication.

481—552.15(155A) Prospective drug use review.

552.15(1) *Prior to dispensing.* Except for prescriptions issued in accordance with Iowa Code section 135.185, 135.190, 139A.41, 147A.18, or 280.16A, a pharmacist will perform a drug utilization review for each prescription dispensed.

552.15(2) *Prior to second administration from stock or emergency supply.* A pharmacist will perform a drug utilization review prior to the administration of a second dose of a new medication order when administered from a stock or emergency supply for an institutional patient.

481—552.16(155A) Transfer of prescriptions. Transfers of prescriptions will be at the request of the patient or the patient's caregiver. Individuals authorized to transfer prescriptions include a pharmacist and, except for transfers of controlled substance prescriptions, a certified pharmacy technician and a pharmacist-intern.

552.16(1) *Limitations.* Transfers of controlled substance prescriptions are limited in accordance with 21 CFR Part 1306 as amended on August 28, 2023.

552.16(2) *Documentation.*

a. Controlled substances for initial filling. Documentation of transfers of electronic controlled substance prescriptions for initial filling will be in accordance with 21 CFR 1306.08 as amended on August 28, 2023.

b. Controlled substances for refilling. Documentation of transfers of controlled substance prescriptions for refilling will be in accordance with 21 CFR 1306.25 as amended on August 28, 2023.

c. Noncontrolled substances. Documentation of transfers of noncontrolled substance prescriptions will include the required elements identified in 21 CFR 1306.25 as amended on August 28, 2023, except for the date of original dispensing, location(s) of previous refill(s), and DEA registration numbers of the pharmacies party to the transfer.

481—552.17(155A) Contract pharmacy services. A pharmacy may, via an executed agreement between the entities or through common ownership, utilize the services of another Iowa-licensed pharmacy for prescription processing, filling, or dispensing when:

552.17(1) The entities involved have real-time electronic access to the prescription in process that is secure from unauthorized access and maintains patient confidentiality.

552.17(2) Any prescription processing system utilized documents the identification of each individual involved in each step or function of prescription processing, filling or dispensing.

552.17(3) Patient counseling is provided by a pharmacist or pharmacist-intern in a professional setting that can maintain patient privacy.

552.17(4) The pharmacy that maintains the original prescription record maintains ultimate responsibility to ensure compliance with all laws and rules.

481—552.18(155A) Telepharmacy.

552.18(1) *Managing pharmacy requirement.* Only an Iowa-licensed and Iowa-located pharmacy can serve as a managing pharmacy for a telepharmacy site located in Iowa.

552.18(2) *Agreement.* An agreement between a telepharmacy and a managing pharmacy will include:

a. The services to be provided by the managing pharmacy, including adequate on-site pharmacist presence to meet the needs of the pharmacy that is no less than 16 hours per month.

b. The conditions under which the telepharmacy may be operational.

552.18(3) *Requirements.* Notwithstanding other rules of the board, a telepharmacy site will:

a. Maintain a perpetual inventory system in accordance with 481—subrule 553.6(1) for all controlled substances at the telepharmacy site.

b. Maintain documentation of a monthly inspection at the telepharmacy site conducted by an on-site pharmacist in accordance with subrule 552.18(4).

552.18(4) *Monthly inspection.* The monthly inspection will include:

a. Audit and reconciliation of controlled substance perpetual and physical inventories.

b. Verification that the video recording system is functioning properly and that the recordings are available for at least 60 days beyond the recording date.

c. Compilation of data from the previous month to include the number of prescriptions filled, the number of on-site pharmacist hours, and the number of hours the telepharmacy site was open for business.

552.18(5) *Conversion to general pharmacy.* If the average number of prescriptions dispensed per day, calculated as the average number of prescriptions dispensed per day over the previous 90-day period, exceeds 150 prescriptions, the telepharmacy site will provide on-site pharmacist staffing 100 percent of the time the telepharmacy is open for business and will, within 30 days, submit an application for licensure as a general pharmacy.

481—552.19(155A) Packaging. Medications will be packaged to ensure that:

552.19(1) The packaging is appropriate for the medication.

552.19(2) The packaging can be appropriately labeled in accordance with rule 481—552.21(155A).

552.19(3) An assigned beyond-use date is appropriate for the medication and packaging used.

552.19(4) Medications that were comingled with other medications or any medication for which storage conditions and product integrity cannot be verified, as described in pharmacy policies and procedures, will not be returned to pharmacy stock.

481—552.20(155A) AMDS.

552.20(1) *Stocking AMDS.* Drug products will be loaded into an AMDS or component via barcode scanning by pharmacy personnel, except pharmacy support persons, as delegated by the supervising pharmacist.

552.20(2) *Pharmacist verification of AMDS-dispensed drugs.*

a. Prepackaged medications that were verified by a pharmacist prior to being stocked in the AMDS and that are not further manipulated will not require additional verification prior to dispensing to a patient.

b. Except as provided in paragraph 552.20(3) “*b*,” a pharmacist will document final verification of any medication manipulated by the AMDS (such as counting or packaging) prior to dispensing to a patient.

552.20(3) *Placement of AMDS.*

a. Except as provided in paragraph 552.20(3) “*b*,” an AMDS may only be placed outside a pharmacist’s direct supervision when utilized in an approved telepharmacy or when the AMDS dispenses pharmacist-verified packages in compliance with paragraph 552.20(2) “*a*.”

b. A pharmacy may place and maintain an AMDS in an Iowa-licensed institution for administration to institution patients pursuant to policies and procedures.

481—552.21(155A) Labeling.

552.21(1) *Ambulatory prescription labeling.* The required labeling elements for a prescription dispensed for an ambulatory patient include:

a. Patient name, except as provided by the Iowa Code.

b. Prescriber name.

c. Pharmacy name, address, and telephone number.

d. Product name, strength, dosage form, and quantity.

e. Instructions for use.

f. Dispense date.

g. Unique serial number.

h. Manufacturer name or NDC.

552.21(2) *Institutional patient-specific prescription labeling.* The required labeling elements for a patient-specific supply of prescription medication dispensed for an institutional patient include:

a. On the immediate container:

(1) Patient name.

(2) Drug name, strength, and dosage form.

b. On outer packaging, if not present on the immediate container:

(1) Instructions for use.

(2) Pharmacy name, address, and telephone number unless the pharmacy is located within the institutional facility.

(3) Dispense date.

(4) Unique serial number.

(5) Beyond-use date.

552.21(3) *Non-patient-specific drug labeling.* The required labeling elements for a non-patient-specific supply of prescription medication include:

a. Drug name, strength, and dosage form.

b. Drug manufacturer or NDC.

c. Expiration or beyond-use date.

552.21(4) *Compounded patient-specific preparation labeling.* In addition to the required labeling identified in subrule 552.21(1) or 552.21(2), as applicable, a label for a compounded preparation will also include:

a. The name and concentration of each active ingredient.

b. The date that the preparation was compounded.

c. Special storage and handling instructions, if applicable.

d. Except in institutional settings, the statement “THIS IS A COMPOUNDED DRUG” or a similar statement identifying the product as a compounded preparation, including the term “STERILE” when applicable.

e. The batch identification or control number from which the preparation was dispensed, if applicable.

f. Beyond-use date.

552.21(5) *Compounded non-patient-specific preparation labeling—batch compounding or veterinary office supply.* The required labeling elements for a non-patient-specific supply of a compounded preparation include:

a. Preparation name, strength, dosage form, and quantity.

b. Name and concentration of each active ingredient.

c. Pharmacy name, address, and telephone number, except when batch compounding.

d. Preparation date.

e. Beyond-use date.

f. Storage and handling instructions.

g. Lot or batch identification or control number, if applicable.

h. The statement “THIS IS A COMPOUNDED DRUG” or a similar statement identifying the product as a compounded preparation, including the term “STERILE” when applicable, except for use within an institutional setting.

i. The statement “NOT FOR REDISTRIBUTION” or a similar statement to ensure that use of the compounded preparation is limited to direct patient administration or dispensing pursuant to a patient-specific prescription.

481—552.22(155A) Compounding.

552.22(1) *USP standards—pharmacies.* Preparations compounded pursuant to 21 U.S.C. §353a (Food, Drug, and Cosmetic Act §503A) as amended November 27, 2013, will be prepared in accordance with the standards of USP General Chapter 795 (2023) for nonsterile compounds and USP General Chapter 797 (2023) for sterile compounds.

552.22(2) *Compounding copies of an approved drug.*

a. The compounding of a preparation that is essentially a copy of an FDA-approved drug is prohibited unless:

(1) The compounded preparation is changed to produce for an individual patient a clinically significant difference to meet a medical need as documented by the prescriber, or

(2) The FDA-approved product is identified as currently in shortage on the FDA drug shortages database.

b. The factors that indicate that a compounded preparation is essentially a copy of an approved drug include:

(1) The compounded preparation has the same active pharmaceutical ingredient(s) as the commercially available drug product;

(2) The active pharmaceutical ingredients have the same, a similar, or an easily substitutable dosage strength; and

(3) The commercially available drug product can be used by the same route of administration as prescribed for the compounded preparation.

c. A prescription issued for a compounded preparation that is essentially a copy of an approved drug will clearly document the relevant change and the significant clinical difference produced for the patient.

552.22(3) *Compounding for veterinary office use.* A pharmacy may compound preparations for distribution to a veterinarian for office use, which may include direct patient administration or dispensing pursuant to a patient-specific prescription.

552.22(4) *Reporting.* Annually, prior to April 1, each licensed pharmacy located in Iowa that dispensed compounded preparations for human use interstate in the previous calendar year will report compounding data to the NABP information-sharing network.

552.22(5) *Exemptions.* The combining of commercially manufactured, ready-to-use products is exempt from USP General Chapter 795 (2023) compounding standards under the following conditions:

a. No more than four commercially manufactured, ready-to-use products (that have not been manipulated) are used.

b. Compounding is not done in anticipation of medication orders.

c. Preparations are assigned beyond-use dates in accordance with USP General Chapter 795 (2023).

d. The use of commercially manufactured, ready-to-use flavoring agents does not exceed 5 percent of the total volume of the drug to which the flavoring agents are added.

e. The prescription label will comply with USP General Chapter 795 (2023) and subrule 552.21(4).

552.22(6) *Records.* A record for each compounded preparation will be prepared and maintained and will include:

a. All ingredients used in the preparation, including manufacturer or NDC, lot number, and expiration date.

b. The compounding steps involved in the preparation.

c. All personnel involved in compounding and reviewing the preparation.

481—552.23(155A) Patient counseling.

552.23(1) *Counseling required.* Except for institutionalized patients, prior to dispensing a prescription that is a new or changed therapy, a pharmacist or pharmacist-intern will counsel the patient or the patient's caregiver on matters that, in the pharmacist's professional judgment, will enhance or optimize drug therapy. An offer to counsel will not satisfy this requirement.

552.23(2) *Counseling area.* Each pharmacy located in Iowa will maintain an area for patient counseling that is accessible to patients and the pharmacist, prevents patient access to prescription drugs, and ensures the confidentiality and privacy of the pharmacist/patient communication.

552.23(3) *Alternative methods.* If, in the pharmacist's professional judgment or following reasonable attempts, oral counseling is not practicable, the pharmacist may utilize an alternative method for providing prescription educational materials to the patient or the patient's caregiver, including a toll-free mechanism for the patient to contact the pharmacist. "Not practicable" does not include issues relating to pharmacy staffing, prescription volume, or manner of dispensing (by mail or courier).

552.23(4) *Refusal of counseling.* A patient's refusal for counseling will be documented by the pharmacist.

481—552.24(155A) Provision of emergency kits. A pharmacy may provide one or more emergency kits to facilities licensed and authorized to administer medications to patients pursuant to established policies and procedures, ensuring that the drugs are stored in a location that is secure from unauthorized access and maintains product integrity. Each emergency kit will be labeled with the name, strength, and

quantity of drugs contained in the kit. A pharmacy will maintain documentation of the contents of each kit provided to an authorized facility as well as the expiration dates of all drugs contained in each kit.

481—552.25(155A) Continuous quality improvement program. Each pharmacy will utilize a continuous quality improvement or similar program to timely detect, identify, evaluate and prevent medication errors.

552.25(1) Reportable program events. Medication errors resulting in the incorrect dispensing of a prescribed drug received by or administered to a patient that require documentation include but are not limited to:

- a. An incorrect drug strength or dosage form.
- b. A drug received by the wrong patient.
- c. Inadequate or incorrect packaging, labeling or directions.
- d. Any error that results in or has the potential to result in serious patient harm.

552.25(2) Documentation. Events will be documented, with the program record to be initiated within three days following the discovery of the event, and the documentation will include:

- a. A description of the event.
- b. The dates of the event and its discovery.
- c. The names of individuals involved in the event, the discovery, and the event review.
- d. The root cause of and contributing factors to the event.
- e. Remediation to prevent similar future events.
- f. Review of events with all pharmacy personnel.

481—552.26(155A) Statewide protocols. To the extent authorized in Iowa Code section 155A.46, a pharmacist may, pursuant to statewide protocols developed by the board in consultation with the department of health and human services and available on the board's website at dial.iowa.gov, order and dispense medications pursuant to the requirements identified in the statewide protocols. For the purpose of this rule, an order constitutes a prescription.

481—552.27(155A) Collaborative pharmacy practice.

552.27(1) Agreement. A pharmacist or pharmacy may engage in collaborative pharmacy practice under a collaborative pharmacy practice agreement with one or more practitioners who are authorized to independently prescribe, or as established by a health system pharmacy and therapeutics committee, to provide patient care and drug therapy management services to one or more patients.

552.27(2) Standards.

a. A collaborative pharmacy practice agreement will be reviewed and updated as necessary by all parties every two years and will include:

(1) The identification of the parties to the agreement, including the name(s) or category of the pharmacist(s), including registered pharmacist-intern(s) under the supervision of a pharmacist, who are authorized to perform delegated activities under the agreement and the name(s) or category of the practitioner(s) who are delegating activities under the agreement;

(2) The establishment of the delegating practitioner's scope of practice authorized in the agreement and a description of the permitted activities and decisions to be performed by the pharmacist(s);

(3) The protocol, formulary, or clinical guidelines that describe or limit the pharmacist's authority to perform the patient care or drug therapy management services and, as applicable, the drug name, class or category provided under drug therapy management;

(4) A description of the process to monitor compliance with the agreement and clinical outcomes of patients;

(5) The effective date;

(6) A provision addressing termination of the agreement; and

(7) The signatures of the parties to the agreement and dates of signing unless established by a health system pharmacy and therapeutics committee.

b. Any agreement will be maintained by the pharmacist(s) or pharmacy and be available upon request or inspection.

c. Prior to engaging in activities provided by the agreement, each pharmacist will document attestation that the pharmacist has read and understands the agreement.

481—552.28(155A) Pharmacy pilot or demonstration research projects. In accordance with Iowa Code section 155A.47, a pharmacy may submit a pilot or demonstration research project (“pilot project”) to the board for approval.

552.28(1) *Petition.* A petition for a pilot project, including for renewal of a previously approved project, will include:

- a. The name, email address, and pharmacist license number of each pharmacist responsible for overseeing the project.
- b. The name, address, and telephone number of each specific location, including the pharmacy license number if the location is a pharmacy where the project will be conducted.
- c. A detailed summary of the pilot project that includes:
 - (1) The goals, hypothesis, and objective(s) of the pilot project.
 - (2) An explanation of the project, including background information or a literature review to support the project, and how it will be conducted.
 - (3) The time frame for the project, including the start date and study length.
 - (4) The rule(s) to be waived for the project and a petition for waiver of the rule(s).
 - (5) Procedures to be used during the project to ensure that public health and safety are not compromised.

552.28(2) *Board decision.* Upon review of a petition for a pilot project, the board may approve or deny a petition. Project approval:

- a. Will be specific for the project requested.
- b. Will identify a time period for the project.
- c. May include conditions to be satisfied.

552.28(3) *Final project report.* A final project report will include a written summary of the result(s) of the project and the conclusion(s) drawn from the result(s), which will be submitted to the board within three months of the conclusion or termination of the project.

481—552.29(155A) Nuclear pharmacy.

552.29(1) *Personnel and training.*

- a. An authorized nuclear pharmacist will meet all applicable requirements of the United States Nuclear Regulatory Commission pursuant to 10 CFR (2023).
- b. Notwithstanding rule 481—552.9(155A), pharmacy personnel registered as a pharmacy support person trained in nuclear pharmacy operations may engage in technical functions as delegated by an authorized nuclear pharmacist.

552.29(2) *Supervision.* An authorized nuclear pharmacist is responsible for all operations of the pharmacy and, except in emergency situations, will be on site during the pharmacy’s hours of operation.

552.29(3) *Preparation standards.* Radiopharmaceuticals will be prepared in accordance with the standards identified in USP General Chapter 825 (2020). Compounded radiopharmaceuticals will be prepared in accordance with the standards identified in USP Chapter 795 (2023) for nonsterile preparations or USP Chapter 797 (2023) for sterile preparations, as applicable.

481—552.30(155A) Records.

552.30(1) *Types of records.* Each pharmacy will maintain the following records, if applicable to the pharmacy’s operation:

- a. Patient records, including demographic information, prescription or medication order information and all information needed to conduct drug utilization review pursuant to rule 481—552.15(155A).
- b. Prescriber records, including demographic and prescription information.
- c. Prescription or medication order records, including the unique identification number assigned, information about each fill including product NDC, and identification of the individual(s) responsible for prescription preparation and product verification.

d. Prescription drug inventory records, including transaction records for the receipt and distribution of prescription drugs.

e. Documentation of the current license or registration of each pharmacy staff member working in the pharmacy.

f. Documentation of the initials or unique credentials used in pharmacy records and systems for each pharmacy employee.

g. Documentation of temporary pharmacy staffing, including the individual's name, license or registration number, and unique credentials used in pharmacy records and systems; the date worked; and the shift worked.

h. Documentation of pharmacy personnel training for delegated functions within the individual's scope of practice.

552.30(2) Retention of records.

a. *Security.* Records will be maintained in a secure fashion, ensuring that the records protect patient confidentiality and prevent unauthorized access.

b. *Duration.* All records will be retained for at least two years from the date of the last activity on the record.

c. *Method.* When not prohibited by federal law or regulation, records may be maintained as follows:

(1) At an alternate site in compliance with paragraph 552.30(2) "a" if a legible electronic copy is immediately available for inspection and copying by the board or its authorized agent.

(2) Via legible electronic copy if immediately available for inspection and copying by the board or its authorized agent.

552.30(3) Provision of records. Records will be provided to the board or its authorized agent within three business days of a request.

These rules are intended to implement Iowa Code sections 124.302 and 147.76 and chapter 155A.

[Filed 5/14/25, effective 7/16/25]

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EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 6/11/25.

ARC 9339C

INSPECTIONS AND APPEALS DEPARTMENT[481]

Adopted and Filed

Rulemaking related to controlled and precursor substances

The Department of Inspections, Appeals, and Licensing hereby adopts new Chapter 553, "Controlled and Precursor Substances," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code chapter 124B and section 124.301.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapter 124B and section 124.301.

Purpose and Summary

This rulemaking establishes one combined chapter to identify all requirements relating to controlled and precursor substances. The chapter addresses requirements for records, security, policies and procedures, physical counts and inventories, controlled substance accountability, reporting the theft or

loss of controlled substances, disposal of registrant stocks of controlled substances, prescriptions, Schedule II controlled substance prescription changes, dispensing scheduled listed chemical products without a prescription, pseudoephedrine tracking system access, and precursor substances.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on November 27, 2024, as **ARC 8428C**. A public hearing was held on the following date(s):

- January 6, 2025
- January 9, 2025

The Iowa Pharmacy Association expressed its support of the rulemaking, and CVS recommended the removal of subrule 553.6(5) relating to incident reports, asserting that the documentation required is duplicative and onerous. The Board of Pharmacy declined the recommended removal of subrule 553.6(5), determining that documenting a detailed explanation for any modification being made to a controlled substance inventory record is not duplicated and, while may be perceived as onerous, is determined to be necessary for controlled substance accountability. No other public comments were received.

Following additional review of the rulemaking, the Board determined that the addition of the documentation of the time when documenting a controlled substance reconciliation is an unnecessary burden on registrants and subsequently edited paragraphs 553.6(3)“a” and “b” to remove the required documentation. Additionally, paragraph 553.6(3)“b” was edited to correct a reference.

Adoption of Rulemaking

This rulemaking was adopted by the Department on May 8, 2025.

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa.

Jobs Impact

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

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Board for a waiver of the discretionary provisions, if any, pursuant to 481—Chapter 6.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee’s meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rulemaking will become effective on July 16, 2025.

The following rulemaking action is adopted:

ITEM 1. Adopt the following **new** 481—Chapter 553:

CHAPTER 553 CONTROLLED AND PRECURSOR SUBSTANCES

481—553.1(124,124B) Definitions. The definitions found in 481—Chapter 550 are incorporated by reference into these rules.

481—553.2(124,124B) General requirements.

553.2(1) Federal regulations. Registrants will comply with applicable federal laws and regulations relating to controlled substances, scheduled listed chemical products, and listed chemicals. 21 CFR Chapter 2 as amended on September 19, 2023, is incorporated herein by reference.

553.2(2) Records.

a. Retention. All records relating to controlled and precursor substances will be maintained at the registered or permitted location for at least two years from the last date of the record or entry to the record.

b. Accessibility. Electronic records will be capable of producing a hard-copy printout of transactions or entries for any specific date or range of dates requested. All records will be available for inspection and copying by the board or its authorized agent.

c. Storage. Original records more than 12 months old may be maintained in a secure remote storage area unless such remote storage is prohibited by federal law or regulation. Records maintained in remote storage locations will be retrievable within three business days of a request by the board or its authorized agent.

d. Receipt. In addition to the elements found in 21 CFR §1304.21 and 21 CFR §1304.22, each record of the receipt of controlled substances, including the receipt of complementary packages, will include the signature of the individual responsible for receiving the substances.

e. Dispensing. In addition to the elements found in Iowa Code section 124.306 and 21 CFR §1304.22, each registrant will maintain a record of controlled substances dispensed to a patient or research subject that includes:

- (1) The name and NDC number, strength, dosage form, and quantity of the substance dispensed.
- (2) The name of the prescriber, unless dispensed by the prescriber.
- (3) The unique identification of each technician, pharmacist, pharmacist-intern, prescriber, or prescriber's agent involved in dispensing.
- (4) The serial number or unique identification number of the prescription.

553.2(3) Inspections. Pursuant to Iowa Code section 124.302(5), the board may inspect the premises of a registrant, and the inspection may:

- a.* Be conducted at any time during the registrant's normal operating hours without advance notification to the registrant.
- b.* Include the review of any record relating to the registered activity.

481—553.3(124,124B) Security. All registrants and permittees will provide effective controls and procedures to guard against theft and diversion of controlled and precursor substances and records. Physical security controls will be commensurate with the schedules and quantities of such substances in the possession of the registrant or permittee in normal business operation and in accordance with 21 CFR Part 1301. The registrant or permittee maintains ultimate responsibility for the accountability of the controlled and precursor substances and records maintained under the registration or permit.

481—553.4(124) Policies and procedures. Each registrant will have policies and procedures that identify, at a minimum:

553.4(1) Adequate storage to ensure security and proper storage conditions in accordance with product package labeling.

553.4(2) Access to controlled substances and records by employees of the registrant.

553.4(3) Proper disposition of controlled substances.

553.4(4) To the extent possible, the separation of duties related to the purchasing, receiving, stocking, dispensing, and reconciling of controlled substance inventory.

553.4(5) The reconciliation of controlled substances in Schedule II pursuant to subrule 553.6(3).

553.4(6) The accountability measures for controlled substances in Schedules III through V pursuant to subrule 553.6(2).

553.4(7) A controlled substance accountability program to document the review of controlled substance inventory adjustments, to review patterns of controlled substance loss, and to create an action plan following a report of theft or loss pursuant to subrule 553.7(3).

481—553.5(124) Physical count and record of inventory. In addition to the inventory requirements found in 21 CFR §1301.52 and 21 CFR §1304.11, each registrant will document a physical count of all on-hand stocks of controlled substances in accordance with 21 CFR §1304.11, except as provided herein.

553.5(1) *Exact quantities.* Each inventory will include the exact count or measure of all controlled substances and may not be an estimated count or measure, except for liquid products packaged in nonincremented containers, which may be estimated to the nearest one-fourth container.

553.5(2) *Annual inventory.* After the initial inventory is taken, a registrant will take a new inventory of all stocks of controlled substances on hand at least annually. The inventory may be taken on any date that is within one year and one week after the date of the previous annual inventory.

553.5(3) *Change of registered location.* An inventory will be taken following the close of business on the last day at the location being vacated that will serve as the ending inventory of the location being vacated as well as the beginning inventory at the new location.

481—553.6(124) Controlled substance accountability. Registrants located in Iowa will ensure accountability of all controlled substances under their control in accordance with this rule.

553.6(1) *Perpetual inventory.* Each registrant will maintain a perpetual inventory that accurately reflects the on-hand inventory of all Schedule II substances at all times. A perpetual inventory may be maintained to accurately reflect the on-hand inventory of all Schedules III through V substances in addition to or in lieu of the measures identified in subrule 553.6(2). The perpetual inventory record will include the following elements, including by supplement or reference, at a minimum, for each substance:

- a. Drug name and NDC number.
- b. Each receipt and disbursement.
- c. Current balance.
- d. Incident reports pursuant to subrule 553.6(5).
- e. Reconciliation reports pursuant to subrule 553.6(3).

553.6(2) *Accountability measures to ensure accountability of Schedule III through V substances.* In lieu of or in addition to a perpetual inventory pursuant to subrule 553.6(1), registrants will utilize one or more of the measures herein to ensure accountability of all Schedules III through V substances under their control.

- a. Documented audit and reconciliation of all substances every six months pursuant to paragraph 553.6(3)“b.”
- b. Routine documented cycle counts, so long as all substances are counted every 90 days and reconciled pursuant to paragraph 553.6(3)“b.”
- c. Other measures preapproved by the board.

553.6(3) *Reconciliation.*

a. *Perpetual inventory.* Individuals responsible for a disbursement will verify that the physical inventory matches the perpetual inventory following each transaction. At least annually, the registrant will verify that the physical inventory matches the perpetual inventory for any substance that was not disbursed in the year. Reconciliation will be documented in the perpetual inventory record to include, at a minimum, the date, the initials or unique identification of the individual, and any discrepancies identified.

b. *Schedules III through V reconciliation.* In accordance with paragraph 553.6(2)“a” or “b,” the registrant will verify that the physical inventory matches the expected inventory and will document the reconciliation to include the date, the initials or unique identification of the individual, and any discrepancies identified.

553.6(4) *Discrepancies.* Any discrepancy discovered will be investigated and reported to the registrant or responsible individual immediately but no later than one business day following the

discovery. The registrant will determine the need for further investigation, and significant losses will be reported to the board pursuant to rule 481—553.7(124) and to the DEA pursuant to 21 CFR Part 1301.

553.6(5) *Incident reports.* In any instance where a controlled substance inventory record is changed, the individual making the change will complete an incident report to document the change. An electronic record system that documents and maintains the required elements is deemed compliant with this subrule. The report will include, at a minimum:

- a.* The specific information that was changed, including the information before and after the change.
- b.* The identity of the individual making the change.
- c.* The date of the change.
- d.* A detailed explanation for the change.

481—553.7(124) Report of theft or significant loss—controlled substances. In addition to the notification requirements found in 21 CFR §1301.74 and 21 CFR §1301.76, registrants will submit notice and reports of theft or significant loss as determined by the factors provided in 21 CFR §1301.76(b) amended June 22, 2023, of controlled substances as provided herein.

553.7(1) *Immediate notice to board.* Upon determination of theft or significant loss, a registrant will provide immediate notice to the board. The notice will include the identification of the licensee or registrant who is responsible, or believed to be responsible, for the theft or significant loss, if applicable.

553.7(2) *DEA Form 106 Report of theft or loss.* A copy of the DEA Form 106 or alternate required form will be submitted to the board via facsimile, email attachment, or personal or commercial delivery within 45 calendar days of the determination of the theft or significant loss. A copy of the report will be maintained in the registrant's files in accordance with subrule 553.2(2).

553.7(3) *Action plan following loss.* Within seven days following the report of theft or significant loss, a registrant will develop and initiate implementation of an action plan to address the conditions that contributed to the theft or significant loss. The action plan will include any directives provided by a board compliance officer, including but not limited to inventory counts, audits, and perpetual inventory counts.

481—553.8(124,124B) Disposal of registrant stock.

553.8(1) *Destruction.* Registrants will maintain documentation of disposal of controlled substances pursuant to 21 CFR §1317.05 and 21 CFR §1317.95.

553.8(2) *Administration waste.* Registrants will document disposal of controlled substance administration waste pursuant to 21 CFR §1304.22.

481—553.9(124) Prescription requirements—valid prescriber-patient relationship. In addition to the elements identified in Iowa Code sections 124.308 and 155A.27 and 21 CFR Parts 1306 and 1311, a prescription is based upon a valid prescriber-patient relationship. Once the prescriber-patient relationship is broken and the prescriber is no longer available to treat the patient or oversee the patient's use of the controlled substance, a prescription loses its validity. Upon becoming aware of the situation, the pharmacist will cancel the prescription and any remaining refills but may exercise prudent judgment in individual circumstances to ensure sufficient patient access to continued treatment until the patient can reasonably obtain the service of another prescriber.

481—553.10(124) Schedule II prescription changes.

553.10(1) *Changes prohibited.* The following elements may not be added or changed on a Schedule II controlled substance prescription:

- a.* The patient's name.
- b.* The substance prescribed, except for generic substitution.
- c.* The prescriber's name or signature.

553.10(2) *Changes authorized.* Except as prohibited in subrule 553.10(1), elements on a Schedule II controlled substance prescription may be added or amended upon consultation with the prescriber.

481—553.11(124) Dispensing scheduled listed chemical products without a prescription. Pursuant to 21 U.S.C. §830 as amended on October 17, 2000, 21 CFR Part 1314, and Iowa Code section 124.212A, registrants will record the retail sales of scheduled listed chemical products. If the real-time electronic pseudoephedrine tracking system (PTS) is unavailable for use, the purchase will be recorded in an alternate format and submitted to the PTS in accordance with subrule 553.11(3).

553.11(1) Age restriction. Sales of scheduled listed chemical products are limited to persons aged 18 and older.

553.11(2) Reporting elements. In addition to the identified elements in 21 U.S.C. §830, 21 CFR Part 1314, and Iowa Code section 124.212A, the following information will be recorded:

- a. The purchaser's current government-issued photo identification number.
- b. The total milligrams of the scheduled listed chemical contained in the product.
- c. The name or unique identification of the individual who approved the sale.
- d. If applicable, the reason that a PTS recommendation to deny the transaction was overridden.

553.11(3) Alternate record format. If needed, an alternate record will be maintained using one of the following options:

- a. A hard-copy record.
- b. A record in the pharmacy's electronic prescription dispensing system that is capable of producing a hard-copy printout of the record.
- c. A record in an electronic data collection system that captures each of the required data elements and that is capable of producing a hard-copy printout of the record.

553.11(4) Delayed submission to the PTS. Sales of scheduled listed chemical products that are documented in an alternate record due to the inaccessibility of the PTS will be submitted to the PTS within 72 hours of the PTS being accessible, and such record will identify that it is a delayed entry.

481—553.12(124) PTS access. Information collected in the PTS is confidential unless otherwise ordered by a court or released by the governor's office of drug control policy (office) pursuant to state or federal law. Information may not be released except as provided herein.

553.12(1) PTS administrators. PTS administrator access to PTS database information will be pursuant only to reasonable suspicion or an ongoing investigation and only directly from the PTS database. PTS administrators may share PTS database information with law enforcement for purposes of investigation.

553.12(2) Law enforcement. Law enforcement officer access to PTS database information will be pursuant to the officer's official duties, which will be provided as part of a request for information from the PTS. Prior to requesting information from the PTS, a law enforcement officer will register with the PTS, which will require verification of the officer's identity and approval by the office or the officer's agency administrator.

553.12(3) Statistical data. The PTS administrator, following establishment of confidentiality, may provide summary, statistical or aggregate data to public or private entities for statistical, research or educational purposes. Prior to release of any such data, the administrator will remove any personally identifiable information.

553.12(4) Patients. A patient may request and receive information regarding products reported to have been purchased by the patient. A request for a patient's purchases and attempted purchases will be submitted to the office located at Oran Pape State Office Building, 215 East Seventh Street, Fifth Floor, Des Moines, Iowa 50319, and will include:

- a. Patient name, including any aliases used by the patient; date of birth; gender; current address; and daytime phone number.
- b. Any address where the patient resided during the requested time period.
- c. Current government-issued photo identification, which the PTS administrator will copy and maintain in the PTS records. If the request is submitted other than in person, a copy of the patient's photo identification will be certified by a notary.
- d. Patient signature. If the request is submitted other than in person, the patient's signature will be notarized.

553.12(5) *Regulatory agencies.* A regulatory agency may access PTS database information only pursuant to an order, subpoena, or other means of legal compulsion and following submission of a request on a form provided by the office.

553.12(6) *Pharmacy administrators.* A pharmacy or its authorized employees may only access PTS database information relating to the pharmacy's sales, which may be provided to the board upon request of the board or its authorized agent.

553.12(7) *Court orders and subpoenas.* The PTS administrator will provide database information in response to a court order or subpoena issued by a county attorney or a court upon a determination of probable cause.

481—553.13(124,124B) Temporary designation of controlled and precursor substances.

553.13(1) For cannabis-derived products, the board will modify the schedule of controlled substances in accordance with Iowa Code section 124.201A.

553.13(2) Amend Iowa Code section 124.204(2) by adding the following new paragraphs:

cq. 2-methyl-N-(1-phenethylpiperidin-4-yl)-N-phenylbutanamide. Other name: alpha'-Methyl butyryl fentanyl.

cr. N-(1-(2,5-dimethoxyphenethyl)piperidin-4-yl)-N-phenylpropionamide. Other name: 2',5'-Dimethoxyfentanyl.

cs. N-(1-phenethylpiperidin-4-yl)-N-phenylfuran-3-carboxamide. Other name: 3-Furanyl fentanyl.

ct. 3-methyl-N-(1-phenethylpiperidin-4-yl)-N-phenylbutanamide. Other name: Isovaleryl fentanyl.

cu. N-(3-fluorophenyl)-N-(1-phenethylpiperidin-4-yl)propionamide. Other name: meta-Fluorofentanyl.

cv. N-(3-fluorophenyl)-N-(1-phenethylpiperidin-4-yl)isobutyramide. Other name: meta-Fluoroisobutyryl fentanyl.

cw. N-(2-fluorophenyl)-N-(1-phenethylpiperidin-4-yl)furan-2-carboxamide. Other name: ortho-Fluorofuranyl fentanyl.

cx. N-(4-methoxyphenyl)-N-(1-phenethylpiperidin-4-yl)furan-2-carboxamide. Other name: para-Methoxyfuranyl fentanyl.

cy. N-(4-methylphenyl)-N-(1-phenethylpiperidin-4-yl)cyclopropanecarboxamide. Other name: para-Methylcyclopropyl fentanyl.

cz. 1-(2-methyl-4-(3-phenylprop-2-en-1-yl)piperazin-1-yl)butan-1-one. Other name: 2-Methyl AP-237.

553.13(3) Amend Iowa Code section 124.204(4) by adding the following new paragraphs:

cn. N-(1-amino-3,3-dimethyl-1-oxobutan-2-yl)-1-butyl-1H-indazole-3-carboxamide. Other name: ADB—BUTINACA.

co. 4-methyl-1-phenyl-2-(pyrrolidin-1-yl)pentan-1-one. Other name: alpha-PiHP.

cp. 2-(methylamino)-1-(3-methylphenyl)propan-1-one. Other names: 3—MMC; 3-methylmethcathinone.

553.13(4) Amend Iowa Code section 124.204(9) by adding the following new paragraphs:

o. Methyl 3,3-dimethyl-2-(1-(pent-4-en-1-yl)-1H-indazole-3-carboxamido)butanoate. Other name: MDMB—4en—PINACA.

p. Methyl 2-[[1-(4-fluorobutyl)indole-3-carbonyl]amino]-3,3-dimethyl-butanoate. Other names: 4F—MDMB—BUTICA; 4F—MDMB—BICA.

q. N-(1-amino-3,3-dimethyl-1-oxobutan-2-yl)-1-(pent-4-en-1-yl)-1H-indazole-3-carboxamide. Other name: ADB—4en—PINACA.

r. 5-Pentyl-2-(2-phenylpropan-2-yl)pyrido[4,3-b]indol-1-one. Other names: CUMYL—PEGACLONE; SGT—151.

s. Ethyl 2-[[1-(5-fluoropentyl)indole-3-carbonyl]amino]-3,3-dimethyl-butanoate. Other names: 5F—EDMB—PICA; 5F—EDMB—2201.

t. Methyl 2-(1-(4-fluorobenzyl)-1H-indole-3-carboxamido)-3-methyl butanoate. Other name: MMB—FUBICA.

u. N-ethyl-2-(2-(4-isopropoxybenzyl)-5-nitro-1H-benzimidazol-1-yl)ethan-1-amine, its isomers, esters, ethers, salts, and salts of isomers, esters and ethers. Other name: N-desethyl isotonitazene.

v. 2-(4-ethoxybenzyl)-5-nitro-1-(2-piperidin-1-yl)-1H-benzimidazole, its isomers, esters, ethers, salts, and salts of isomers, esters and ethers. Other names: N-piperidinyl etonitazene; etonitazepipne.

553.13(5) Amend Iowa Code section 124.210(3) by adding the following new paragraph:

bh. Zuranolone.

481—553.14(124) Excluded and exempt substances.

553.14(1) *Excluded nonnarcotic products.* The board hereby excludes from all schedules the current list of excluded nonnarcotic products identified in 21 CFR §1308.22.

553.14(2) *Exempt substances.* With the exception of listed butalbital products, the board hereby excludes from all schedules the current list of exempted prescription products identified in 21 CFR §1308.32.

481—553.15(124B) Precursor substances—reports. Reports relating to the delivery, receipt, or theft or loss of precursor substances will be in accordance with the requirements identified in Iowa Code chapter 124B and this rule.

553.15(1) *Receipt from out-of-state source.* A report of the receipt of a precursor substance from a source outside the state will be submitted no more than 14 days following such receipt.

553.15(2) *Report elements—receipts and deliveries.* In addition to the elements identified in Iowa Code section 124B.7(1), a report will include the signature of the person or the signature of an officer, authorized agent, or authorized employee of the business receiving or selling, transferring, or furnishing the substance.

553.15(3) *Report elements—theft or loss.* In addition to the elements identified in Iowa Code section 124B.7(1), a report will include the following relating to the missing quantity:

- a. The permit number of the reporting person or business.
- b. The signature of the reporting person or an officer, authorized agent, or authorized employee of the reporting business.
- c. The name and address of the person who transported the substance and the date of the shipment, if applicable.

553.15(4) *Alternative reporting options.* Pursuant to Iowa Code section 124B.7(2), the board may consider requests from permittees to submit reports monthly or via electronic or computer-generated submission.

a. A request to submit transaction reports on a monthly basis or via electronic or computer-generated means will be submitted to the board at least 21 days prior to the board meeting at which the request will be considered.

b. The board will notify the permittee of its decision and identify the reporting format that is authorized. The permittee will be responsible for the accuracy of all reports and the prompt correction of any data entry or transmission errors.

c. Authorization to report monthly or via electronic or computer-generated means is at the board's discretion and may be rescinded with 30 days' advance notice.

553.15(5) *Exemptions.* Reports are not required for the distribution of exempt chemical mixtures or for transactions deemed excluded by 21 CFR Part 1310 as amended on October 31, 2023.

481—553.16(124B) Precursor substances—identification of purchaser or other recipient.

553.16(1) *Face-to-face transactions.* In addition to the elements identified in Iowa Code section 124B.3(2) "c," a letter of authorization will include:

- a. The name of the purchaser's representative authorized to receive the substance.
- b. The signature of the purchaser's representative, completed in the presence of the permittee.

553.16(2) *Non-face-to-face transactions.* Prior to furnishing any precursor substance via a transaction that is not face-to-face, the permittee will require a letter of authorization that includes all of the following:

- a. The entity name, address, telephone number, and license number.

- b. A description that identifies how the substance will be used.
 - c. The signature of an officer, authorized agent, or authorized employee of the entity.
 - d. The typed or printed name and title of the signatory.
- These rules are intended to implement Iowa Code section 124.301 and chapter 124B.

[Filed 5/14/25, effective 7/16/25]

[Published 6/11/25]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 6/11/25.

ARC 9340C

INSPECTIONS AND APPEALS DEPARTMENT[481]

Adopted and Filed

Rulemaking related to operational standards—distribution and drug supply chain

The Department of Inspections, Appeals, and Licensing hereby adopts new Chapter 554, “Operational Standards—Distribution and Drug Supply Chain,” Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code sections 155A.13C, 155A.17, 155A.17A, 155A.19 and 155A.42.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code sections 155A.13C, 155A.17, 155A.17A, 155A.19 and 155A.42.

Purpose and Summary

This rulemaking establishes one chapter to provide the requirements for entities involved in distribution of prescription products and devices in the drug supply chain, distribution of compounded preparations by FDA-registered outsourcing facilities, and distribution of prescription products and devices by limited distributors. The rules include the incorporation of standards by reference to federal law and regulations for distribution of finished drug products and distribution of compounded preparations; a requirement for establishment of policies and procedures; records requirements; facilities requirements; standards for outsourcing facilities; and standards for limited distributors.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on November 27, 2024, as **ARC 8421C**. A public hearing was held on the following date(s):

- January 6, 2025
- January 9, 2025

The Iowa Pharmacy Association expressed its support for the Board of Pharmacy's rulemaking. No public comments were received. No changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Department on May 8, 2025.

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa.

Jobs Impact

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

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Board for a waiver of the discretionary provisions, if any, pursuant to 481—Chapter 6.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rulemaking will become effective on July 16, 2025.

The following rulemaking action is adopted:

ITEM 1. Adopt the following new 481—Chapter 554:

CHAPTER 554

OPERATIONAL STANDARDS—DISTRIBUTION AND DRUG SUPPLY CHAIN

481—554.1(124,124B) Definitions. The definitions found in 481—Chapter 550 are incorporated by reference into these rules.

481—554.2(155A) Compliance with federal laws and regulations.

554.2(1) *Distribution of finished drug products.* Licensees will comply with applicable federal laws and regulations relating to the distribution of products as defined in 21 U.S.C. §360eee. 21 U.S.C. Chapter 9, Subchapter V, Part H, as enacted November 27, 2013, is incorporated herein by reference.

554.2(2) *Distribution of compounded preparations.* Licensees will comply with applicable federal laws and regulations relating to the distribution of compounded preparations as found in 21 U.S.C. §353b (Food, Drug, and Cosmetic Act §503B), as enacted November 27, 2013.

481—554.3(155A) Policies and procedures. Licensees will establish, maintain, and adhere to written policies and procedures that address, at a minimum:

554.3(1) Receipt, security, storage, inventory, and distribution of prescription drugs and devices, including for drugs and devices supplied to a salesperson or representative or dispensed pursuant to patient-specific prescriptions.

554.3(2) Identification, record, and report of a theft or loss of prescription drugs and devices.

554.3(3) Correction of all errors and inaccuracies in inventories.

554.3(4) Recalls and market withdrawals, except for returns processors.

554.3(5) Emergency and disaster plan.

554.3(6) Outdated, adulterated, or suspect drugs and devices.

554.3(7) Personnel education and experience requirements.

554.3(8) Storage and security of records.

554.3(9) Drug and device diversion prevention and detection.

554.3(10) Routine environmental monitoring of drug storage areas, except for returns processors.

554.3(11) Source verification.

481—554.4(155A) Records.

554.4(1) *Retention.* All records relating to distribution will be maintained at the licensed location for at least two years from the date of the record or entry to the record.

554.4(2) *Accessibility.* Electronic records will be capable of producing a hard-copy printout of transactions or entries for any specific date or range of dates requested. All records will be available for inspection and copying by the board or its authorized agent.

554.4(3) *Storage.* Original records more than 12 months old may be maintained in a secure remote storage area unless such remote storage is prohibited by federal law or regulation. Records maintained in remote storage locations will be retrievable within three business days of a request by the board or its authorized agent.

481—554.5(155A) Facilities. Facilities involved in the distribution of prescription drugs will:

554.5(1) Be of suitable size and construction to facilitate cleaning, maintenance, and proper operations.

554.5(2) Have adequate lighting, ventilation, temperature, sanitation, humidity, space, equipment, and security conditions.

554.5(3) Except for returns processors, have a quarantine area for storage of outdated, damaged, unsafe, deteriorated, misbranded, or adulterated prescription drugs; for drugs that are in immediate or sealed outer or sealed secondary containers that have been opened; for drugs that have been identified as being defective or are believed to be defective; and for drugs that do not meet the FDA-approved criteria for the product.

554.5(4) Be secure from unauthorized entry, facilitated by an alarm and security system, including video surveillance.

481—554.6(155A) Standards for outsourcing facilities.

554.6(1) *Preparation standards.* Compounded preparations will be prepared in accordance with the standards of CGMP in accordance with 21 CFR Part 210 as amended on December 10, 2009, and Part 211 as amended on November 18, 2016.

554.6(2) *Labeling standards.* Labels for compounded preparations will include:

a. The statement “This is a compounded drug” or a reasonable comparable alternative statement that prominently identifies the drug as a compounded preparation.

b. The statement “Not for distribution or resale.”

c. The name, address, and telephone number of the outsourcing facility that compounded the preparation.

d. The established name, strength, dosage form, and quantity of the preparation.

e. The date the preparation was compounded.

f. The beyond-use date of the preparation.

g. Storage and handling instructions.

h. The lot or batch identification or control number.

i. The national drug code number, if applicable.

j. The following additional information, which can be included on the labeling of a container from which individual units of the preparation are removed for administration or dispensing:

(1) Directions for use, including, as appropriate, dosage and administration;

(2) A list of the active and inactive ingredients, identified by established name and quantity or proportion of each ingredient;

(3) FDA contact information (www.fda.gov/medwatch and 1.800.FDA.1088 or successor website or telephone number) to facilitate adverse event reporting; and

(4) The name of the practitioner or pharmacy to which the preparation is distributed.

481—554.7(155A) Standards for limited distributors.

554.7(1) *Examination of materials.* Limited distributors will ensure, upon receipt and prior to distribution, that a drug or device is suitable for distribution.

554.7(2) *Verification.* Orders will be verified, prior to distribution, to ensure that the drug or device being distributed matches the order.

554.7(3) *Instructions for use.* When a drug or device is distributed pursuant to a prescription order, the patient or patient's caregiver will be provided adequate instructions for use.

554.7(4) *Transaction records.* Each party to a transaction for the transfer of prescription drugs or devices will maintain documentation that includes the:

a. Source of the drugs or devices, including the name and address of the seller and the address of the location from which the drugs or devices were distributed.

b. Identity and quantity of the drugs or devices distributed. Medical gas prescriptions are valid for no more than 13 months.

c. Date of distribution.

d. Identity of the purchaser, including the name and address of the purchaser and the address of the location to which the drugs or devices were distributed.

554.7(5) *Prescription order records.* Each prescription for which a prescription drug or device is distributed will be maintained in the original format received.

554.7(6) *Patient confidentiality.* Any patient information in the possession of a limited distributor will be maintained in a secure and confidential manner.

These rules are intended to implement Iowa Code sections 155A.13C, 155A.17, 155A.17A, 155A.19, 155A.24 and 155A.42.

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EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 6/11/25.

ARC 9341C

INSPECTIONS AND APPEALS DEPARTMENT[481]

Adopted and Filed

Rulemaking related to standards—drugs in emergency medical services programs

The Department of Inspections, Appeals, and Licensing hereby adopts new Chapter 555, “Standards—Drugs in Emergency Medical Services Programs,” Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code chapter 155A and sections 124.303 and 147.76.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapter 155A and sections 124.303 and 147.76.

Purpose and Summary

This rulemaking provides the minimum standards for the utilization of prescription drugs, including controlled substances, in an emergency medical service (EMS) program. The rules require Controlled Substances Act registration by EMS programs handling controlled substances and various standards for service programs (e.g., identification, policies and procedures, storage, removal of drugs from program stock, administration wastage, monthly inspections, and records).

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on November 27, 2024, as **ARC 8419C**. A public hearing was held on the following date(s):

- January 6, 2025
- January 9, 2025

The Iowa Pharmacy Association expressed its support of the rulemaking. No public comments were received. No changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Department on May 8, 2025.

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa.

Jobs Impact

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

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Board of Pharmacy for a waiver of the discretionary provisions, if any, pursuant to 481—Chapter 6.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rulemaking will become effective on July 16, 2025.

The following rulemaking action is adopted:

ITEM 1. Adopt the following new 481—Chapter 555:

CHAPTER 555**STANDARDS—DRUGS IN EMERGENCY MEDICAL SERVICES PROGRAMS**

481—555.1(124,155A) Definitions. The definitions found in 481—Chapter 550 are incorporated by reference into these rules.

481—555.2(124) Registration required. Pursuant to Iowa Code section 124.302, an EMS program that intends to administer controlled substances in or into Iowa will obtain a controlled substances Act registration in accordance with rule 481—551.11(124). The registration will secondarily identify the medical director or pharmacy that owns the controlled substances used at the EMS program, if applicable.

481—555.3(124,155A) Identification.

555.3(1) A log of EMS program personnel who have access to prescription drugs and records will be maintained and include personnel name, unique identification used in program records, and level of certification.

555.3(2) EMS program personnel who are authorized to access replenishment drugs from an AMDS will access the AMDS using unique identification credentials.

481—555.4(124,155A) Policies and procedures. Each EMS program will, in collaboration with the medical director or pharmacy that owns the drugs used at the EMS program, establish and follow policies and procedures for the handling and utilization of prescription drugs and the storage and security of program and drug records.

481—555.5(124,155A) Storage.

555.5(1) *Environmental standards.* Prescription drugs in the EMS program will be stored in a manner that ensures the drugs are maintained within the environmental requirements provided in the drug labeling. Storage temperatures will be monitored and documented to prevent and detect exposure to extreme temperatures that render the drugs unusable, as determined by the drugs' manufacturer.

555.5(2) *Security.* The EMS program will ensure security of prescription drugs and records to prevent and detect unauthorized access.

481—555.6(124,155A) Removal of drugs from program stock.

555.6(1) Prescription drugs will not be administered beyond the labeled expiration date and, no later than the expiration date, will be removed from EMS program stock.

555.6(2) Prescription drugs subject to a product recall will be removed from EMS program stock.

555.6(3) Prescription drugs removed from EMS program stock will be returned to the owner of the drugs, as applicable, for return to stock or for disposal, as appropriate.

481—555.7(124,155A) Administration wastage.

555.7(1) The unused portion of a controlled substance resulting from patient administration may be destroyed by the administering EMS program personnel, the medical director, or a pharmacist pursuant to EMS program policies and procedures.

555.7(2) Documentation of the administration wastage will include:

- a. The signatures or unique identifications of the individual wasting and the witness,
- b. The name, strength, and quantity of the substance wasted,
- c. The date and manner of the wastage,
- d. The identification of the patient to whom the substance was partially administered, and
- e. The legibly printed first and last name(s) and title(s) of the individual(s) involved who are not identified in the EMS program identification log.

481—555.8(124,155A) Monthly inspections. The medical director or pharmacy that owns the prescription drugs used in the EMS program will ensure the completion and documentation of a monthly inspection of all such drugs maintained at the EMS program and any program substation. Inspection will include the removal of outdated or adulterated drugs. If the drugs are owned by the medical director, the monthly inspection will be conducted by the medical director, or another individual designated by the medical director, and documentation of the inspection will be maintained at the EMS program. If the drugs are owned by the pharmacy, the inspection will be conducted by a pharmacist, or another individual designated by the pharmacist, and documentation of the inspection will be maintained at the pharmacy.

481—555.9(124,155A) Records. Records required by 481—Chapter 553 and these rules will be maintained for at least two years from the date of the record or the last date of employment for personnel records and will be available for inspection and copying by the board or its authorized agent.

These rules are intended to implement Iowa Code sections 124.302 and 147.76 and chapter 155A.

[Filed 5/14/25, effective 7/16/25]

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EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 6/11/25.

ARC 9342C

INSPECTIONS AND APPEALS DEPARTMENT[481]

Adopted and Filed

Rulemaking related to Iowa prescription monitoring program

The Department of Inspections, Appeals, and Licensing hereby adopts new Chapter 556, "Iowa Prescription Monitoring Program," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code chapter 124.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapter 124.

Purpose and Summary

The purpose of this rulemaking is to establish the functional requirements for the Iowa Prescription Monitoring Program (PMP) Advisory Committee (Committee), requirements for practitioners to register for the PMP, reporting requirements, PMP security, and requirements for access to and reporting of PMP information.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on November 27, 2024, as **ARC 8423C**. A public hearing was held on the following date(s):

- January 6, 2025
- January 9, 2025

An Amended Notice of Intended Action was published in the Iowa Administrative Bulletin on March 5, 2025, as **ARC 8979C**.

No public comments were received. No changes from the Amended Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Department on May 8, 2025.

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa.

Jobs Impact

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

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Board of Pharmacy for a waiver of the discretionary provisions, if any, pursuant to 481—Chapter 6.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rulemaking will become effective on July 16, 2025.

The following rulemaking action is adopted:

ITEM 1. Adopt the following **new** 481—Chapter 556:

CHAPTER 556
IOWA PRESCRIPTION MONITORING PROGRAM

481—556.1(124,155A) Definitions. The definitions found in 481—Chapter 550 are incorporated by reference into these rules.

481—556.2(124) PMP advisory committee.

556.2(1) Membership. The members of the PMP advisory committee will include prescribing practitioners as identified in Iowa Code section 124.555(1) and may include a multidisciplinary coalition of authorized users who routinely interact with the PMP and one member of the public who is not eligible to register with the PMP.

556.2(2) Term of appointment. Committee members will be appointed by the board for a three-year term and may be reappointed by the board for no more than two additional terms. Each term will expire on June 30 of the third year of the term.

556.2(3) Quorum. A quorum will be a majority of the appointed members.

556.2(4) Termination of appointment. A committee member who is no longer eligible or able to serve on the committee will submit a written resignation to the board. A committee member who fails to attend three consecutive regular committee meetings is deemed to have resigned.

481—556.3(124) Registration.

556.3(1) Registration. Authorized access to PMP information pursuant to Iowa Code section 124.553 will be available only to registered users, except as provided herein.

556.3(2) Registration not needed. Individuals seeking their own individual prescription records need not register with the PMP.

556.3(3) Practitioner's delegates. A practitioner may authorize an adequate number of credentialed health care professionals, not exceeding 30, who are directly involved in the care of the patient to access PMP information. The practitioner is responsible for the PMP information access of the delegates.

481—556.4(124) Reporting requirements.

556.4(1) Reportable data. The following will be reported to the PMP in accordance with Iowa Code sections 124.551, 124.552, and 124.554(1) "g":

- a. Controlled substances dispensed to a patient for self-administration.
- b. Opioid antagonists dispensed or administered by a practitioner, including:
 - (1) To an emergency department patient, and
 - (2) To a patient upon discharge from a hospital, correctional facility or care facility.
- c. If the pharmacy did not dispense or administer any reportable prescriptions during a reporting period, a zero report.

556.4(2) Required data elements.

a. In addition to the information required in Iowa Code section 124.552(1), the following elements will be reported:

- (1) Form of transmission of prescription origin.
- (2) Refill number.
- (3) Number of refills authorized.

b. In an exceptional circumstance, a practitioner may request an extension of time for transmitting program information.

556.4(3) Exemptions—practitioners. The following are exempt from reporting controlled substances:

- a.* A licensed veterinarian in the normal course of professional practice.
- b.* A DEA-registered narcotic treatment program that is subject to the recordkeeping provisions of 21 CFR 1304.24 as amended on June 28, 2021.

556.4(4) Board notification. A pharmacy that does not engage in any reportable dispensing or administration will notify the board at the time of licensure.

556.4(5) Submission format. Data will be transmitted via the PMP's current version of data upload or electronic submission.

556.4(6) Submission errors. Upon notification of a potential error in program information, the reporting practitioner will promptly correct the error.

481—556.5(124) Security.

556.5(1) Board. The board will collect, store, and disseminate program information using technology that utilizes encryption as defined in Iowa Code section 715C.1.

556.5(2) Integrated systems. A practitioner, pharmacy, or health care system utilizing an integrated system to connect its electronic health record or data processing system with the PMP will:

- a.* Ensure the maintenance of user access logs for four years from the date of access, including the identification of the practitioner for which a delegate accessed program information.
- b.* Ensure the maintenance of adequate security to prevent unauthorized access, disclosure, or theft of program information.
- c.* Notify the board within 72 hours of any breach in the electronic health record or data processing system that may have included program information.

481—556.6(124) Access to and reporting of PMP information.

556.6(1) Patient requests. An individual patient or a patient's authorized representative may request the patient's own prescription history report via submission of a completed PMP patient request form via personal, mail, or commercial delivery. A patient's authorized representative includes an individual with medical power of attorney for the patient, the patient's attorney, an executor of the patient's estate, or the patient's next of kin as defined in Iowa Code section 523A.102.

556.6(2) Authorized user requests. An individual authorized to receive program information may request program information pursuant to and in accordance with Iowa Code section 124.553 via the program platform, which request will include verification of the requestor's authorization to receive the information.

556.6(3) Statistical data. The board or its designee may provide summary, statistical, or aggregate data to public or private entities for statistical, public research, public policy, or educational purposes.

556.6(4) Prescriber activity reports. At least annually, the board will electronically issue to each prescriber whose prescribed controlled substances were reported to the program during the preceding reporting period an activity report in accordance with Iowa Code section 124.554(3)“a.”

556.6(5) Proactive notifications. When a patient meets or exceeds the criteria and thresholds determined by the board and the advisory committee, the board will issue a notification to a practitioner that the patient may be at risk of abusing or misusing a controlled substance and suggest review of the patient's program information.

These rules are intended to implement Iowa Code chapter 124, subchapter VI.

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ARC 9343C

INSPECTIONS AND APPEALS DEPARTMENT[481]

Adopted and Filed

Rulemaking related to board of pharmacy operations

The Department of Inspections, Appeals, and Licensing (DIAL) hereby adopts new Chapter 557, "Board of Pharmacy Operations," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code chapters 21, 124, 124B, 155A and 272C and sections 17A.3 and 147.80.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapters 17A, 21, 124, 124B, 155A and 272C and section 147.80.

Purpose and Summary

This rulemaking provides information about Board of Pharmacy operations and responsibilities, including information about Board meetings, administrative fees and references to other applicable DIAL rules that will be adopted by reference.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on November 27, 2024, as **ARC 8424C**. A public hearing was held on the following date(s):

- January 6, 2025
- January 9, 2025

The Iowa Pharmacy Association expressed its support of the Board's rulemaking. No public comments were received.

Changes from the Notice have been made in subrule 557.1(6) to identify two additional general licensing chapters for the DIAL's Licensing Division to be adopted by reference.

Adoption of Rulemaking

This rulemaking was adopted by DIAL on May 8, 2025.

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa.

Jobs Impact

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

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Board for a waiver of the discretionary provisions, if any, pursuant to 481—Chapter 6.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rulemaking will become effective on July 16, 2025.

The following rulemaking action is adopted:

ITEM 1. Adopt the following **new** 481—Chapter 557:

CHAPTER 557
BOARD OF PHARMACY OPERATIONS

481—557.1(17A,147,155A,272C) Board of pharmacy operations.

557.1(1) *Authority.* The board's authority for regulating the practice of pharmacy and the legal distribution and dispensing of prescription drugs and devices, including controlled substances, in the state of Iowa is found in Iowa Code chapters 124, 124B, 126, 147, 155A, 205 and 272C.

557.1(2) *Responsibilities.* The responsibilities of the board include but are not limited to:

- a. Licensing of individuals. Licensing or registering qualified individuals in the practice of pharmacy and the handling or prescribing of controlled substances.
- b. Licensing of practice locations. Licensing or registering authorized entities engaged in the legal distribution or dispensing of prescription drugs, devices and controlled substances within or into Iowa.
- c. Conducting compliance inspections, audits and investigations of any persons or entities licensed or registered with the board.
- d. Instituting disciplinary actions, hearing contested cases, issuing decisions and orders, and enforcing the terms of filed disciplinary orders.

557.1(3) *Meetings.* All meetings of the board will be open to the public except as authorized by the Iowa Code. Meeting notices will be routinely posted on the department of inspections, appeals, and licensing's website.

557.1(4) *Administrative fees.* The following nonrefundable fees will be assessed for the following administrative services:

- a. Written license or registration verification: \$15.
- b. Provision of licensee data files: variable, \$35 minimum.
- c. Returned payment: \$20.
- d. Original pharmacist license certificate: \$20.
- e. Certification of pharmacist-intern internship hours: \$15.
- f. Petition for eligibility determination: \$25.

557.1(5) *Overpayment of fees.* Payment for any administrative service or license fee in excess of the required fee amount of \$10 or less will not be refunded.

557.1(6) *Adoption of agency rules by reference.* The board adopts by reference the following rules of the department:

- a. Public records and fair information practices as found in 481—Chapter 5.
- b. Petitions for rulemaking as found in 481—Chapter 2.
- c. Declaratory orders as found in 481—Chapter 3.
- d. Agency procedure for rulemaking as found in 481—Chapter 4.
- e. Sales of goods and services as found in rule 481—1.12(10A,68B).
- f. Licensee review committee as found in 481—Chapter 505.
- g. Waivers as found in 481—Chapter 6.

h. Model rules for board administrative processes as found in 481—Chapter 500.

i. Model rules for complaints and investigations as found in 481—Chapter 503.

This rule is intended to implement Iowa Code chapters 17A, 21, 124, 124B, 155A and 272C and section 147.80.

[Filed 5/14/25, effective 7/16/25]

[Published 6/11/25]

EDITOR’S NOTE: For replacement pages for IAC, see IAC Supplement 6/11/25.

ARC 9344C

INSPECTIONS AND APPEALS DEPARTMENT[481]

Adopted and Filed

Rulemaking related to continuing education

The Department of Inspections, Appeals, and Licensing hereby amends Chapter 944, “Continuing Education for Barbering and Cosmetology Arts and Sciences,” Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code chapters 157 and 272C.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, 2024 Iowa Acts, House File 2686.

Purpose and Summary

2024 Iowa Acts, House File 2686, required that the Board of Barbering and Cosmetology Arts and Sciences adopt rules allowing a licensee to carry over up to 50 percent of excess completed continuing education hours from the previous renewal cycle. This rulemaking grants barbers, cosmetologists, nail technologists, estheticians, electrologists, and instructors the ability to carry over up to three hours of continuing education earned in excess of the six hours required by Iowa law every two years.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on March 19, 2025, as **ARC 9002C**. No public comments were received. No changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Board of Barbering and Cosmetology Arts and Sciences on May 19, 2025.

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa. Staff salaries to support the work of the boards are covered by the Licensing and Regulation Fund established in 2023 Iowa Acts, Senate File 557. Licensing fees go to the fund to cover operations of the regulated professional licensing board.

Jobs Impact

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

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 481—Chapter 6.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rulemaking will become effective on July 16, 2025.

The following rulemaking action is adopted:

ITEM 1. Amend subrule 944.2(5) as follows:

944.2(5) ~~No hours of continuing education shall be carried over into the next biennium. Licensees who complete continuing education hours in excess of the requirements for renewal may apply up to 50 percent of the required hours to the following renewal period. Licensees may apply a maximum of three hours from the previous renewal period in the prescribed practice discipline. Licensees cannot apply any hours in the content areas of Iowa barbering and cosmetology law and rules or infection control to the following renewal period.~~ A licensee whose license was reactivated during the current renewal compliance period may use continuing education earned during the compliance period for the first renewal following reactivation.

[Filed 5/20/25, effective 7/16/25]

[Published 6/11/25]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 6/11/25.

ARC 9358C

LIBRARIES AND INFORMATION SERVICES DIVISION[286]

Adopted and Filed

Rulemaking related to chapter rescissions

The Commission of Libraries hereby rescinds Chapter 1, "Organization and Operation," Chapter 2, "Public Records and Fair Information Practices," Chapter 3, "Statewide Programs and Agreements," Chapter 6, "Library Services and Technology Act (LSTA) Program," Chapter 7, "Internet Use Policy," Chapter 10, "Waivers from Administrative Rules," Chapter 11, "Declaratory Orders," and Chapter 12, "Petitions for Rule Making," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code section 8A.104(5) and 2024 Iowa Acts, Senate File 2385.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code sections 8A.104 and 8A.201 through 8A.234.

Purpose and Summary

This rulemaking is intended to rescind redundant and outdated Uniform Rules on Agency Procedure from the Libraries and Information Services Division[286]. In addition, the rulemaking rescinds State Library chapters regarding statewide programs, the Library Services and Technology Act Program, and the Library's Internet Use Policy. Iowa Code section 8A.202 lists the Division's duties and responsibilities pertaining to library services. These duties were moved to the Division through State government alignment in 2023. The State Library of Iowa's Uniform Rules on Agency Procedure are now redundant because the Division has the same set of rules. The other chapters under agency [286] are also being rescinded as part of Executive Order 10 because of redundant and outdated language.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on December 25, 2024, as **ARC 8679C**. Public hearings were held on the following date:

- January 14, 2025

Comments were not germane to this rulemaking. No changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Commission on May 23, 2025.

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa.

Jobs Impact

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

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Commission for a waiver of the discretionary provisions, if any.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rulemaking will become effective on July 16, 2025.

The following rulemaking action is adopted:

- ITEM 1. Rescind and reserve **286—Chapter 1**.
- ITEM 2. Rescind and reserve **286—Chapter 2**.
- ITEM 3. Rescind and reserve **286—Chapter 3**.
- ITEM 4. Rescind and reserve **286—Chapter 6**.
- ITEM 5. Rescind and reserve **286—Chapter 7**.
- ITEM 6. Rescind and reserve **286—Chapter 10**.

ITEM 7. Rescind and reserve **286—Chapter 11.**

ITEM 8. Rescind and reserve **286—Chapter 12.**

[Filed 5/22/25, effective 7/16/25]

[Published 6/11/25]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 6/11/25.

ARC 9346C

PHARMACY BOARD[657]

Adopted and Filed

Rulemaking related to agency realignment

The Board of Pharmacy hereby rescinds Chapter 1, "Purpose and Organization," Chapter 2, "Pharmacist Licenses," Chapter 3, "Pharmacy Technicians," Chapter 4, "Pharmacist-Interns," Chapter 5, "Pharmacy Support Persons," Chapter 6, "General Pharmacy Practice," Chapter 7, "Hospital Pharmacy Practice," Chapter 8, "Universal Practice Standards," Chapter 10, "Controlled Substances," Chapter 11, "Drugs In Emergency Medical Service Programs," Chapter 12, "Precursor Substances," Chapter 13, "Telepharmacy Practice," Chapter 14, "Public Information and Inspection of Records," Chapter 15, "Correctional Pharmacy Practice," Chapter 16, "Nuclear Pharmacy Practice," Chapter 17, "Wholesale Distributor Licenses," Chapter 18, "Centralized Prescription Filling and Processing," Chapter 19, "Nonresident Pharmacy Practice," Chapter 20, "Compounding Practices," Chapter 21, "Electronic Data and Automated Systems in Pharmacy Practice," Chapter 22, "Unit Dose, Alternative Packaging, and Emergency Boxes," Chapter 23, "Care Facility Pharmacy Practice," Chapter 25, "Child Support Noncompliance," Chapter 26, "Petitions for Rule Making," Chapter 27, "Declaratory Orders," Chapter 28, "Agency Procedure for Rule Making," Chapter 29, "Sales of Goods and Services," Chapter 30, "Iowa Monitoring Program for Pharmacy Professionals," Chapter 31, "Criminal Convictions," Chapter 32, "Nonpayment of State Debt," Chapter 33, "Military Service and Veteran Reciprocity," Chapter 34, "Waivers," Chapter 35, "Contested Cases," Chapter 36, "Discipline," Chapter 37, "Iowa Prescription Monitoring Program," Chapter 39, "Expanded Practice Standards," Chapter 40, "Technology-Assisted Technician Product Verification Programs," Chapter 41, "Outsourcing Facilities," Chapter 42, "Limited Distributor Licenses," Chapter 43, "Third-Party Logistics Provider Licenses," and Chapter 100, "Iowa Real-Time Electronic Pseudoephedrine Tracking System," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Executive Order 10.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Executive Order 10.

Purpose and Summary

The rulemaking rescinds all chapters of agency [657] in response to the adoption of 481—Chapters 550 through 557.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on November 27, 2024, as **ARC 8422C**. A public hearing was held on the following date(s):

- January 6, 2025
- January 9, 2025

The Iowa Pharmacy Association provided comment supporting the Board's rulemaking. Other comments provided at the hearings were not related to this rulemaking. No other public comments were received. No changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Board on May 8, 2025.

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa.

Jobs Impact

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

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Board for a waiver of the discretionary provisions, if any, pursuant to 481—Chapter 6.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rulemaking will become effective on July 16, 2025.

The following rulemaking action is adopted:

- ITEM 1. Rescind and reserve **657—Chapter 1.**
- ITEM 2. Rescind and reserve **657—Chapter 2.**
- ITEM 3. Rescind and reserve **657—Chapter 3.**
- ITEM 4. Rescind and reserve **657—Chapter 4.**
- ITEM 5. Rescind and reserve **657—Chapter 5.**
- ITEM 6. Rescind and reserve **657—Chapter 6.**
- ITEM 7. Rescind and reserve **657—Chapter 7.**
- ITEM 8. Rescind and reserve **657—Chapter 8.**
- ITEM 9. Rescind and reserve **657—Chapter 10.**
- ITEM 10. Rescind and reserve **657—Chapter 11.**
- ITEM 11. Rescind and reserve **657—Chapter 12.**
- ITEM 12. Rescind and reserve **657—Chapter 13.**
- ITEM 13. Rescind and reserve **657—Chapter 14.**
- ITEM 14. Rescind and reserve **657—Chapter 15.**
- ITEM 15. Rescind and reserve **657—Chapter 16.**
- ITEM 16. Rescind and reserve **657—Chapter 17.**

- ITEM 17. Rescind and reserve **657—Chapter 18.**
- ITEM 18. Rescind and reserve **657—Chapter 19.**
- ITEM 19. Rescind and reserve **657—Chapter 20.**
- ITEM 20. Rescind and reserve **657—Chapter 21.**
- ITEM 21. Rescind and reserve **657—Chapter 22.**
- ITEM 22. Rescind and reserve **657—Chapter 23.**
- ITEM 23. Rescind and reserve **657—Chapter 25.**
- ITEM 24. Rescind and reserve **657—Chapter 26.**
- ITEM 25. Rescind and reserve **657—Chapter 27.**
- ITEM 26. Rescind and reserve **657—Chapter 28.**
- ITEM 27. Rescind and reserve **657—Chapter 29.**
- ITEM 28. Rescind and reserve **657—Chapter 30.**
- ITEM 29. Rescind and reserve **657—Chapter 31.**
- ITEM 30. Rescind and reserve **657—Chapter 32.**
- ITEM 31. Rescind and reserve **657—Chapter 33.**
- ITEM 32. Rescind and reserve **657—Chapter 34.**
- ITEM 33. Rescind and reserve **657—Chapter 35.**
- ITEM 34. Rescind and reserve **657—Chapter 36.**
- ITEM 35. Rescind and reserve **657—Chapter 37.**
- ITEM 36. Rescind and reserve **657—Chapter 39.**
- ITEM 37. Rescind and reserve **657—Chapter 40.**
- ITEM 38. Rescind and reserve **657—Chapter 41.**
- ITEM 39. Rescind and reserve **657—Chapter 42.**
- ITEM 40. Rescind and reserve **657—Chapter 43.**
- ITEM 41. Rescind and reserve **657—Chapter 100.**

[Filed 5/14/25, effective 7/16/25]

[Published 6/11/25]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 6/11/25.

ARC 9347C

PROFESSIONAL LICENSURE DIVISION[645]

Adopted and Filed

Rulemaking related to rescission of chapters

The Department of Inspections, Appeals, and Licensing hereby rescinds Chapter 21, "Licensure," Chapter 22, "Infection Control for Barbershops and Barber Schools," Chapter 23, "Barber Schools," Chapter 24, "Continuing Education for Barbers," and Chapter 25, "Discipline for Barbers, Barber Instructors, Barbershops and Barber Schools," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code chapters 17A, 147 and 272C and 2023 Iowa Acts, House File 652.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapters 17A, 147 and 272C and 2023 Iowa Acts, House File 652.

Purpose and Summary

This rulemaking completes the merger process as directed by 2023 Iowa Acts, House File 652, which repealed Iowa Code chapter 158, created the Board of Barbering and Cosmetology Arts and Sciences (Board) by merging the Board of Barbering and the Board of Cosmetology Arts and Sciences, and preserved the legacy Board of Barbering rules until such time as the rules expire on their own or are otherwise repealed by the Board. Since the merger, the Board has merged and promulgated comprehensive administrative rules governing the barbering and cosmetology arts and sciences, which became effective July 1, 2024. The Board now intends to rescind all legacy rules of the Board of Barbering.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on March 19, 2025, as **ARC 9007C**. A public hearing was held on the following date(s):

- April 8, 2025

No one attended the public hearing. No public comments were received. No changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Board on May 19, 2025.

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa. Staff salaries to support the work of the boards are covered by the Licensing and Regulation Fund established in 2023 Iowa Acts, Senate File 557. Licensing fees go to the fund to cover operations of the regulated professional licensing boards.

Jobs Impact

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

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 481—Chapter 6.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rulemaking will become effective on July 16, 2025.

The following rulemaking action is adopted:

- ITEM 1. Rescind and reserve **645—Chapter 21**.
- ITEM 2. Rescind and reserve **645—Chapter 22**.
- ITEM 3. Rescind and reserve **645—Chapter 23**.
- ITEM 4. Rescind and reserve **645—Chapter 24**.
- ITEM 5. Rescind and reserve **645—Chapter 25**.

[Filed 5/20/25, effective 7/16/25]

[Published 6/11/25]

EDITOR’S NOTE: For replacement pages for IAC, see IAC Supplement 6/11/25.

ARC 9348C

UTILITIES COMMISSION[199]

Adopted and Filed

Rulemaking related to intrastate gas pipelines and underground gas storage

The Utilities Commission hereby rescinds Chapter 10, “Intrastate Gas Pipelines and Underground Gas Storage,” Iowa Administrative Code, and adopts a new chapter with the same title.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code sections 476.1 and 479.1.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code sections 476.2, 479.5 through 479.8, 479.17, 479.23, 479.26, 479.42 and 479.43.

Purpose and Summary

The Commission commenced this rulemaking as part of its Executive Order 10 review. The purpose of Chapter 10 is to implement the requirements in Iowa Code chapter 479 and to establish the procedures and filing requirements for a permit to construct, maintain, and operate an intrastate gas pipeline; for an amendment to an existing permit; and for renewal of an existing permit. Chapter 10 also implements the requirements in Iowa Code chapter 479 for permits for underground storage of natural gas.

On April 30, 2025, the Commission issued an order adopting amendments. The order is available on the Commission’s electronic filing system, efs.iowa.gov, under Docket No. RMU-2023-0010.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on February 19, 2025, as **ARC 8866C**. A public hearing was held on the following date(s):

- March 17, 2025
- March 31, 2025

The Commission held public hearings on March 17 and 31, 2025, which were attended by the Office of Consumer Advocate (OCA), a division of the Iowa Department of Justice; Iowa Farm Bureau Federation; MidAmerican Energy Company (MidAmerican); and Black Hills/Iowa Gas Utility Company, LLC d/b/a Black Hills Energy (Black Hills). At the public hearings, OCA reiterated its filed comments, and MidAmerican and Black Hills did not provide additional comments.

In written comments, OCA recommended the definition for “permit” be retained, and Black Hills identified incorrect cross-references and requested the same be corrected.

At the request of OCA, the Commission reinserted the definition of “permit” in subrule 10.1(3), and at the request of Black Hills, the Commission corrected internal cross-references in subrules 10.1(3) and 10.4(1). Finally, the Commission made minor changes to the titles of rules 199—10.7(479) and 199—10.8(479).

Adoption of Rulemaking

This rulemaking was adopted by the Commission on April 30, 2025.

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa.

Jobs Impact

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

Waivers

No waiver provision is included in the amendments because the Commission has a general waiver provision in rule 199—1.3(17A,474,476) that provides procedures for requesting a waiver of the rules in Chapter 10.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee’s meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rulemaking will become effective on July 16, 2025.

The following rulemaking action is adopted:

ITEM 1. Rescind 199—Chapter 10 and adopt the following **new** chapter in lieu thereof:

CHAPTER 10

INTRASTATE GAS PIPELINES AND UNDERGROUND GAS STORAGE

199—10.1(479) General information.

10.1(1) Purpose and authority. The purpose of this chapter is to implement the requirements in Iowa Code chapter 479 and to establish procedures and filing requirements for a permit to construct, maintain, and operate an intrastate gas pipeline; for an amendment to an existing permit; and for renewal of an existing permit. This chapter also implements the requirements in Iowa Code chapter 479 for permits for underground storage of natural gas.

10.1(2) When a permit is required. A pipeline permit is required for any pipeline that will operate at a pressure in excess of 150 pounds per square inch gauge (psig) or that, regardless of operating pressure, is a transmission line as defined in American Society of Mechanical Engineers (ASME) B31.8 or 49 CFR 192.3.

10.1(3) Definitions. Technical terms not defined in this chapter are defined in the appropriate standard adopted in rule 199—10.10(479). For the administration and interpretation of this chapter, the following words and terms have the following meanings:

“Affected person” means any person with a legal right or recorded interest in the property, including but not limited to a landowner, a contract purchaser of record, a person possessing the property under a lease, a record lienholder, and a record encumbrancer of the property.

“Amendment of permit” means that changes to the pipeline permit or pipeline require the filing of a petition to amend an existing pipeline permit as described in rule 199—10.8(479).

“Approximate right angle” means within 5 degrees of a 90-degree angle.

“CFR” means the Code of Federal Regulations in effect as of July 16, 2025.

“County inspector” means a professional engineer licensed under Iowa Code chapter 542B who is familiar with agricultural and environmental inspection requirements and has been employed by a county board of supervisors to do an on-site inspection of a proposed pipeline for compliance with 199—Chapter 9 and Iowa Code chapter 479.

“Gathering line” means a natural gas pipeline that transports gas from a current production facility to a transmission line or main as interpreted by 49 CFR 192.8.

“Multiple line crossing” means a point at which a proposed pipeline will either cross over or under an existing pipeline.

“Negotiating” means contact between a pipeline company and a person with authority to negotiate an easement that involves the location, damages, compensation, or other matter that is prohibited by Iowa Code section 479.5(5). Contact for purposes of obtaining addresses and other contact information from a landowner or tenant is not considered negotiation.

“Permit” means a new, amended, or renewed permit issued by the commission.

“Person” means an individual, corporation, limited liability company, government or governmental subdivision or agency, business trust, estate, trust, partnership or association, or any other legal entity.

10.1(4) Railroad crossings. Where these rules call for the consent or other showing of right from a railroad for a railroad crossing, an affidavit filed by a petitioner that states proper application for approval of railroad crossing has been made, a one-time crossing fee has been paid as provided for in 199—Chapter 42, and 35 days have passed since mailing of the application and payment with no claim of special circumstance or objection from the railroad will be accepted as a showing of consent for the crossing.

199—10.2(479) Informational meetings. A separate informational meeting shall be held in each county in which real property or property rights would be affected.

10.2(1) Time frame for holding meeting. Informational meetings shall be held not less than 30 days nor more than two years prior to the filing of the petition for pipeline permit.

10.2(2) Facilities. A pipeline company shall be responsible for all negotiations and compensation for a suitable facility to be used for each informational meeting, including but not limited to a building or facility that is in substantial compliance with any applicable requirements of the Americans with Disabilities Act Standards for Accessible Design, including both the Title III regulations at 28 CFR Part 36, Subpart D, and the 2004 Americans with Disabilities Act Accessibility Guidelines at 36 CFR Part 1191, Appendices B and D, where such a building or facility is reasonably available.

10.2(3) Location. The informational meeting location shall be reasonably accessible to all persons who may be affected by the granting of a permit or who have an interest in the proposed pipeline.

10.2(4) Commission approval. A pipeline company proposing to schedule an informational meeting shall file a request to schedule the informational meeting and include a proposed time and date for the informational meeting, an alternate time and date, and a description of the proposed project and route. The pipeline company shall be notified within ten days of the filing of the request whether the request is approved or alternate times and dates are required, or the commission shall notify the pipeline company that additional time is needed. Once a date and time for the informational meeting have been approved, the pipeline company will file the location of the informational meeting and a copy of the pipeline company’s presentation with the commission.

10.2(5) Notices. Announcement by mailed and published notice of each informational meeting shall be given to persons as listed on the tax assessment rolls as responsible for payment of real estate

taxes imposed on the property and those persons in possession of or residing on the property in the corridor in which the pipeline company intends to seek easements.

- a. The notice shall include the following:
 - (1) The name of the pipeline company;
 - (2) The pipeline company's principal place of business;
 - (3) The general description and purpose of the proposed project;
 - (4) The general nature of the right-of-way desired;
 - (5) The possibility that the right-of-way may be acquired by condemnation if approved by the commission;
 - (6) A map showing the route of the proposed project;
 - (7) A description of the process used by the commission in deciding whether to approve a permit, including the right to take property by eminent domain;
 - (8) That the landowner and any other affected person have a right to be present at the meeting and to file objections with the commission;
 - (9) Designation of the time, date, and place of the meeting;
 - (10) A copy of the statement of damage claims as required by subrule 10.3(3); and
 - (11) The following statement: Persons with disabilities requiring assistive services or devices to observe or participate should contact the Utilities Commission at 515.725.7300 in advance of the scheduled date to request accommodations.

b. The pipeline company shall cause a written copy of the meeting notice to be served, by certified United States mail with return receipt requested, on all persons as listed on the tax assessment rolls as responsible for payment of real estate taxes imposed on the property and persons in possession of or residing on the property whose addresses are known. The certified meeting notice shall be deposited in the United States mail not less than 30 days prior to the date of the meeting.

c. The pipeline company shall cause the meeting notice, including the map, to be published once in a newspaper of general circulation in each county where the pipeline is proposed to be located at least one week and not more than three weeks prior to the date of the meeting. Publication shall be considered as notice to persons listed on the tax assessment rolls as responsible for paying the real estate taxes imposed on the property whose addresses are not known, provided a good-faith effort to obtain the addresses can be demonstrated by the pipeline company. The maps used in the published notice shall clearly delineate the pipeline route.

d. The pipeline company shall file prior to the informational meeting an affidavit, signed by a corporate officer or an attorney representing the pipeline company, that describes the good-faith effort the pipeline company undertook to locate the addresses of all affected persons.

10.2(6) *Personnel.* The pipeline company shall provide qualified personnel to present the following information at the informational meeting:

- a. Service requirements and planning, which have resulted in the proposed project.
- b. Proposed timeline for when the pipeline will be constructed.
- c. In general terms, the elements involved in pipeline construction.
- d. In general terms, the rights that the pipeline company will seek to acquire through easements.
- e. Procedures to be followed in contacting the affected persons for specific negotiations in acquiring voluntary easements.
- f. Methods and factors used in arriving at an offered price for voluntary easements, including the range of cash amount for each component.
- g. Manner in which voluntary easement payments are made, including discussion of conditional easements, signing fees, and time of payment.
- h. Other factors or damages not included in the easement for which compensation is made, including features of interest to affected persons but not limited to computation of amounts and manner of payment.

10.2(7) *Notice to county board of supervisors.* The pipeline company shall send notice of the request for an informational meeting to the county board of supervisors in each county where the pipeline is proposed to be located. The pipeline company shall request from the board of supervisors the

name of the county inspector. The pipeline company shall provide the name and contact information of the county inspector to the landowners and other affected persons at the meeting, if known.

199—10.3(479) Petition for permit.

10.3(1) A petition for a permit shall be filed with the commission upon the form prescribed and include all required exhibits. The petition shall be considered filed with the commission on the date accepted by the commission's electronic filing system as provided for in 199—Chapter 14. The petition shall be attested to by an officer, official, or attorney with authority to represent the pipeline company. Required exhibits shall be consistent with each other and in the following form:

- a. Exhibit A.* A legal description showing at a minimum:
 - (1) The beginning and ending points of the proposed pipeline.
 - (2) The general direction of the proposed route through each quarter section of land to be crossed, including township and range.
 - (3) Whether the proposed pipeline will be located on private or public property, public highway, or railroad right-of-way.
 - (4) Other pertinent information.
 - (5) When the route is in or adjacent to the right-of-way of a named road or a railroad, the exhibit specifically identifies the road or railroad by name.
- b. Exhibit B.* Maps showing the proposed routing of the pipeline. The maps may be to any scale appropriate for the level of detail to be shown, but not smaller than one inch to the mile, and shall be legible when printed on paper no larger than 11 by 17 inches. Maps based on satellite imagery are preferred. An electronic file, such as a KMZ file or other format identified by the commission depicting the entire route and a map of the entire route, if the route is located in more than one county or there is more than one map for a county, shall be filed in this exhibit without regard to scale. The printed maps will provide the following minimum information:
 - (1) The route of the pipeline that is the subject of the petition, including the starting and ending points, and when paralleling a road or railroad, which side it is on. Multiple pipelines on the same right-of-way shall be indicated, and the distance between paralleling pipelines shall be shown.
 - (2) The name of the county, county lines, section lines, section numbers, township numbers, and range numbers.
 - (3) The location and identity of adjacent or crossed public roads, railroads, named streams or bodies of water, and other pertinent natural or man-made features influencing the route.
 - (4) The name and corporate limits of cities, and the name and boundaries of any public lands or parks.
 - (5) Other pipelines and the identity of the owner.
 - (6) Any buildings or places of public assembly within the potential impact radius of the transmission pipeline as defined in 49 CFR 192.903.
- c. Exhibit C.* A showing of engineering specifications covering the engineering features, materials and manner of construction of the proposed pipeline, its approximate length, diameter, maximum and normal operating pressure, and the name and location of each railroad and primary highway and the number of secondary highways to be crossed, if any, and such other information as may be deemed pertinent on forms prescribed by the commission, which are located on the commission's website.
- d. Exhibit D.* Satisfactory proof of solvency and financial ability to pay damages in the sum of \$250,000 or more; or surety bond satisfactory to the commission in the penal sum of \$250,000 with surety approved by the commission, conditioned that the pipeline company will pay any and all damages legally recovered against it growing out of the construction and operation of its pipeline or gas storage facilities in the state of Iowa; security satisfactory to the commission as a guarantee for the payment of damages in the sum of \$250,000; or satisfactory proofs that the pipeline company has property subject to execution within this state, other than pipelines, of a value in excess of \$250,000. The commission may require additional surety or insurance policies to ensure the payment of damages growing out of the construction and operation of a transmission pipeline that will be constructed in more than one county.
- e. Exhibit E.*

(1) Consent or documentation of appropriate public highway authorities, or railroad companies, where the pipeline will be placed longitudinally on, over or under, or at other than an approximate right angle to railroad tracks or highway, when such consent is obtained prior to filing of the petition, shall be filed with the petition.

(2) If any consent is not obtained at the time the petition is filed, the pipeline company shall file a statement that it will obtain all necessary consents or file other documentation of the right to commence construction prior to commencement of construction of the pipeline. A pipeline company may request commission approval to begin construction on a segment of a pipeline prior to obtaining all necessary consents for construction of the entire pipeline.

(3) Whether there are permits that will be required from other state agencies for construction of the pipeline and, if so, a description of the permit required and whether the permit has been obtained.

f. Exhibit F. This exhibit contains the following:

(1) A statement of the purpose of the project and a description of how the services rendered by the pipeline will promote the public convenience and necessity.

(2) A general statement covering each of the following topics:

1. The nature of the lands, waters, and public or private facilities to be crossed;

2. The possible use of alternative routes;

3. The relationship of the proposed pipeline to present and future land use and zoning ordinances; and

4. The inconvenience or undue injury that may result to property owners as a result of the proposed project.

(3) For an existing pipeline, the year of original construction and a description of any amendments or reportable changes since the permit or latest renewed permit was issued.

g. Exhibit G. If informational meetings were required, an affidavit that such meetings were held in each county affected by the proposed project and the time and place of each meeting. Copies of the mailed notice letter, the corridor map, and the published notice(s) of the informational meeting shall be attached to the affidavit.

h. Exhibit H. This exhibit is required only if the petition requests the right of eminent domain. The extent of the eminent domain request may be uncertain at the time the petition is filed. However, this exhibit must be in final form before a hearing is scheduled. It shall consist of a map and a KMZ file of the route showing the location of each property for which the right of eminent domain is sought and for each property:

(1) The legal description of the property.

(2) The legal description of the desired easement.

(3) A specific description of the easement rights being sought.

(4) The names and addresses of all affected persons based upon a title search conducted for the property over which eminent domain is requested.

(5) A map drawn to an appropriate scale showing the boundaries of the property, the boundaries and dimensions of the proposed easement, the location of pipelines or pipeline facilities within the proposed easement, the location of and distance to any building within 300 feet of the proposed pipeline, and any other features pertinent to the location of the pipeline to the rights being sought.

(6) An overview map showing the location of the property over which eminent domain is requested, filed with the unique identification number that follows a linearly sequential pattern on each parcel for which eminent domain is sought.

i. Exhibit I. If pipeline construction on agricultural land as defined in 199—Chapter 9 is proposed, a land restoration plan shall be prepared and filed as provided in 199—Chapter 9. The name and contact information of each county inspector designated by county boards of supervisors pursuant to Iowa Code section 479.29(2) shall be included in the land restoration plan, if known.

j. Exhibit K. The pipeline company shall file additional information as follows:

(1) An affidavit affirming that the company undertook a review of land records to determine all affected persons for all parcels over which the pipeline is proposed to be located before easements were signed or eminent domain requested.

(2) Whether any private easements will be required for the proposed pipeline and, if a private easement is anticipated to be required, when the easement negotiations will be completed and whether all affected persons associated with the property have been notified.

(3) Whether there are any agreements or additional facilities that need to be constructed to receive natural gas.

(4) Projected date when construction of the pipeline will begin.

(5) Whether the pipeline will have pressure-relieving or pressure-limiting devices that meet the requirements of 49 CFR 192.199 and 49 CFR 192.201.

k. Other exhibits. The commission may require filing of additional exhibits if further information on a particular project is deemed necessary.

10.3(2) Construction on an existing easement. Petitions proposing new pipeline construction on an existing easement where the pipeline company has previously constructed a pipeline shall include a statement indicating whether any unresolved damage claims remain from the previous pipeline construction and, if so, provide the name of each landowner or tenant, a legal description of the property involved, and the status of proceedings to settle the claim.

10.3(3) Statement of damage claims.

a. The statement shall contain the following information: the type of damages that will be compensated for, how the amount of damages will be determined, the procedures by which disputes may be resolved, the manner of payment, and the procedures that the affected person is required to follow to obtain a determination of damages by a county compensation commission.

b. The statement shall be amended as necessary to reflect changes in the law, company policy, or the needs of a specific project.

c. A copy of this statement shall be mailed with the notice of informational meeting as provided for in Iowa Code section 479.5. Where no informational meeting is required, a copy shall be provided to each affected person prior to entering into negotiations for payment of damages.

d. Nothing in this rule prevents a person from negotiating with the pipeline company for terms different from, more specific than, or in addition to the statement filed with the commission.

10.3(4) Negotiation of easements. The pipeline company is not prohibited from responding to inquiries concerning existing or future easements or from requesting and collecting tenant and affected person information, provided that the pipeline company is not “negotiating” as defined in subrule 10.1(3).

199—10.4(479) Notice of hearing.

10.4(1) When a petition for permit is filed with the commission, the petition is reviewed by commission staff for compliance with applicable laws and regulations. Once commission staff has completed the review and filed a report regarding the proposed pipeline and petition, the petition is set for hearing. This subrule does not apply to renewal petitions filed pursuant to rule 199—10.7(479) that do not require a hearing.

10.4(2) The pipeline company will be furnished copies of the official notice of hearing, which the pipeline company shall cause to be published once each week for two consecutive weeks in a newspaper of general circulation in each county in or through which construction is proposed. The second publication shall be not less than 10 nor more than 30 days prior to the date of the hearing. Proof of such publication shall be filed prior to the hearing.

10.4(3) The published notice shall include a map showing either the pipeline route or the area affected by underground gas storage, or a telephone number and an address through which interested persons may obtain a copy of a map from the pipeline company at no charge. If a map other than that filed as Exhibit B will be published or provided, a copy shall be filed with the petition.

10.4(4) If a petition for permit seeks the right of eminent domain, the pipeline company shall, in addition to the published notice of hearing, serve a copy of the notice of hearing on the landowners and any affected person with interest in the property over which eminent domain is sought. A copy of the Exhibit H filed with the commission for the affected property shall accompany the notice. Service shall be by certified United States mail, return receipt requested, addressed to the person’s last-known address,

and mailed no later than the first day of publication of the official notice of hearing on the petition. Not less than five days prior to the date of the hearing, the petitioner shall file with the commission a certificate of service showing all persons and addresses to which notice was sent by certified mail and the date of the mailing, and an affidavit that any affected person as defined in subrule 10.1(3) was served.

10.4(5) If a petition does not seek the right of eminent domain but all required interests in private property have not yet been obtained at the time the petition is filed, a copy of the notice of hearing shall be served upon any affected person as defined in subrule 10.1(3). Service shall be by ordinary mail, addressed to the last-known address, mailed no later than the first day of publication of the official notice. A copy of each letter of notification, or one copy of the letter accompanied by a written statement listing all persons to which the notice was mailed, the date of mailing, and an affidavit that all affected persons were served, shall be filed with the commission not less than five days prior to the hearing.

199—10.5(479) Hearing. A hearing shall be set and held in accordance with Iowa Code sections 479.7 and 479.8. Any prehearing proceedings and the hearing shall be conducted in accordance with 199—Chapter 7.

199—10.6(479) Pipeline permit.

10.6(1) A pipeline permit shall be issued once an order granting the permit is final and all the compliance requirements have been met. A pipeline company may request commission approval to delay obtaining consent to cross a railroad right-of-way until after the pipeline permit is issued.

10.6(2) The issuance of the permit authorizes construction on the route or location as approved by the commission, subject to deviation within the permanent route easement right-of-way. If a deviation outside of the permanent route easement right-of-way becomes necessary, construction of the pipeline in that location shall be suspended and the pipeline company shall follow the procedures for filing of a petition for amendment of a permit, except that the pipeline company need only file Exhibits A, B, E, and F reflecting the proposed deviation. In case of any deviation from the approved permanent route easement, the pipeline company shall secure the necessary easements before construction may commence on the altered route. The right of eminent domain shall not be used to acquire any such easement except as specifically approved by the commission, and a hearing will not be required unless the commission determines a hearing is necessary to complete review of the petition for amendment.

10.6(3) If the construction of facilities authorized by a permit is not commenced within two years of the date the permit is granted, or within two years after final disposition of judicial review of a permit order or of condemnation proceedings, the permit is forfeited unless the commission grants an extension of the permit filed prior to the expiration of the two-year period.

10.6(4) Upon completion of the proposed construction, maps accurately showing the final routing of the pipeline, in compliance with 199—Chapter 9 and revised Exhibits A, B, and C, shall be filed with the commission.

199—10.7(479) Renewal of permit.

10.7(1) A petition for renewal of an original or previously renewed pipeline permit shall be filed at least one year, and no more than five years, prior to the expiration of the permit. The petition shall be made on the form prescribed by the commission. Instructions for the petition are included as a part of the form, and the form is available on the commission's website. The petition shall include the information required by Iowa Code section 479.23 and paragraph 10.3(1)"d." The route map shall meet the requirements in paragraph 10.3(1)"b," except the existing pipeline route shall be provided instead of the proposed route and the information listed in subparagraph 10.3(1)"b"(6) is not required. The petition shall be considered filed with the commission on the date accepted into the commission's electronic filing system as provided for in 199—Chapter 14. The petition shall be attested to by an officer, official, or attorney with authority to represent the pipeline company.

10.7(2) The procedure for petition for permit shall be followed with respect to publication of notice, objections, and assessment of costs.

10.7(3) If there are unresolved issues of fact or law, or if an objection is filed within 20 days of the second publication of the published notice, the commission shall set the matter for hearing. If a hearing is not required, and the petition satisfies the requirements of this rule, a renewed permit will be issued upon the filing of the proof of publication required by rule 199—10.4(479).

199—10.8(479) Amendment of permit.

10.8(1) An amendment of a pipeline permit by the commission is required in any of the following circumstances:

- a.* Construction of an additional pipeline paralleling all or part of an existing pipeline of the pipeline company.
- b.* Extension of an existing pipeline of the pipeline company outside of the permit easement.
- c.* Relocation or replacement of an existing pipeline of the pipeline company outside of the permit easement approved by the commission. If the relocation or replacement is for five miles or more of pipe to be operated at over 150 psig, an informational meeting as provided for by rule 199—10.2(479) shall be held for these relocations and replacements.
- d.* Contiguous extension of an underground storage area of the pipeline company.
- e.* Modification of any condition or limitation placed on the construction or operation of the pipeline in the final order granting the pipeline permit or previous renewal of the permit.

10.8(2) Petition for amendment.

- a.* The petition for amendment of an original or renewed pipeline permit shall include the docket number and issue date of the permit for which amendment is sought and clearly state the purpose of the petition. If the petition is for construction of additional pipeline facilities or expansion of an underground storage area, the same exhibits as required for a petition for permit shall be attached.
- b.* The applicable procedures for a petition for permit, including hearing, shall be followed. Upon appropriate determination by the commission, an amendment to the permit shall be issued. Such amendment is subject to the same conditions with respect to commencement of construction within two years and the filing of final routing maps as required for pipeline permits for the portion of the pipeline subject to the amendment.

199—10.9(479) Inspections. The commission shall examine the construction, maintenance, and condition of pipelines, underground storage facilities, and equipment used in connection with pipelines and facilities in the state of Iowa to determine whether they comply with the appropriate standards of pipeline safety. One or more members of the commission, or one or more duly appointed representatives of the commission, may enter upon the premises of any pipeline company within the state of Iowa for the purpose of making the inspections.

199—10.10(479) Standards for construction, operation, and maintenance.

10.10(1) All pipelines, underground storage facilities, and equipment shall be designed, constructed, operated, and maintained in accordance with the following standards:

- a.* 49 CFR Part 191, “Transportation of Natural and Other Gas by Pipeline; Annual, Incident, and Other Reporting.”
- b.* 49 CFR Part 192, “Transportation of Natural and Other Gas by Pipeline: Minimum Federal Safety Standards.”
- c.* 49 CFR Part 199, “Drug and Alcohol Testing.”
- d.* ASME B31.8 - 2022, “Gas Transmission and Distribution Piping Systems.”
- e.* 199—Chapter 9, “Restoration of Agricultural Lands During and After Pipeline Construction.”
- f.* At railroad crossings, rule 199—42.7(476), “Engineering standards for pipelines.”

Conflicts between the standards established in paragraphs 10.10(1) “*a*” through “*f*” or between the requirements of rule 199—10.10(479) and other requirements that are shown to exist by appropriate written documentation filed with the commission shall be resolved by the commission.

10.10(2) If review of Exhibit C, or inspection of facilities that are the subject of a permit petition, finds noncompliance with the standards adopted in this rule, the pipeline company shall provide satisfactory evidence showing the noncompliance has been corrected prior to the commission taking

final action on the petition or will be corrected as a result of the commission taking final action on the petition.

10.10(3) Pipelines in tilled agricultural land shall be installed with a minimum cover of 48 inches.

199—10.11(479) Crossings of highways, railroads, and rivers.

10.11(1) Approval of other authorities, such as highway and railroad authorities and environmental agencies, need not be obtained prior to petitioning the commission for a pipeline permit. It is recommended that the appropriate other authorities be contacted to determine what restrictions or conditions may be placed on the crossing by those authorities and to obtain information on any proposed reconstruction or relocation of existing facilities that may impact the routing of the pipeline. Approvals and any restrictions, conditions, or relocations of existing facilities shall be filed with the commission prior to the granting of the permit. A pipeline company may request commission approval to begin construction on a segment of a pipeline prior to obtaining all necessary consents for construction of the entire pipeline.

10.11(2) Pipeline routes that include crossings of highway or railroad right-of-way longitudinally on such right-of-way are not to be constructed unless a showing of consent by the appropriate authority has been provided by the pipeline company as required in paragraph 10.3(1) “e.”

199—10.12(479) Transmission line factors. Factors considered by the commission in determining whether a pipeline is a transmission line and is, therefore, required to have a permit include but are not limited to:

1. The definitions of a transmission line in ASME B31.8 and 49 CFR 192.3.
2. Pipeline and Hazardous Materials Safety Administration interpretations.
3. The location of a distribution center.
4. Interconnection with an interstate pipeline.
5. Location of distribution regulator stations downstream of a proposed distribution center.
6. Whether a proposed distribution center has more than one source of supply and the type of pipeline that provides the supply.
7. Transfer of ownership of gas.
8. Reduction in pressure of pipeline at a meter.
9. No resale of gas downstream of a distribution center.

199—10.13(479) Reports to federal agencies.

10.13(1) Upon submission of any incident, annual, or other report to the U.S. Department of Transportation pursuant to 49 CFR Part 191 or Part 192, a pipeline company shall file a copy of the report with the commission. The commission shall also be advised of any telephonic incident report made by the pipeline company.

10.13(2) In addition to incident reports required by 49 CFR Part 191, the commission shall be notified of any incident or accident where the economic damage exceeds \$15,000 or results in loss of service to 50 or more customers. The pipeline company shall notify the commission, as soon as possible, of any incident by emailing the duty officer at dutyofficer@iuc.iowa.gov or, if email is not available, by calling the commission duty officer at 515.745.2332. The cost of gas lost due to the incident shall not be considered in calculating the economic damage of the incident.

10.13(3) Utilities operating in other states shall provide the commission data for Iowa only.

199—10.14(479) Reportable changes to pipelines under permit.

10.14(1) A pipeline company shall file prior notice with the commission of any of the following actions affecting a pipeline under permit:

- a. Abandonment or removal from service. The pipeline company shall notify the landowners prior to the abandonment or removal of the pipeline from service.
- b. Pressure test or increase in maximum allowable or normal operating pressure.
- c. Replacement of a pipeline or significant portion thereof, not including short repair sections of pipe at least as strong as the original pipe.

10.14(2) The notice shall include the docket and permit numbers of the pipeline, the location involved, a description of the proposed activity, anticipated dates of commencement and completion, revised maps and KMZ files and technical specifications, where appropriate, and the name and telephone number of a person to contact for additional information.

199—10.15(479) Sale or transfer of permit.

10.15(1) No permit shall be sold or transferred without written approval of the commission. A petition for approval of the sale or transfer shall:

- a.* Be jointly filed by the buyer, or transferee, and the seller, or transferor,
 - b.* Include assurances that the buyer, or transferee, is:
 - (1) Authorized to transact business in the state of Iowa,
 - (2) Willing and able to construct, operate, and maintain the pipeline in accordance with these rules,
- and
- (3) If the sale, or transfer, is prior to completion of construction of the pipeline, financially able to pay up to \$250,000 in damages associated with construction or operation of the pipeline, or any other amount the commission has determined is necessary when granting the permit.

10.15(2) For purposes of this rule, reassignment of a pipeline permit as part of a corporate restructuring, with no change in pipeline operating personnel or procedures, is considered a transfer and requires prior commission approval.

199—10.16(479) Termination of petition for pipeline permit proceedings. If a pipeline company fails to publish the official notice within 90 days after the official notice is provided by the commission, the commission may dismiss the petition.

199—10.17(479) Gathering line filing requirements.

10.17(1) *Filing requirements.* Notice of the proposed construction of a gathering line as defined in subrule 10.1(3) is required 30 days prior to the commencement of construction. The notice shall include:

- a.* The name of the pipeline company proposing to construct the gathering line and evidence of authority from the Iowa secretary of state showing the company is authorized to conduct business in Iowa.
- b.* The purpose of the proposed gathering line.
- c.* A map of the proposed route of the gathering line, similar to the map required in paragraph 10.3(1) “*b.*”
- d.* The design of the proposed gathering line, similar to the information required in paragraph 10.3(1) “*c.*”
- e.* The approximate date that construction will begin.
- f.* A list of the permissions or approvals of other state or local regulatory agencies required for construction of the gathering line.

If construction is on agricultural land, an agricultural mitigation plan as required in 199—Chapter 9 or a written agreement with the landowner is to be provided to the county inspector.

10.17(2) *Reporting requirements.* A copy of any incident, annual report, or other report filed with the Pipeline and Hazardous Materials Safety Administration pursuant to 49 CFR Part 191 by the owner or operator of a gathering line located in Iowa shall be filed with the commission at the same time it is filed with the Pipeline and Hazardous Materials Safety Administration.

These rules are intended to implement Iowa Code sections 476.2, 479.5, 479.6, 479.7, 479.8, 479.17, 479.23, 479.26, 479.42, and 479.43.

[Filed 5/8/25, effective 7/16/25]

[Published 6/11/25]

EDITOR’S NOTE: For replacement pages for IAC, see IAC Supplement 6/11/25.

ARC 9349C**UTILITIES COMMISSION[199]****Adopted and Filed****Rulemaking related to power production**

The Utilities Commission hereby rescinds Chapter 15, “Cogeneration and Small Power Production,” Iowa Administrative Code, and adopts a new chapter with the same title.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code sections 476.58, 476B.10 and 476C.7.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code sections 476.1, 476.8, 476.41, 476.45, 476.48 and 476.58; 18 CFR Part 292; and Section 210 of the Public Utility Regulatory Act of 1978 as amended by the Energy Policy Act of 2005.

Purpose and Summary

This rulemaking was commenced in accordance with Executive Order 10. The intended benefit of the chapter is to promote safe and adequate service to the public through the effective regulation of cogeneration and small power production and to provide for the means of implementing tax credits as provided under Iowa law.

On May 7, 2025, the Commission issued a conditional order adopting amendments. The order is available on the Commission’s electronic filing system, efs.iowa.gov, under Docket No. RMU-2023-0015.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on January 22, 2025, as **ARC 8797C**. A public hearing was held on the following date(s):

- March 4, 2025
- March 18, 2025

The public hearing was attended by the Office of Consumer Advocate (OCA), a division of the Iowa Department of Justice; MidAmerican Energy Company (MidAmerican); and Iowa Association of Electric Cooperatives (IAEC). Public comments during the public hearings mirrored the written comments stakeholders previously filed and also addressed the Commission’s proposed removal of the annual reporting requirements from subrule 15.14(4).

Written comments were received by OCA, MidAmerican, and IAEC. Public comments concerned the tariff filing requirements for rates and purchases, the correction of internal citations, the revision of the date range in paragraph 15.12(3)“b” to “30 months” to match other sections of the rule, and the information to be filed in tariffs.

The Commission removed subrule 15.14(4) to better align with statutory changes made in 2024 Iowa Acts, House File 2279. The Commission also made minor changes to correct internal citations. Further, the Commission made changes in subrule 15.11(6) at the request of IAEC to remove potential points of confusion and to avoid the unnecessary filing of information.

Adoption of Rulemaking

This rulemaking was adopted by the Commission on May 7, 2025.

Fiscal Impact

This rulemaking has no fiscal impact beyond that of the legislation it intends to implement.

Jobs Impact

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

Waivers

No waiver provision is included in the amendments because the Commission has a general waiver provision in rule 199—1.3(17A,474,476) that provides procedures for requesting a waiver of the rules in Chapter 15.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rulemaking will become effective on July 16, 2025.

The following rulemaking action is adopted:

ITEM 1. Rescind 199—Chapter 15 and adopt the following **new** chapter in lieu thereof:

*UTILITIES AND
TRANSPORTATION DIVISIONS*

CHAPTER 15

COGENERATION AND SMALL POWER PRODUCTION

199—15.1(476) Definitions. Terms defined in the Public Utility Regulatory Policies Act of 1978 (PURPA), in effect on October 24, 1992, 16 U.S.C. 2601, et seq., have the same meaning for purposes of these rules as they have under PURPA, unless further defined in this chapter.

“*AEP facility*” means: (1) an electric production facility that derives 75 percent or more of its energy input from solar energy, wind, waste management, resource recovery, refuse-derived fuel, agricultural crops or residues, or wood burning; (2) a hydroelectric facility at a dam; (3) land, systems, buildings, or improvements that are located at the project site and are necessary or convenient to the construction, completion, or operation of the facility; or (4) transmission or distribution facilities necessary to conduct the energy produced by the facility to the purchasing utility.

“*Alternate energy purchase program*” or “*AEP program*” means a utility program that allows customers to contribute voluntarily to the development of alternate energy in Iowa.

“*Avoided costs*” means the incremental costs to an electric utility of electric energy or capacity or both that, but for the purchase from the qualifying facility or qualifying facilities, such utility would generate itself or purchase from another source.

“*Backup power*” means electric energy or capacity supplied by an electric utility to qualifying facilities and AEP facilities to replace energy ordinarily generated by a facility's own generation equipment during an unscheduled outage of the facility.

“*CFR*” means the Code of Federal Regulations, which contains the general administrative rules adopted by federal departments and agencies, in effect as of July 16, 2025, unless a separate effective date is identified in a specific rule.

“Distributed generation facility” means a qualifying facility, an AEP facility, or an energy storage facility.

“Interconnection costs” means the reasonable costs of connection, switching, metering, transmission, distribution, safety provisions, and administrative costs incurred by the electric utility directly related to the installation and maintenance of the physical facilities necessary to permit interconnected operations with qualifying facilities and AEP facilities, to the extent the costs are in excess of the corresponding costs that the electric utility would have incurred if it had not engaged in interconnected operations, but instead generated an equivalent amount of electric energy itself or purchased an equivalent amount of electric energy or capacity from other sources. Interconnection costs do not include any costs included in the calculation of avoided costs.

“Interruptible power” means electric energy or capacity supplied by an electric utility subject to interruption by the electric utility under specified conditions.

“Maintenance power” means electric energy or capacity supplied by an electric utility during scheduled outages of qualifying facilities and AEP facilities.

“Purchase” means the purchase of electric energy or capacity or both from qualifying facilities and AEP facilities by an electric utility.

“Qualifying facility” means a cogeneration facility or a small power production facility that is a qualifying facility under 18 CFR Part 292, Subpart B, in effect April 5, 2021.

“Sale” means the sale of electric energy or capacity or both by an electric utility to qualifying facilities and AEP facilities.

“Supplementary power” means electric energy or capacity supplied by an electric utility, regularly used by qualifying facilities and AEP facilities in addition to that which the facility generates itself.

“System emergency” means a condition on a utility’s system that is likely to result in imminent significant disruption of service to customers or is imminently likely to endanger life or property.

199—15.2(476) Scope. These rules do not:

15.2(1) Limit the authority of any electric utility, any qualifying facility, or any AEP facility to agree to a rate for any purchase, or terms or conditions relating to any purchase, which differ from the rate or terms or conditions that would otherwise be required by these rules; or

15.2(2) Affect the validity of any contract entered into between an electric utility and a qualifying facility or AEP facility for any purchase.

199—15.3(476) Information to commission. In addition to the information required to be supplied to the commission under 18 CFR 292.302, in effect April 9, 1980, all rate-regulated electric utilities will maintain records of contracts executed for the purchase, sale, or resale of energy or capacity, which will be made available to the commission upon request. If the purchases or sales are made other than pursuant to the terms of a written contract, then information as to the relevant prices and conditions shall be maintained and made available to the commission upon request.

199—15.4(476) Rate-regulated electric utility obligations under this chapter regarding qualifying facilities.

15.4(1) *Obligation to purchase from qualifying facilities.* Unless such obligation is terminated by the Federal Energy Regulatory Commission (FERC) order pursuant to 18 CFR Part 292, Subpart C, each electric utility shall purchase any energy and capacity that is made available from a qualifying facility:

- a. Directly to the electric utility; or
- b. Indirectly to the electric utility in accordance with subrule 15.4(4).

15.4(2) *Obligation to sell to qualifying facilities.* Each electric utility shall sell to any qualifying facility any energy and capacity requested by the qualifying facility.

15.4(3) *Obligation to interconnect.* Any electric utility shall make the interconnections with any qualifying facility as may be necessary to accomplish purchases or sales under these rules. The obligation to pay for any interconnection costs shall be determined in accordance with 199—Chapter 45. However, no electric utility is required to interconnect with any qualifying facility if, solely by reason of

purchases or sales over the interconnection, the electric utility would become subject to regulation as a public utility under Part II of the Federal Power Act, in effect December 4, 2015.

15.4(4) *Transmission to other electric utilities.* If a qualifying facility agrees, an electric utility that would otherwise be obligated to purchase energy or capacity from the qualifying facility may transmit the energy or capacity to any other electric utility. Any electric utility to which the energy or capacity is transmitted shall purchase the energy or capacity under this subrule as if the qualifying facility were supplying energy or capacity directly to the electric utility. The rate for purchase by the electric utility to which the energy is transmitted shall be adjusted up or down to reflect line losses and shall not include any charges for transmission.

15.4(5) *Parallel operation.* Each electric utility shall offer to operate in parallel with a qualifying facility, provided that the qualifying facility complies with any applicable standards established in accordance with these rules.

199—15.5(476) Rates for purchases from qualifying facilities by rate-regulated electric utilities.

15.5(1) *Rates for purchases.* Rates for purchases shall:

a. Be just and reasonable to the electric consumer of the electric utility and in the public interest; and

b. Not discriminate against qualifying cogeneration and small power production facilities.

Nothing in these rules requires any electric utility to pay more than the avoided costs, as set forth in these rules, for purchases.

15.5(2) *Relationship to avoided costs.* For purposes of this subrule, “new capacity” means any purchase from a qualifying facility, construction of which was commenced on or after November 9, 1978.

A rate for purchases satisfies this rule if the rate equals the avoided costs determined after consideration of the factors set forth in subrule 15.5(6); except that a rate for purchases other than from new capacity may be less than the avoided cost if the commission determines that a lower rate is consistent with subrule 15.5(1) and is sufficient to encourage cogeneration and small power production.

Unless the qualifying facility and the utility agree otherwise, rates for purchases shall conform to this rule regardless of whether the electric utility making purchases is simultaneously making sales to the qualifying facility.

In the case in which the rates for purchases are based upon estimates of avoided costs over the specific term of the contract or other legally enforceable obligation, the rates for purchases do not violate this rule if the rates for the purchases differ from avoided costs at the time of delivery.

15.5(3) *Standard rates for purchases.* Electric utilities will file and maintain with the commission tariffs specifying standard rates for purchases from qualifying facilities with a design capacity of 100 kilowatts (kW) or less. These tariffs may differentiate between qualifying facilities using various technologies on the basis of the supply characteristics of the different technologies. All utilities shall include a seasonal differential in these rates for purchases to the extent avoided costs vary by season. All utilities shall make available time of day rates for those facilities with a design capacity of 100 kW or less, provided that the qualifying facility shall pay, in addition to the interconnection costs set forth in these rules, all additional costs associated with the time of day metering.

The standard rates set forth in this rule shall indicate what portion of the rate is attributable to payments for the utility’s avoided energy costs, and what portion of the rate, if any, is attributable to payments for capacity costs avoided by the utility. If no capacity credit is provided in the standard tariff, a qualifying facility may petition the commission for an allowance of the capacity credit. The petition shall be handled by the commission as a contested case proceeding, and the burden of proof shall be on the qualifying facility to demonstrate that capacity credit is warranted in the case in question.

15.5(4) *Other purchases.* Rates for purchases from qualifying facilities with a design capacity of greater than 100 kW shall be determined in contested case proceedings before the commission unless the rates are otherwise agreed upon by the qualifying facility and the utility involved.

15.5(5) *Purchases “as available” or pursuant to a legally enforceable obligation.* Each qualifying facility shall have the option either:

a. To provide energy as the qualifying facility determines the energy to be available for the purchases, in which case the rates for the purchases shall be based on the purchasing utility's avoided costs calculated at the time of delivery; or

b. To provide energy or capacity pursuant to a legally enforceable obligation for the delivery of energy or capacity over a specified term, in which case the rates for the purchases shall, at the option of the qualifying facility exercised prior to the beginning of the specified term, be based on either: the avoided costs calculated at the time of delivery; or the avoided costs calculated at the time the obligation is incurred.

15.5(6) *Factors affecting rates for purchases.* In determining avoided costs, the following factors shall, to the extent practicable, be taken into account:

a. The prevailing rates for capacity or energy on any interstate power grid with which the utility is interconnected.

b. The incremental energy costs or capacity costs of the utility itself or utilities in the interstate power grid with which the utility is interconnected.

c. The time of day or season during which capacity or energy is available, including:

(1) The ability of the utility to dispatch the qualifying facility;

(2) The expected or demonstrated reliability of the qualifying facility;

(3) The terms of any contract or other legally enforceable obligation, including the duration of the obligation, termination notice requirement and sanctions for noncompliance;

(4) The extent to which scheduled outages of the qualifying facility can be usefully coordinated with scheduled outages of the utility's facilities;

(5) The usefulness of energy and capacity supplied from a qualifying facility during system emergencies, including the qualifying facility's ability to separate its load from its generation; and

(6) The individual and aggregate value of energy and capacity from qualifying facilities on the electric utility's system.

d. The costs or savings resulting from variations in line losses from those that would have existed in the absence of purchases from the qualifying facility, if the purchasing electric utility generated an equivalent amount of energy itself.

15.5(7) *Periods during which purchases are not required.* An electric utility will not be required to purchase electric energy or capacity during any period during which, due to operational circumstances, purchases from qualifying facilities will result in costs greater than those that the utility would incur if it did not make the purchases, but instead generated an equivalent amount of energy itself; provided, however, that the electric utility seeking to invoke this subrule must notify each affected qualifying facility within a reasonable amount of time to allow the qualifying facility to cease the delivery of energy or capacity to the electric utility.

a. An electric utility that fails to comply with the provisions of this subrule will be required to pay the usual rate for the purchase of energy or capacity from the facility.

b. A claim by an electric utility that such a period has occurred or will occur is subject to verification by the commission.

199—15.6(476) Rates for sales to qualifying facilities and AEP facilities by rate-regulated electric utilities. Rates for sales to qualifying facilities and AEP facilities shall be just, reasonable and in the public interest, and shall not discriminate against qualifying facilities and AEP facilities in comparison to rates for sales to other customers with similar load or other cost-related characteristics served by the utility. The rate for sales of backup or maintenance power shall not be based upon an assumption (unless supported by data) that forced outages or other reductions in electric output by all qualifying facilities and AEP facilities will occur simultaneously or during the system peak, or both, and shall take into account the extent to which scheduled outages of qualifying facilities and AEP facilities can be usefully coordinated with scheduled outages of the utility's facilities.

199—15.7(476) Additional services to be provided to qualifying facilities and AEP facilities by rate-regulated electric utilities.

15.7(1) Upon request of qualifying facilities and AEP facilities, each electric utility shall provide supplementary, backup, maintenance, and interruptible power. Rates for such service will comply with subrule 15.5(6), and shall be in accordance with the terms of the utility's tariff.

15.7(2) The commission may waive this requirement pursuant to rule 199—1.3(17A,474) only after notice in the area served by the utility and an opportunity for public comment. The waiver may be granted if compliance with this rule will:

- a.* Impair the electric utility's ability to render adequate service to its customers, or
- b.* Place an undue burden on the electric utility.

199—15.8(476) System emergencies. For purposes of this rule, "electric utility" means a rate-regulated electric utility. Qualifying facilities and AEP facilities shall provide energy or capacity to an electric utility during a system emergency only to the extent:

15.8(1) Provided by agreement between the qualifying facility or AEP facility and the electric utility; or

15.8(2) Ordered under Section 202(c) of the Federal Power Act, in effect December 4, 2015. During any system emergency, an electric utility may immediately discontinue:

- a.* Purchases from qualifying facilities and AEP facilities if purchases would contribute to the emergency; and
- b.* Sales to qualifying facilities and AEP facilities, provided that the discontinuance is on a nondiscriminatory basis.

199—15.9(476) Standards for interconnection, safety, and operating reliability. For purposes of this rule, "electric utility" or "utility" means both rate-regulated and non-rate-regulated electric utilities.

15.9(1) *Acceptable standards.* The interconnection of distributed generation facilities and associated interconnection equipment to an electric utility system shall meet the applicable provisions of the publications listed below:

a. Standard for Interconnection and Interoperability of Distributed Energy Resources and Associated Electric Power System Interfaces, IEEE Standard 1547, in effect April 6, 2018. For guidance in applying IEEE Standard 1547, the utility may refer to:

(1) IEEE Recommended Practices and Requirements for Harmonic Control in Electrical Power Systems—IEEE Standard 519-2022, as approved May 13, 2022; and

(2) IEC/TR3 61000-3-7 Assessment of Emission Limits for Fluctuating Loads in MV and HV Power Systems, as published on March 4, 2024.

b. Iowa Electrical Safety Code, as defined in 199—Chapter 25.

c. National Electrical Code, ANSI/NFPA 70-2023, as amended through November 30, 2023.

15.9(2) *Interconnection facilities.*

a. A distributed generation facility placed in service after July 1, 2015, is required to have a disconnection device that is installed, owned, and maintained by the owner of the distributed generation facility and is easily visible and adjacent to an interconnection customer's electric meter at the facility. Disconnection devices are considered easily visible if the clearly identified container holding the disconnection device is within the line of sight of the meter, at a height of 30 inches to 72 inches above final grade. Disconnection devices are considered adjacent to the interconnection customer's electric meter: for a home or business, within 10 feet with nothing blocking access between the disconnection device and electric meter; or for large areas with multiple buildings that require electric service, within 30 feet with nothing blocking access between the disconnection device and electric meter. The disconnection device shall be labeled with a permanently attached sign with clearly visible letters that gives procedures/directions for disconnecting the distributed generation facility.

(1) If an interconnection customer with distributed generation facilities installed prior to July 1, 2015, adds generation capacity to its existing system that does not require upgrades to the electric meter or electrical service, a disconnection device is not required unless required by the electric utility's tariff.

The customer must notify the electric utility before the generation capacity is added to the existing system.

(2) If an interconnection customer with distributed generation facilities installed prior to July 1, 2015, upgrades or changes its electric service, the new or modified electric service must meet all current utility electric service rule requirements.

b. For all distributed generation installations, the customer shall provide and place a permanent placard no more than 10 feet away from the electric meter. The placard must: be visible from the electric meter, clearly identify the presence and location of the disconnection device for the distributed generation facilities on the property, be made of material that is suitable for the environment, and be designed to last for the duration of the anticipated operating life of the distributed generation facility. If no disconnection device is present, the placard shall state "no disconnection device."

If the distributed generation facility is not installed near the electric meter, an additional placard must be placed at the electric meter to provide specific information regarding the distributed generation facility and the disconnection device.

c. The interconnection includes overcurrent devices on the facility to automatically disconnect the facility at all currents that exceed the full-load current rating of the facility.

d. Distributed generation facilities with a design capacity of 100 kW or less must be equipped with automatic disconnection upon loss of electric utility-supplied voltage.

e. Those facilities that produce a terminal voltage prior to the closure of the interconnection shall be provided with synchronism-check devices to prevent closure of the interconnection under conditions other than a reasonable degree of synchronization between the voltages on each side of the interconnection switch.

15.9(3) Access. If a disconnection device is required, the operator of the distributed generation facility, the utility, and emergency personnel shall have access to the disconnection device at all times. For distributed generation facilities installed prior to July 1, 2015, an interconnection customer may elect to provide the utility with access to a disconnection device that is contained in a building or area that may be unoccupied and locked or not otherwise accessible to the utility by installing a lockbox provided by the utility that allows ready access to the disconnection device. In consultation with the customer, the utility will determine the location of the lockbox, which will be accessible by the utility. The interconnection customer shall permit the utility to affix a placard in a location of the utility's choosing that provides instructions to utility operating personnel for accessing the disconnection device. If the utility needs to isolate the distributed generation facility, the utility shall not be held liable for any damages resulting from the actions necessary to isolate the generation facility.

15.9(4) Inspections and testing. The operator of the distributed generation facility shall adopt a program of inspection and testing of the generator, its appurtenances, and the interconnection facilities in order to determine necessity for replacement and repair. Such a program shall include all periodic tests and maintenance prescribed by the manufacturer. If the periodic testing of interconnection-related protective functions is not specified by the manufacturer, periodic testing shall occur at least once every five years. All interconnection-related protective functions shall be periodically tested, and a system that depends upon a battery for trip power shall be checked and logged. The operator shall maintain test reports and make them available upon request by the electric utility. Representatives of the utility shall have access at all reasonable hours to the interconnection equipment specified in subrule 15.9(2) for inspection and testing with reasonable prior notice to the applicant.

15.9(5) Emergency disconnection. In the event that an electric utility or its customers experience problems of a type that could be caused by the presence of alternating currents or voltages with a frequency higher than 60 Hertz, the utility shall be permitted to open and lock the interconnection switch pending a complete investigation of the problem. Where the utility believes the condition creates a hazard to the public or to property, the disconnection may be made without prior notice. However, the utility shall notify the operator of the distributed generation facility by written notice and, where possible, verbal notice as soon as practicable after the disconnections.

15.9(6) Notification. When the distributed generation facility is placed in service, owners of interconnected distributed generation facilities are required to notify local fire departments via U.S. mail

of the location of distributed generation facilities and the associated disconnection device(s). The owner is required to provide any information related to the distributed generation facility as reasonably required by that local fire department including but not limited to:

- a. A site map showing property address; service point from utility company; distributed generation facility and disconnect location(s); location of rapid shutdown and battery disconnect(s), if applicable; property owner's or owner's representative's emergency contact information; utility company's emergency telephone number; and size of the distributed generation facility.
- b. Information to access the disconnection device.
- c. A statement from the owner verifying that the distributed generation facility was installed in accordance with the current state-adopted National Electrical Code.

15.9(7) Disconnections. If an interconnection customer fails to comply with this rule, the electric utility may require disconnection of the applicant's distributed generation facility until the facility complies with this rule. The disconnection process shall be specified in individual electric utility tariffs or in the interconnection agreement. If separate disconnection of only the distributed generation facility is not feasible or safe, the customer's electric service may be disconnected as provided in 199—Chapter 20 or 27.

15.9(8) Reconections. If a customer's distributed generation facility or electric service is disconnected due to noncompliance with this rule, the customer shall be responsible for payment of any costs associated with reconnection once the facility is in compliance with the rules.

199—15.10(476) Additional rate-regulated electric utility obligations regarding AEP facilities.

15.10(1) Obligation to purchase from AEP facilities. Each utility shall purchase, pursuant to contract, its share of at least 105 megawatts (MW) of AEP generating capacity and associated energy production. The utility's share of 105 MW is based on the utility's estimated percentage share of Iowa peak demand, which is based on the utility's highest monthly peak shown in its 1990 FERC Form 1 annual report, and on its related Iowa sales and total company sales and losses shown in its 1990 FERC Form 1 and IE-1 annual reports. Each utility's share of the 105 MW is determined to be as follows:

	Percentage Share of <u>Iowa Peak</u>	Utility Share of <u>105 MW</u>
Interstate Power and Light	47.43%	49.8 MW
MidAmerican Energy	52.57%	55.2 MW

15.10(2) Annual reporting requirement. Each utility shall file an annual report listing nameplate MW capacity and associated monthly megawatt-hour (MWH) purchased from AEP facilities.

15.10(3) Net metering. Each utility shall offer to operate in parallel through either net metering (with a single meter monitoring only the net amount of electricity sold or purchased) or inflow-outflow billing with an AEP facility, provided that the facility complies with any applicable standards established in accordance with these rules.

In the alternative, by choice of the facility, the utility and facility shall operate in a purchase and sale arrangement whereby any electricity provided to the utility by the AEP facility is sold to the utility at the tariffed rate.

199—15.11(476) Alternate energy purchase programs. This rule applies to utilities that elect rate regulation pursuant to Iowa Code section 476.1A where specifically stated.

15.11(1) Obligation to offer programs.

a. All utilities will file plans with the commission for alternative energy purchase programs pursuant to Iowa Code section 476.47.

b. Each rate-regulated electric utility shall demonstrate on an annual basis that it produces or purchases sufficient energy from program AEP facilities located in Iowa to meet the needs of its Iowa program. These Iowa-based AEP facilities shall not include AEP facilities for which the utility has sought cost recovery under rule 199—20.9(476) prior to July 1, 2001.

15.11(2) Customer notification.

a. Each electric utility shall notify eligible customer classes of the implementation or modification of AEP programs pursuant to Iowa Code section 476.47(3) and will include the following, as applicable:

- (1) A description of the availability and purpose of the program or program modification, clarifying that customer contributions will not involve the direct sale of alternate energy to individual customers;
- (2) The effective date of the program or program modification;
- (3) Customer classes eligible for participation;
- (4) Forms and levels of customer contribution available to program participants;
- (5) A utility telephone number for answering customers' questions about the program; and
- (6) Customer instructions that explain how to participate in the program.

b. In addition to the notification requirements under paragraph 15.11(2) "a," each rate-regulated electric utility shall:

- (1) Include fuel report information described under subrule 15.11(5); and
- (2) Submit the proposed notification to the commission for approval at least 30 days prior to the proposed date of issuance of the notification.

15.11(3) *Program plan filing requirements for rate-regulated utilities.* Initial program plans and any subsequent modifications filed by rate-regulated electric utilities will be subject to commission approval. The initial program plan filing shall include:

- a. The program tariff;
- b. The program effective date;
- c. A sample of the customer notification, including a description of the method of distribution;
- d. Customer classes eligible for participation and the schedule for extending participation to all customer classes;

e. Identification of each AEP facility used for the program, including:

- (1) Fuel type;
- (2) Nameplate capacity;
- (3) Estimated annual kilowatt-hour (kWh) output;
- (4) Estimated in-service date;
- (5) Ownership, including any utility affiliation;
- (6) A copy of any contract for utility purchases from the facility;
- (7) A description of the method or procedure used to select the facility;
- (8) Facility location; and
- (9) If the facility is located outside of Iowa, an explanation of how the facility qualifies under Iowa Code section 476.47(4);

f. The forms and levels of customer contribution available to program participants, including but not limited to:

- (1) kWh rate premiums applied to percentages of participant kWh usage, with an explanation of how the kWh rate premiums are derived; or
- (2) kWh rate premiums applied to fixed kWh blocks of participant usage, with an explanation of how the kWh rate premiums are derived; or
- (3) Fixed contributions, with an explanation of how the fixed amounts are derived;

g. The maximum allowable time lag between the beginning of customer contributions and the in-service date for identified AEP facilities, and the procedures for suspending customer contributions if the maximum time lag is exceeded;

h. The intended treatment of program participants under rule 199—20.9(476);

i. An accounting plan for identifying and tracking participant contributions and program costs, including:

- (1) Identification of incremental program costs not otherwise recovered through the utility's rates, including but not limited to program start-up and administration costs, program marketing costs, and program energy and capacity costs associated with identified AEP facilities;
- (2) Methods for quantifying, assigning, and allocating costs of the program and for segregating those costs in the utility's accounts; and

j. A marketing and customer information plan, including schedules and copies of all marketing and information materials, as available.

15.11(4) *Annual reporting requirements for rate-regulated utilities.* Each rate-regulated electric utility shall file with the commission a report of program activity for the previous calendar year. The annual report shall include:

- a. Program information, including:
 - (1) The number of program participants, by customer class;
 - (2) Participant contribution revenues, by customer class, by form and level of contribution, and by associated participant kWh sales;
 - (3) Program electricity generated from each program AEP facility and the associated costs; and
 - (4) Other program costs, by cost type.
- b. An annual reconciliation of participant contributions and program costs.
 - (1) Program costs are incremental costs associated with the utility's alternate energy purchase program not otherwise recovered through the utility's base tariff rates, and electricity costs dedicated to the program and separated from the utility's energy automatic adjustment clause as defined in rule 199—20.9(476).
 - (2) The excess of participant contributions over program costs is an annual program surplus, and the excess of program costs over participant contributions is an annual program deficit.
 - (3) Annual program surpluses and deficits are cumulative over successive years.
 - (4) A program deficit may be recovered through the utility's energy automatic adjustment clause as defined in rule 199—20.9(476).
 - (5) Any program surplus shall be used to offset prior years' program deficits previously recovered through the energy automatic adjustment clause, and the offset amount shall be credited through the utility's energy automatic adjustment clause.
- c. Identification of any other AEP or renewable energy requirements being met with program AEP facilities and identification of any revenues derived from the separate sale of the renewable energy attributes of program AEP facilities.
- d. Documentation that shows the energy produced by the utility's program AEP facilities in Iowa (whether contracted, leased, or owned), not including AEP facilities for which the utility has sought cost recovery under rule 199—20.9(476) prior to July 1, 2001, is sufficient to meet the requirement of the utility's Iowa AEP program.
- e. A description of program marketing and customer information activities, including schedules and copies of all marketing and information materials related to the program.
- f. Program modifications and uses for any program surplus that are under consideration, including procurement or assignment of additional electricity from AEP facilities.
- g. A copy of the utility's annual fuel report to customers under subrule 15.11(5).

15.11(5) *Annual fuel reporting requirements for rate-regulated electric utilities.*

- a. Each rate-regulated electric utility shall annually report to all of its Iowa customers its percentage mix of fuel and energy inputs used to produce electricity. The report shall, to the extent practical, specify percentages of electricity produced by coal, nuclear energy, natural gas, oil, AEP electricity produced for the utility's AEP program, non-program AEP electricity, and resources purchased from other companies. The percentages for AEP electricity shall further specify percentages of electricity produced by wind, solar, hydropower, biomass, and other technologies.
- b. The report shall include an estimate of sulfur dioxide (SO₂), nitrogen oxide (NO_x), and carbon dioxide (CO₂) emissions for each known fuel and energy input type. The emission estimate shall be expressed in pounds per 1000 kWh.

15.11(6) *Tariff filing requirements for non-rate-regulated electric utilities.*

a. Utilities that are not subject to rate regulation or that elect rate regulation pursuant to Iowa Code section 476.1A will include the following information in tariffs filed pursuant to Iowa Code section 476.47(2) "b":

- (1) The program tariff;
- (2) The program effective date;

- (3) A description of customer notification efforts;
- (4) Customer classes eligible for participation; and
- (5) Statement of compliance with Iowa Code section 476.47(4).

b. Joint filings. Utilities subject to paragraph 15.11(6) “*a*” may file a tariff jointly with other non-rate-regulated utilities or through an agent. A joint tariff filing shall contain the information required by paragraph 15.11(6) “*a*.” Each utility participating in the joint tariff shall be identified.

199—15.12(476C) Certification of eligibility for wind energy and renewable energy tax credits under Iowa Code chapter 476C. Any person applying for certification of eligibility for state tax credits for wind energy or renewable energy pursuant to Iowa Code section 476C.3 is subject to this rule.

15.12(1) Filing. Any person applying for certification of eligibility for wind energy or renewable energy tax credits must file with the commission an application that contains substantially all of the following:

a. Information regarding the applicant, including the legal name, address, telephone number, and, as applicable, facsimile transmission number and email address of the applicant.

b. Information regarding the ownership of the facility, including the legal name of each owner, information demonstrating the legal status of each owner, and the percentage of equity interest held by each owner. The “legal status of each owner” refers to either ownership of a small wind energy system operating in a small wind innovation zone as defined in Iowa Code section 476.48(1) “*c*” and as described in rule 199—15.14(476), or, alternatively, the ownership requirements as described in Iowa Code section 476C.1(6) “*b*.”

c. A statement attesting that each owner meeting the eligibility requirements of Iowa Code section 476C.1(6) “*b*” does not have an ownership interest in more than two eligible renewable energy facilities.

d. For any owner meeting the eligibility requirements of Iowa Code section 476C.1(6) “*b*” with an equity interest in the facility equal to or greater than 51 percent, a statement attesting that the owner does not have an equity interest greater than 10 percent in any other eligible renewable energy facility.

e. For any owner meeting the eligibility requirements of Iowa Code section 476C.1(6) “*b*” with an equity interest in the facility greater than 10 percent and less than 51 percent, a statement attesting that the owner does not have an equity interest equal to or greater than 51 percent in any other eligible renewable energy facility.

f. A description of the facility, including at a minimum the following information:

(1) Type of facility (that is, a qualified facility as defined in Iowa Code section 476C.1);

(2) Total nameplate generating capacity rating, plus maximum hourly output capability for any energy production capacity equivalent as defined in Iowa Code section 476C.1(7). For applications filed on or after July 1, 2011, the facility’s combined nameplate capacity or energy production capacity equivalent must be no less than three-fourths of a MW if all or part of the facility’s renewable energy production is used for the owners’ on-site consumption, and no more than 60 MW if the facility is not a wind energy conversion facility;

(3) A description of the location of the facility in Iowa, including an address or other geographic identifier;

(4) The date the facility was placed in service; that is, placed in service on or after July 1, 2005, but before January 1, 2018, for eligibility under Iowa Code chapter 476C; and

(5) For eligibility under Iowa Code chapter 476C, demonstration that the facility’s combined MW nameplate generating capacity and maximum hourly output capability of energy production capacity equivalent as defined in Iowa Code section 476C.1(7), divided by the number of separate owners who meet the requirements of Iowa Code chapter 476C, equals no more than 2.5 MW of capacity per eligible owner.

g. A signed statement from the owners attesting that the owners intend to either sell all the renewable energy produced by the facility, consume all the renewable energy on site, or use all the renewable energy through a combination of sale and consumption. For purposes of the signed statement, renewable energy consumed on site means any renewable energy produced by the facility and not sold.

h. If the owners intend to sell renewable energy produced by the facility, a copy of the power purchase agreement or other agreement to purchase electricity, hydrogen fuel, methane or other biogas, or heat for a commercial purpose, which shall designate either the producer or the purchaser as eligible to apply for the renewable energy tax credit. If the power purchase agreement or other agreement has not yet been finalized and executed, the commission will accept a binding statement from the applicant that designates which party will be eligible to apply for the renewable energy tax credit; that designation shall not be subject to change.

i. A statement indicating the type of tax credit being sought; that is, indicating that the applicant is applying for tax credits pursuant to Iowa Code chapter 476C (1.5 cents per kWh, wind and other renewable energy tax credits).

15.12(2) *Review.* Upon receipt of a complete application, the commission will review the eligibility of the facility in accordance with Iowa Code section 476C.3(2).

15.12(3) *Loss of eligibility status.*

a. Within 30 months following commission approval of eligibility, the applicant shall file information demonstrating that the eligible facility is operational and producing usable energy. If the commission determines that the eligible facility was not operational within 18 months of commission approval, the facility will lose eligibility status.

b. If the facility is a wind energy conversion facility and is not operational within 18 months due to the unavailability of necessary equipment, the applicant may apply for a 12-month extension of the 30-month limit, attesting to the unavailability of necessary equipment. After granting the 12-month extension, if the commission determines that the facility was not operational within 42 months of commission approval, the facility will lose eligibility status.

c. Prior to expiration of the time periods specified in paragraphs 15.12(3)“a” and “b,” the applicant may apply for a further 12-month extension if the facility is still expected to become operational. Extensions may be renewed for succeeding 12-month periods if the applicant applies for the extension prior to expiration of the current extension period. If the applicant does not apply for further extension, the facility will lose eligibility status.

d. If the owners of a facility discontinue efforts to achieve operational status, the owners shall notify the commission. Upon the commission’s receipt of such notification, the facility will lose eligibility status.

e. If the facility loses eligibility status, the applicant may reapply to the commission for new eligibility.

15.12(4) *Allocation of capacity among eligible applicants.* In the event the commission receives applications for tax credits that, in total, exceed the statutory limits found in Iowa Code section 476C.3(4), the commission will rule on the applications in the order the applications are received, based upon the date of receipt. If such a petition is submitted, the commission will notify all applicants who filed on that particular date, allowing each applicant to opt into the allocation within 45 days of the date of the filing of the petition.

15.12(5) *Waiting lists for excess applications.* The commission will maintain waiting lists of excess eligibility applications for facilities that might have received preliminary eligibility under subrule 15.12(2). The priorities of the waiting lists will be in the order the applications were received, based upon the dates of receipt. If additional capacity becomes available within the capacity restrictions under subrule 15.12(4), the commission will review the applications on the waiting lists based on each application’s priorities, before reviewing new applications. Applications will be removed from the waiting lists after the applications are either approved or denied. Each applicant on a waiting list shall annually provide the commission a statement of verification attesting that the information contained in the applicant’s eligibility application remains true and correct, or stating that the information has changed and providing the new information.

This rule is intended to implement Iowa Code chapter 476C.

199—15.13(476C) Applications for renewable energy tax credits under Iowa Code chapter 476C. The renewable energy tax credits equal 1.5 cents per kWh of electricity, or 44 cents per 1,000 standard

cubic feet of hydrogen fuel, or \$4.50 per 1 million British thermal units (Btu) of methane gas or other biogas used to generate electricity, or \$4.50 per 1 million Btu of heat for a commercial purpose, generated by eligible renewable energy facilities under rule 199—15.12(476C), which is sold or used for on-site consumption by the owners. For renewable energy that is sold, either the owners of an eligible facility or a designated purchaser of renewable energy from the facility may apply for renewable energy tax credits for up to ten tax years following the date the facility is placed in service. For renewable energy used for on-site consumption, the owners of an eligible facility may apply for renewable energy tax credits for up to ten tax years following the date the facility is placed in service. For purposes of this rule, renewable energy used for on-site consumption means any renewable energy produced by the facility and not sold.

For the first tax year for which tax credits can be claimed, the kWh, standard cubic feet, or Btu generated by and purchased from an eligible facility may exceed 12 months' production.

15.13(1) *Application process for renewable energy tax credits.* A renewable energy facility must be approved as eligible by the commission under rule 199—15.12(476C) in order to qualify for renewable energy tax credits. Tax credit applications must be filed with the commission in the GovConnectIowa system at govconnect.iowa.gov no later than 30 days after the close of the tax year for which the credits are to be applied.

a. Either the facility owners or the purchaser of renewable energy shall be eligible to apply for the tax credits related to renewable energy that is sold, as designated under paragraph 15.12(1)“*h.*” Only facility owners shall be eligible to apply for tax credits related to renewable energy used for on-site consumption. If a facility is jointly owned, then owners applying for the tax credits must file their application jointly. For each application, the following information must be included:

(1) A copy of the original application for facility eligibility under rule 199—15.12(476C), plus any subsequent amendments to the application.

(2) A copy of the commission's determination approving the facility as eligible for tax credits under rule 199—15.12(476C).

(3) A statement attesting that the owners have not received wind energy tax credits for the facility under Iowa Code chapter 476B.

(4) For any renewable energy sold, a copy of the power purchase agreement or other agreement to purchase from the facility electricity, hydrogen fuel, methane or other biogas, or heat for a commercial purpose. The agreement shall designate whether the producer or purchaser of renewable energy will be eligible to apply for the tax credits and shall be consistent with the designation originally filed under paragraph 15.12(1)“*h.*”

(5) For any renewable energy sold, the owners must provide a statement attesting that the electricity, hydrogen fuel, methane or other biogas, or heat for a commercial purpose, for which tax credits are sought, has been generated by the eligible facility and sold to an unrelated purchaser. For purposes of the renewable energy tax credits, persons are related to each other if either person owns an 80 percent or more equity interest in the other person. For any renewable energy used for on-site consumption, the owners must provide a signed statement attesting under penalty of perjury that the claimed amount of electricity, hydrogen fuel, methane or other biogas, or heat for a commercial purpose, for which tax credits are sought, has been generated by the eligible facility and not sold.

(6) The date that the eligible facility was placed in service (that is, between July 1, 2005, and January 1, 2018).

(7) The total number of kWh of electricity, standard cubic feet of hydrogen fuel, Btu of methane gas or other biogas used to generate electricity, or Btu of heat for a commercial purpose generated by the eligible facility during the tax year.

(8) For any renewable energy sold, invoices or other information that documents the number of kWh of electricity, standard cubic feet of hydrogen fuel, Btu of methane gas or other biogas used to generate electricity, or Btu of heat for a commercial purpose generated by the eligible facility and sold to an unrelated purchaser during the tax year. For any renewable energy used for on-site consumption, the number of kWh of electricity, standard cubic feet of hydrogen fuel, Btu of methane gas or other biogas

used to generate electricity, or Btu of heat for a commercial purpose generated by the eligible facility during the tax year and not sold.

(9) Information regarding the facility owners or designated eligible purchaser, including the name, address, and tax identification number of each owner or purchaser. If the application is filed by the facility owners, this shall also include the percentage of equity interest held by each owner during the period for which renewable energy tax credits will be sought under Iowa Code chapter 476C. This information shall be consistent with ownership information provided in the original application for facility eligibility, as amended, under rule 199—15.12(476C).

(10) The type of tax for which the credits will be applied and the first tax year in which the credits will be applied.

(11) Identification of any applicants that are eligible to receive renewable electricity production credits authorized under Section 45 of the Internal Revenue Code, effective August 16, 2022. This identification should include a statement from the applicant attesting to the applicant's eligibility and any available supporting documentation.

(12) If any of the applicants is a partnership, limited liability company, S corporation, estate, trust, or any other reporting entity all of whose income is taxed directly to its equity holders or beneficiaries for taxes imposed under Iowa Code chapter 422, Division II or III, the applicant shall provide the partners, members, shareholders, or beneficiaries of the entity. The applicants shall include the name, address, tax identification number, and pro-rata share of earnings from the entity for each of the partners, members, shareholders, or beneficiaries of the entity. The renewable energy tax credits will flow through to the entity's partners, shareholders, or members in accordance with their pro-rata share of earnings from the entity.

If the entity is also eligible to receive renewable electricity production credits authorized under Section 45 of the Internal Revenue Code, effective August 16, 2022, the entity may designate specific partners if the business is a partnership, shareholders if the business is an S corporation, or members if the business is a limited liability company to receive the renewable energy tax credits issued under Iowa Code chapter 476C and the percentage allocable to each. Such an entity may also designate a percentage of the tax credits allocable to an equity holder or beneficiary as a liquidating distribution or portion thereof of a holder or beneficiary's interest in the applicant entity. Otherwise, in the absence of such designations, the renewable energy tax credits will flow through to the entity's partners, shareholders, or members in accordance with their pro-rata share of earnings from the entity.

Alternatively, the tax credits will be issued directly to the entity if the entity is a partnership, limited liability company, S corporation, estate, trust, or any other reporting entity, all of whose income is taxed directly to its equity holders or beneficiaries for taxes imposed under Iowa Code chapter 422, Division V, or under Iowa Code chapter 423, 432, or 437A.

b. The commission will forward the tax credit applications to the department of revenue for review and processing. Along with each forwarded application, the commission will provide staff analysis and opinion regarding:

- (1) The completeness of the application.
- (2) The facility's eligibility status under rule 199—15.12(476C).
- (3) Whether the reported kWh of electricity, standard cubic feet of hydrogen fuel, Btu of methane gas or other biogas used to generate electricity, or Btu of heat for a commercial purpose generated by the facility and sold or used by the owners for on-site consumption during the tax year seem accurate and eligible for renewable energy tax credits.

15.13(2) *Review process and computation of renewable energy tax credits.* The department of revenue will review the applications and opinions forwarded by the commission, calculate the tax credits, and issue renewable energy tax credit certificates to the facility owners or designated purchaser, in accordance with department of revenue requirements and procedures under the department of revenue's rules for "renewable energy tax credit" in 701—Chapter 304, "renewable energy tax credit" in 701—Chapter 501, and "renewable energy tax credit" in 701—Chapter 601.

199—15.14(476) Small wind innovation zones.**15.14(1) Definitions.** For purposes of this rule:

“Model interconnection agreement” means the applicable standard interconnection agreement under 199—Chapter 45.

“Model ordinance” means the model ordinance developed pursuant to Iowa Code section 476.48(3), which when adopted will be posted on the websites of the Iowa League of Cities at www.iowaleague.org and the Iowa State Association of Counties at www.iowacounties.org.

15.14(2) Application for small wind innovation zone designation. A political subdivision of this state, including but not limited to a city, county, township, school district, community college, area education agency, institution under the control of the state board of regents, or any other local commission, association, or tribal council, may apply to the commission for designation as a small wind innovation zone under Iowa Code section 476.48. The application must include the following information:

a. The name, location, description, and legal boundary of the political subdivision seeking designation as a small wind innovation zone;

b. Contact information for the applicant filing on behalf of the political subdivision, including legal name, address, telephone number, and, as applicable, facsimile transmission number and email address;

c. If the political subdivision is other than a local government:

(1) Identification of the local government (or governments) that encompasses the political subdivision;

(2) Confirmation that all identified local governments have either adopted or are about to adopt the model ordinance, including copies of model ordinances adopted by the local governments or copies of pending amendments to existing zoning ordinances intended to comply with the model ordinance; and

(3) Dates the model ordinances were adopted or anticipated dates of adoption of pending amendments to existing zoning ordinances intended to comply with the model ordinance;

d. If the political subdivision is a local government:

(1) A copy of the model ordinance adopted by the local government or copy of a pending amendment to an existing zoning ordinance intended to comply with the model ordinance; and

(2) Date the model ordinance was adopted or anticipated date of adoption of the pending amendment to an existing zoning ordinance intended to comply with the model ordinance;

e. Identification of the electric utilities that provide service within the political subdivision; and

f. Documentation from each electric utility that provides service within the political subdivision confirming that the electric utility is serving the political subdivision and that the utility is either:

(1) A utility subject to the provisions of 199—Chapter 45; or

(2) A utility not subject to the provisions of 199—Chapter 45, but which nonetheless agrees to use the standard forms, procedures, and standard interconnection agreements of 199—Chapter 45 for small wind energy systems in its service territory within the political subdivision; or

(3) A utility that is not subject to the provisions of 199—Chapter 45 and has not adopted them.

NOTE: Electric utilities shall provide political subdivisions the documentation required in paragraph 15.14(2)“f.”

15.14(3) Motion for modification of a model interconnection agreement in a small wind innovation zone. An electric utility that uses the standard interconnection agreements in 199—Chapter 45 and the owner of a small wind energy system in a small wind innovation zone may jointly seek to modify the electric utility’s and the owner’s version of the model interconnection agreement by jointly filing a motion for commission approval. The motion must include the following information:

a. The name, location, and description of the political subdivision designated as a small wind innovation zone;

b. The interconnecting electric utility;

c. Information regarding the owner of the small wind energy system, including legal name, address, telephone number, and, as applicable, facsimile transmission number and email address;

d. Description of the small wind energy system, including location and nameplate generating capacity;

e. A copy of the modified interconnection agreement clearly identifying the proposed modifications;

f. A description of the reasons and circumstances that require the modifications; and

g. Signed statements from the electric utility and the owner of the small wind energy system attesting that the proposed modifications to the interconnection agreement are mutually agreeable.

These rules are intended to implement Iowa Code sections 476.1, 476.8, 476.41 through 476.45, 476.48, and 476.58; Section 210 of the Public Utility Regulatory Policies Act of 1978; and 18 CFR Part 292.

[Filed 5/22/25, effective 7/16/25]

[Published 6/11/25]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 6/11/25.

ARC 9350C

UTILITIES COMMISSION[199]

Adopted and Filed

Rulemaking related to accounting

The Utilities Commission hereby rescinds Chapter 16, "Accounting," Iowa Administrative Code, and adopts a new chapter with the same title.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code section 476.2.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code sections 476.1, 476.2, 476.9 and 476.18.

Purpose and Summary

The purpose of this rulemaking is to review the accounting chapter within the bounds of Executive Order 10. Chapter 16, which holds the Commission's accounting rules, is used to inform utilities within the State of Iowa how to apply the Federal Energy Regulatory Commission's Uniform Systems of Accounts and the National Association of Regulatory Utility Commissioners Uniform Systems of Accounts and what part of those, if any, are modified.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on February 19, 2025, as **ARC 8931C**. A public hearing was held on the following date(s):

- April 1, 2025
- April 14, 2025

The public hearings were attended by the Office of Consumer Advocate (OCA), a division of the Iowa Department of Justice; MidAmerican Energy Company (MidAmerican); and Iowa-American Water Company. Public comment was based on written comments and the proposed increase to promotional practice amount.

Written comments were received by OCA and MidAmerican. Public comment was received regarding adding a definition/provision for social media. The Commission agreed that with today's landscape this would be beneficial and would not add any burdens. MidAmerican also suggested

increasing the promotional value to \$15 or \$20 based upon the consumer price index (CPI). The Commission agrees that because inflation-adjusted amounts are approximately \$19, increasing to \$20 is an appropriate amount. There were other edits suggested for consistency throughout the chapter.

Changes from the Notice have been made to adopt the changes described above.

Adoption of Rulemaking

This rulemaking was adopted by the Commission on April 29, 2025.

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa.

Jobs Impact

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

Waivers

No waiver provision is included in the amendments because the Commission has a general waiver provision in rule 199—1.3(17A,474,476) that provides procedures for requesting a waiver of the rules in Chapter 16.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rulemaking will become effective on July 16, 2025.

The following rulemaking action is adopted:

ITEM 1. Rescind 199—Chapter 16 and adopt the following **new** chapter in lieu thereof:

CHAPTER 16 ACCOUNTING

199—16.1(476) Accounting—general information.

“*Code of Federal Regulations*” or “*CFR*” means the Code of Federal Regulations, which contains the administrative rules adopted by federal departments and agencies, in effect as of July 16, 2025, unless a separate effective date is identified in a specific rule.

16.1(1) *Application of rules.* These rules shall apply to any utility operating within the state of Iowa under the jurisdiction of the commission pursuant to Iowa Code chapter 476.

16.1(2) *Effect of rules.* In prescribing uniform systems of accounts for public utilities, the commission does not commit itself to the approval or acceptance of any item set out in any account for the purpose of fixing rates or in determining other matters before the commission. The prescribed systems of accounts are designed to set out the facts in connection with all sources of funds, including incomes and amounts due and receivable from each source, and the amount expended and due for each purpose, distinguishing clearly all payments for operating expenses from those of new construction, extensions, and additions to property; and to provide for balance sheets showing various assets and liabilities and various forms of proprietary interest under uniform classifications; and, therefrom, the commission will determine, in connection with such matters as may be under advisement from time to time, what consideration will be given to the various items in the several accounts.

199—16.2(476) Uniform systems of accounts—electric. The uniform systems of accounts for public utilities and licensees subject to the provisions of the Federal Power Act, 18 CFR Part 101 published in the Federal Energy Regulatory Commission’s (FERC’s) rules and regulations, and the July 16, 2025, uniform systems of accounts for rural electric cooperatives prescribed for electric borrowers of the Rural Utilities Service (RUS), as applicable, are adopted with the following modifications:

16.2(1) Definition 7 published in 18 CFR Part 101 is changed to read: “Commission” means the commission except where reference is made to the licensing authority of FERC (as in definitions 22 and 27), where Commission means FERC.

16.2(2) Definition 29 published in 18 CFR Part 101 is changed to read: “Public utility” means any natural or legal person, or other entity, defined as a public utility and made subject to the authority of the commission by Iowa Code section 476.1.

16.2(3) General instruction 1-B of the uniform systems of accounts for electric utilities is modified by adding the following sentence: “Utilities subject to rate regulation by the commission shall keep all the accounts of these systems of accounts that are applicable to their affairs, and utilities not subject to rate regulation shall keep the accounts of these systems of accounts for operating revenues only.”

16.2(4) General instruction 1-D of the uniform systems of accounts for electric utilities is modified by adding the following sentence: “It is recommended but not required that electric utilities not subject to rate regulation, other than electric cooperatives, keep all applicable accounts in accordance with the Federal Energy Regulatory Commission uniform systems of accounts, 18 CFR Part 101.” Rural electric cooperatives not subject to rate regulation may choose to keep all applicable accounts in accordance with the RUS uniform systems of accounts.

16.2(5) General instruction 2-D of the uniform systems of accounts for electric utilities is modified by adding the following sentence: “The electric utilities may use additional accounts as they are required or permitted to keep for their reporting to other regulatory authorities or to their stockholders providing the commission is notified of the nature, amount, and purpose of such accounts in the annual report to the commission and at such other times as may be requested by the commission.”

16.2(6) The definitions for the uniform systems of accounts for electric utilities, when used in accounts 909, Informational and Instructional Advertising Expenses; 913, Advertising Expenses; and 930.1, General Advertising Expenses, are modified to include the following definitions:

“*Affiliate*” means any person doing business in this state who directly or indirectly controls or is controlled by or is under common control with a public utility.

“*Appliance*” or “*equipment*” means any device, including a fixture, that consumes electric energy and any ancillary device required for its operation.

“*Consideration*” means any cash, donation, gift, allowance, rebate, bonds, merchandise (new or used), property (tangible or intangible), labor, service conveyance, commitment, right, or other thing of value.

“*Financing*” includes acquisition of equity or debt interests, loans, guarantee of loans, advances, sale and repurchase agreements, sale and lease-back agreements, sales on open account, conditional or installment sales contracts, or other investment or extensions of credit.

“*Person*” includes an individual, group, firm, partnership, corporation, cooperative, association, or other organization, but does not include state or local political subdivisions or municipal corporations.

“*Promotional practices*” means any consideration offered or granted by a public utility or its affiliate to any person for the purpose, express or implied, of inducing such person to select or use the service or additional service of such utility, or to select or install any appliance or equipment designed to use such utility service, provided that the words “promotional practices” do not include the following activities:

1. Providing repairs and service to appliances or equipment of customers of a public utility in an emergency, to restore service, to prevent hazardous conditions, or to service interruptions.
2. Inspection and adjustment of appliances or equipment by a public utility.
3. Repairs and other maintenance to appliances or equipment by a public utility that could be performed by an independent appliance dealer or service shop if charges are at cost or above.
4. Providing service, wiring, piping, appliances, or equipment in accordance with tariffs, rules, or regulations of a public utility on file with and approved by the commission.

5. Providing appliances, equipment, or instructional services to an educational institution for the purpose of instructing students in the use or repair of such appliances or equipment.

6. Providing discounts or financing to employees of a public utility to encourage their use of the utility's service.

7. Merchandising and related inventorying of appliances or equipment for sale at retail and making and fulfilling reasonable warranties against defects in material and workmanship in appliances or equipment existing at the time of delivery; the elimination of hazardous conditions that due to a grandfather provision would not be corrected by the customer and yet would require correction to protect the public and minimize company liability.

8. The replacement of or alterations to a customer's obsolete or inefficient system.

9. Technical, informational, or educational assistance offered to persons on the use of energy furnished by a public utility or on the use of maintenance of appliances or equipment.

10. Lunches, gifts, door prizes, etc., presented for attendance at informational meetings, conferences, etc., valued at \$10 or less are not considered to be a promotional practice.

11. Providing appliances or equipment incidental to exhibitions, demonstrations, tests, or experiments of reasonable duration.

12. Any promotional practice, or program that includes a promotional practice, designed to develop or implement programs that promote energy efficiency and are part of the utility's energy efficiency plan developed pursuant to 199—Chapter 35.

16.2(7) The uniform systems of accounts for electric utilities are modified as follows:

a. 424 Promotional Practices. This account includes the cost of labor, materials, and expenses or losses incurred by the utility or an affiliate (where such costs are charged back to the company) on promotional practices. Promotional practices, or programs that include promotional practices, and the labor, materials, and expenses related to promotional practices that are exempted by subrule 16.6(2) need not be included in this account. The account includes but is not limited to the following items:

(1) The financing of land or the construction of any building when the same is not owned or otherwise possessed by the utility or its affiliate, without commission written approval.

(2) The furnishing of consideration to any person for work done or to be done on property not owned or otherwise possessed by the utility or its affiliate, except for the following: studies to determine comparative capital or operating costs and expenses or to show the desirability and feasibility of selecting one form of energy over another, contributions for research and development of new energy sources, etc.

(3) The acquisition from any person of any tangible or intangible property or service for a consideration in excess of the value thereof or the furnishing to any person of any tangible property or service for a consideration of less than the value thereof. "Value" in this instance means the fair market price of the property or service under competitive market conditions and under arm's length conditions.

(4) The furnishing of consideration to any person for the sale, installation, or use of appliances or equipment of one form of energy over another. Employees who are paid a commission in lieu of salary for the initial sale of appliances are exempted.

(5) The provision of free, or at less than cost or value, wiring, piping, appliances, or equipment to any person, provided that a utility, engaged in an appliance merchandising sales program, will not be precluded from conducting legitimate closeouts of appliances, clearance sales, or sales of damaged or returned appliances. All items required by service rules of this commission are exempted.

(6) The provision of free, or at less than cost or value, installation, operation, repair, modification, or maintenance of appliances, equipment, wiring or piping to any person. This would not include services provided for the convenience and safety of customers such as gas leak testing, lighting of furnaces, etc.

(7) The granting of a trade-in allowance on the purchase of any appliance or equipment in excess of the reasonable value of the trade-in based on the past experience of a company or the granting of a trade-in allowance for such appliance or equipment when such allowance varies by the type of energy consumed in the trade-in.

(8) The financing of the acquisition of any appliance or equipment at a rate of interest or on terms significantly more favorable than those generally applicable to sales by nonutility dealers in such appliances or equipment.

(9) The furnishing of consideration to any person for any advertising or publicity purpose, except where appropriately classified to another account.

(10) The guaranteeing of the maximum cost of electric utility service, except under published tariffs.

(11) Labor items related to promotional practices:

1. Salary of employees engaged directly or indirectly in promotional practices.
2. Clerical and stenographic work performed in relation to promotional practices.
3. Fees paid to consultants, agents, attorneys, etc., on related promotional practices.

(12) Materials and expenses related to promotional practices:

1. Amounts spent on postage, office supplies, displays, posters, exhibits, etc.
2. Films, movies, photographs prepared for promotional activities.
3. Expenses paid such as lodging, food, entertainment expenses.
4. Transportation by company auto or plane and public transportation of any mode.
5. Social media or other interactive technology platforms that allow for the creation, distribution, and aggregation of content in either text, audio, or visual formats among participants within a virtual community.

b. 426 Miscellaneous Income Deductions. Immediately following the current text and item list, add the following:

- (1) 426.7 Promotional Advertising Expenses.
- (2) 426.8 Institutional or Goodwill Advertising Expenses.
- (3) 426.9 Rate Justification Advertising Expenses.

c. 426.4 Expenditures for Certain Civic, Political, and Related Activities.

(1) This account includes the cost of labor, materials, and expenses incurred in advertising, whether on a national, regional, or local basis, that is designed to influence public opinion with respect to the election or appointment of public officials or the adoption, repeal, revocation, or modification of referenda, legislation, or ordinances. The account also includes expenditures for influencing the decisions of public officials, but not expenditures as are directly related to appearances before regulatory or other governmental bodies in connection with the utility's existing or proposed operations.

(2) Entries relating to certain civic, political, and related activities included in this account contain or refer to supporting documents that identify the specific advertising message. If references are used, copies or scripts of the advertising message shall be readily available to staff, consumer advocate, or any party involved in a discovery proceeding.

(3) Where certain civic, political, and related activities are undertaken by an association on behalf of its members or by a holding company on behalf of its subsidiaries, the amount of expenses for such activities charged to any member or subsidiary that is an Iowa electric utility and included in this account will be determined in accordance with the text of this account as set forth in paragraph 16.2(7) "c."

(4) Labor items related to certain civic, political, and related activities:

1. Preparing material for newspapers, periodicals, billboards, etc., and preparing and conducting promotional motion pictures, radio, and television programs.
2. Preparing booklets, bulletins, etc., used in direct mail.
3. Preparing window and other displays.
4. Clerical and stenographic work.
5. Investigating advertising agencies and media and conducting negotiations in connection with the placement and subject matter of advertising.
6. Direct supervision of certain civic, political, and related activities.
7. Social media or other interactive technology platforms that allow for the creation, distribution, and aggregation of content in either text, audio, or visual formats among participants within a virtual community.

(5) Materials and expenses related to certain civic, political, and related activities:

1. Advertising in newspapers, periodicals, billboards, radio, etc.

2. Advertising matters such as posters, bulletins, booklets, and related items.
3. Fees and expenses of advertising agencies and commercial artists.
4. Novelties for general distribution.
5. Postage on direct-mail advertising.
6. Printing of booklets, dodgers, bulletins, etc.
7. Supplies and expenses in preparing advertising materials.
8. Office supplies and expenses.
9. Social media or other interactive technology platforms that allow for the creation, distribution, and aggregation of content in either text, audio, or visual formats among participants within a virtual community.

NOTE: Franchise advertising and related expenses shall be charged to account 913.5. More information can be found in paragraph 16.2(7) “h” or FERC account 302, Franchises and Consents.

d. 426.7 Promotional Advertising Expenses.

(1) This account includes the cost of labor, materials, and expenses incurred in advertising designed to promote or retain the use of utility service, except advertising the sale of merchandise, load factor advertising, or advertising that is part of a promotional practice, or a program that includes a promotional practice, designed to develop or implement programs that promote energy efficiency and are part of the utility’s energy efficiency plan developed pursuant to 199—Chapter 35.

(2) Entries relating to promotional advertising included in this account contain or refer to supporting documents that identify the specific advertising message. If references are used, copies or scripts of the advertising message will be readily available to staff, consumer advocate, or any party involved in a discovery proceeding.

(3) Where promotional advertising is undertaken by an association on behalf of its members or by a holding company on behalf of its subsidiaries, the amount of expenses for such advertising charged to any member or subsidiary that is an Iowa electric utility and included in this account will be determined in accordance with the text of this account as set forth in paragraph 16.2(7) “c.”

(4) Labor items related to promotional advertising include items in numbered paragraphs 16.2(7) “c”(4)“1” through “6.”

(5) Materials and expenses related to promotional advertising include:

1. Items in numbered paragraphs 16.2(7) “c”(5)“1” through “8.”
2. Premiums distributed generally, such as recipe books, etc., when not offered as inducement to purchase appliances.

NOTE A: Advertisements that set forth the value or advantages of utility service (without reference to specific appliances or if reference is made to appliances from dealers or refers to appliances not carried for sale by the utility) will be considered sales promotion advertising, and the cost will be charged to this account. However, advertisements that are limited to specific makes of appliances sold by the utility and prices, terms, etc., thereof, without referring to the value or advantages of utility service, will be considered as merchandise advertising, and the cost shall be charged to FERC account 416, Costs and Expenses of Merchandising, Jobbing, and Contract Work.

NOTE B: Advertisements that substantially mention or refer to the value or advantages of utility service, together with specific reference to makes or appliances sold by the utility and the price, terms, etc., thereof, and designed for the joint purpose of increasing the use of utility service and the sales of appliances, will be considered as a combination advertisement, and the costs shall be distributed between this account and FERC account 416, Costs and Expenses of Merchandising, Jobbing, and Contract Work, on the basis of space, time, or other proportional factors.

e. 426.8 Institutional or Goodwill Advertising Expenses.

(1) This account includes the cost of labor, materials, and expenses incurred in advertising that is designed to create, enhance, or sustain the utility’s image or goodwill to the general public or its customers.

(2) Entries relating to institutional or goodwill advertising included in this account contain or refer to supporting documents that identify the specific advertising message. If references are used, copies or

scripts of the advertising message will be readily available to staff, consumer advocate, or any party involved in a discovery proceeding.

(3) Where institutional or goodwill advertising is undertaken by an association on behalf of its members or by a holding company on behalf of its subsidiaries, the amount of expense for such advertising charged to any member or subsidiary that is an Iowa electric utility and included in this account will be determined in accordance with the text of this account as set forth in paragraph 16.2(7) "e."

(4) Labor items related to institutional or goodwill advertising include items in numbered paragraphs 16.2(7) "c"(4)"1" through "6."

(5) Materials and expenses related to institutional or goodwill advertising include items in numbered paragraphs 16.2(7) "c"(5)"1" through "8."

Below are examples of the advertising to be included in this account:

EXAMPLE 1. Pronouncements primarily lauding the utility or the area or community the utility serves.

EXAMPLE 2. Advertising activities to inform the ratepayers of the social and economic advantages or status of the area or community the utility serves.

EXAMPLE 3. Advertising activities to inform the public of the utility's participation in programs to improve the economic condition of the area or community the utility serves.

EXAMPLE 4. Advertising activities to inform the public of the utility's role of good citizenship.

EXAMPLE 5. Information and routine data supplied by the utility to local governments, planning agencies, civic groups, businesses, and the general public that is not included in account 909, Informational and Instructional Advertising Expenses. More information can be found in paragraph 16.2(7) "g."

EXAMPLE 6. Advertising activities to inform the public of the utility's consciousness of, or involvement in, health, safety, conservation, or environmental programs, except as included in account 909, Informational and Instructional Advertising Expenses.

f. 426.9 Rate Justification Advertising Expenses.

(1) This account includes the cost of labor, materials, and expenses incurred in advertising, whether on a regional or local basis, that is designed to promote public acceptance of utility rate increases or the utility's filed rates. The account also includes all costs incurred by the utility for advertising in opposition to the decision of the regulatory agency. However, the expenses associated with simply informing customers that new rates have been requested will be recorded in FERC account 928, Regulatory Commission Expenses.

(2) Entries relating to rate justification advertising included in this account contain or refer to supporting documents that identify the specific advertising message. If references are used, copies or scripts of the advertising message will be readily available to staff, consumer advocate, or any party involved in a discovery proceeding.

(3) Where advertising is undertaken by an association on behalf of its members or by a holding company on behalf of its subsidiaries, the amount of expense for such advertising charged to any member or subsidiary that is an Iowa electric utility and included in this account will be determined in accordance with the text of this account as set forth in paragraph 16.2(7) "f."

(4) Labor items related to rate justification advertising include items in numbered paragraphs 16.2(7) "c"(4)"1" through "6."

(5) Materials and expenses related to rate justification advertising include items in numbered paragraphs 16.2(7) "c"(5)"1" through "8."

g. 909 Informational and Instructional Advertising Expenses.

(1) This account is amended to include the cost of labor, materials, and expenses incurred in advertising activities relating to informing customers of the reasons for and methods whereby energy may be conserved and energy consumption reduced by the consumer; informing the public of the methods by which customers can participate with the utility in preserving and improving the environment; and information as to what the utility urges or suggests customers should do in utilizing electric service to protect their health and safety, and to utilize their electric equipment safely and economically.

1. Included in this account will be advertising activity relating to the electric utility that is related directly to the company's provision of service to the customer during energy, fuel, and related shortages.

2. Advertising that is primarily designed to laud the utility's achievements or projects purporting to preserve or enhance the environment will be recorded in account 426.8. More information can be found in paragraph 16.2(7) "e."

- (2) Immediately following the current text and items list, "Load Factor Advertising Expenses" is added.

1. This incorporates into the account the cost of labor, materials, and expenses incurred in advertising activities designed to improve load factor so that plant and equipment already installed can be operated more efficiently and to a greater degree of capability, thereby resulting in lower overall costs to the consumer.

2. This also includes advertising expenditures that are designed to further industrial and commercial development of the company's service area.

- (3) Entries relating to informational and instructional advertising included in this account will contain or refer to supporting documents that identify the specific advertising message. If references are used, copies or scripts of the advertising message will be readily available to staff, consumer advocate, or any party involved in a discovery proceeding.

- (4) Where informational and instructional advertising is undertaken by an association on behalf of its members or by a holding company on behalf of its subsidiaries, the amount of expense for such advertising charged to any member or subsidiary that is an Iowa electric utility and included in this account will be determined in accordance with the text of this account as set forth in paragraph 16.2(7) "g."

- (5) Labor items related to informational and instructional advertising include items in numbered paragraphs 16.2(7) "c"(4) "1" through "6."

- (6) Materials and expenses related to informational and instructional advertising include items in numbered paragraphs 16.2(7) "c"(5) "1" through "8."

Below are examples of the advertising to be included in this account:

EXAMPLE 1. Instructions in the proper use of equipment owned by the utility or the customer that will result in less consumption of energy.

EXAMPLE 2. Advertising designed to convince consumers to turn down thermostats, turn off lights when not in use, and turn off appliances, television sets, etc., when not in use.

EXAMPLE 3. Instructions in the proper use of equipment owned by the utility or the customer that makes use of the utility's service.

EXAMPLE 4. Information as to new rates, billing practices, new inspection, or meter-reading schedules.

EXAMPLE 5. Notification of emergency conditions and procedures to be followed during the emergency.

EXAMPLE 6. Advice concerning hazards associated with the utility's electric service.

EXAMPLE 7. Encouragement for manufacturers to go to night operations.

- (7) Excluded from this account and charged to FERC account 930.2, Miscellaneous General Expenses, is the cost of publication of stockholder reports, dividend notices, bond redemption notices, financial statements, and other notices of a general corporate character. Also excluded are all expenses of promotional, institutional or goodwill, and political advertising. More information can be found in paragraphs 16.2(7) "c," 16.2(7) "d," and 16.2(7) "e," which refer to accounts 426.4, Expenditures for Certain Civic, Political, and Related Activities; 426.7, Promotional Advertising Expenses; and 426.8, Institutional or Goodwill Advertising Expenses, respectively.

1. Advertising expenses directly related to obtaining a franchise or renewing an old franchise will be charged to FERC account 302, Franchises and Consents. Such amounts shall be maintained in a separate subaccount for ready identification.

2. Advertising expenses directly related to securing of new debt financing will be charged to FERC account 181, Unamortized Debt Expense. Such amounts shall be maintained in a separate subaccount for ready identification.

3. Advertising expenses directly related to securing of new equity financing shall be charged to FERC account 214, Capital Stock Expense. Such amounts shall be maintained in a separate subaccount for ready identification.

h. 913 Advertising Expenses. The entire current text of FERC account 913, Major Expenses (Major Only), is to be replaced with subaccount 913.5, Franchise Advertising Expenses.

(1) This account includes only reasonable advertising expenditures for the purpose of obtaining approval, modification, or revocation of franchises.

(2) Entries relating to reasonable franchise advertising included in this account contain or refer to supporting documents that identify the specific advertising message. If references are used, copies or scripts of the advertising matter will be readily available to staff, consumer advocate, or any party involved in a discovery proceeding.

(3) Labor items related to franchise advertising include items in numbered paragraphs 16.2(7) “c”(4) “1” through “6.”

(4) Materials and expenses related to franchise advertising include items in numbered paragraphs 16.2(7) “c”(5) “1” through “8.”

16.2(8) FERC account 421.1, Gain on Disposition of Property, or 421.2, Loss on Disposition of Property, as they are defined and exist in the uniform systems of accounts, will be used to account for the gain or loss on the sale, conveyance, exchange, or transfer of utility or other property, including land and land rights, unless otherwise authorized or required by the commission for good cause shown.

16.2(9) FERC account 105, Electric Plant Held for Future Use, of the uniform systems of accounts in 18 CFR Part 101 is modified in subparagraph “d” by deleting the following language: “in account 411.6 or 411.7, as appropriate, except when determined to be significant by the commission. Upon such a determination, the amounts will be transferred to account 256, Deferred Gains from Disposition of Utility Plant, or account 187, Deferred Losses from Disposition of Utility Plant, and amortized to accounts 411.6, Gains from Disposition of Utility Plant, or 411.7, Losses from Disposition of Utility Plant, as appropriate,” and substituting in lieu thereof: “in account 421.1, Gain on Disposition of Property, or 421.2, Loss on Disposition of Property, as appropriate unless otherwise authorized or required by the commission for good cause shown.”

199—16.3(476) Uniform systems of accounts—gas. The uniform systems of accounts for natural gas companies subject to the provisions of the Natural Gas Act, 18 CFR Part 201 published in FERC’s rules and regulations, is adopted with the following modifications:

16.3(1) Definition 7 is changed to read: “Commission” means the commission except where reference is made to the authority of FERC under the Natural Gas Act and where the commission does not have the same or similar authority under Iowa Code chapter 476, where “Commission” means FERC.

16.3(2) Definition 22 is changed to read: “Natural gas company” means a person furnishing gas by piped distribution system to the public for compensation.

16.3(3) General instruction 1-B of the uniform systems of accounts for gas utilities is modified to add the following sentence: “Gas utilities subject to rate regulation by the commission shall keep all the accounts of these systems of accounts that are applicable to their affairs, and gas utilities not subject to rate regulation shall keep the accounts of these systems of accounts for operating revenues only.”

16.3(4) General instruction 1-D of the uniform systems of accounts for gas utilities is modified by adding the following sentence: “It is recommended but not required that gas utilities not subject to rate regulation keep all applicable accounts in accordance with the FERC uniform systems of accounts 18 CFR Part 201.”

16.3(5) General instruction 2-D of the uniform systems of accounts for gas utilities is modified by adding the following sentence: “The gas utilities may use additional accounts as they are required or permitted to keep for their reporting to other regulatory authorities or to their stockholders, providing the commission is notified of the nature, amount, and purpose of such accounts in the annual report to the commission and at such other times as may be requested.”

16.3(6) The definitions for the uniform systems of accounts for gas utilities, when used in account 424, Promotional Practices, are modified to include the following definitions:

“Affiliate” means any person doing business in this state who directly or indirectly controls or is controlled by or is under common control with a public utility.

“Appliance” or *“equipment”* means any device, including a fixture, that consumes natural gas and any ancillary device required for its operation.

“Consideration” means any cash, donation, gift, allowance, rebate, bonds, merchandise (new or used), property (tangible or intangible), labor, service conveyance, commitment, right, or other thing of value.

“Financing” includes acquisition of equity or debt interests, loans, guarantee of loans, advances, sale and repurchase agreements, sale and lease-back agreements, sales on open account, conditional or installment sales contracts, or other investment or extensions of credit.

“Person” includes any individual, group, firm, partnership, corporation, cooperative, association, or other organization, but does not include state or local political subdivisions or municipal corporations.

“Promotional practices” means any consideration offered or granted by a public utility or its affiliate to any person for the purpose, express or implied, of inducing such person to select or use the service or additional service of such utility, or to select or install any appliance or equipment designed to use such utility service, provided that “promotional practices” does not include the following activities:

1. Providing repairs and service to appliances or equipment of customers of a public utility in an emergency or to restore service or to prevent hazardous conditions or service interruptions.
2. Inspection and adjustment of appliances or equipment by a public utility.
3. Repairs and other maintenance to appliances or equipment by a public utility that could be performed by an independent appliance dealer or service shop if charges are at cost or above.
4. Providing service, wiring, piping, appliances, or equipment in accordance with tariffs, rules, or regulations of a public utility on file with and approved by the commission.
5. Providing appliances, equipment, or instructional services to an educational institution for the purpose of instructing students in the use or repair of such appliances or equipment.
6. Providing discounts or financing to employees of a public utility to encourage their use of the utility’s service.
7. Merchandising and related inventory of appliances or equipment for sale at retail and making and fulfilling reasonable warranties against defects in material and workmanship in appliances or equipment existing at the time of delivery; the elimination of hazardous conditions that due to a grandfather provision would not be corrected by the customer and yet would require correction to protect the public and minimize company liability.
8. The replacement of or alterations to a customer’s obsolete or inefficient system.
9. Technical, informational, or educational assistance offered to persons on the use of energy furnished by a public utility or on the use of maintenance of appliances or equipment.
10. Lunches, gifts, door prizes, etc., presented for attendance at informational meetings, conferences, etc., valued at \$10 or less will not be considered to be a promotional practice.
11. Providing appliances or equipment incidental to exhibitions, demonstrations, tests, or experiments of reasonable duration.
12. Any promotional practice, or program that includes a promotional practice, designed to develop or implement programs that promote energy efficiency.

16.3(7) The uniform systems of accounts for gas utilities are modified to include the following:

a. 424 Promotional Practices. This account includes the cost of labor, materials, and expenses or losses incurred by the utility or an affiliate (where such costs are charged back to the company) on promotional practices. Promotional practices, or programs that include promotional practices, and the labor, materials, and expenses related to promotional practices that are exempted by subrule 16.6(2) need not be included in this account. The account includes but is not limited to the following items:

- (1) The financing of land or the construction of any building when the same is not owned or otherwise possessed by the utility or its affiliate without commission written approval.

(2) The furnishing of consideration to any person for work done or to be done on property not owned or otherwise possessed by the utility or its affiliate, except for the following: studies to determine comparative capital or operating costs and expenses or to show the desirability and feasibility of selecting one form of energy over another, contributions for research and development of new energy sources, etc.

(3) The acquisition from any person of any tangible or intangible property or service for a consideration in excess of the value thereof or the furnishing to any person of any tangible property or service for a consideration of less than the value thereof. "Value," in this instance, means the fair market price of the property or service under competitive market conditions and under arm's length conditions.

(4) The furnishing of consideration to any person for the sale, installation, or use of appliances or equipment of one form of energy over another. Employees who are paid a commission in lieu of salary for the initial sale of appliances are exempted.

(5) The provision of free, or at less than cost or value, wiring, piping, appliances, or equipment to any person, provided that a utility engaged in an appliance merchandising sales program, will not be precluded from conducting legitimate closeouts of appliances, clearance sales, or sales of damaged or returned appliances. All items required by service rules of this commission are exempted.

(6) The provision of free, or at less than cost or value, installation, operation, repair, modification, or maintenance of appliances, equipment, wiring or piping to any person. This would not include services provided for the convenience and safety of customers such as gas leak testing, lighting of furnaces, etc.

(7) The granting of a trade-in allowance on the purchase of any appliance or equipment in excess of the reasonable value of the trade-in based on the past experience of a company or the granting of a trade-in allowance for such appliance or equipment when such allowance varies by the type of energy consumed in the trade-in.

(8) The financing of the acquisition of any appliance or equipment at a rate of interest or on terms significantly more favorable than those generally applicable to sales by nonutility dealers in such appliances or equipment.

(9) The furnishing of consideration to any person for any advertising or publicity purpose, except where appropriately classified to another account.

(10) The guaranteeing of the maximum cost of gas utility service, except under published tariffs.

(11) Labor items related to promotional practices include:

1. Salary of employees engaged directly or indirectly in promotional practices.
2. Clerical and stenographic work performed in relation to promotional practices.
3. Fees paid to consultants, agents, attorneys, etc., on related promotional practices.

(12) Materials and expenses related to promotional practices include:

1. Amounts spent on postage, office supplies, displays, posters, exhibits, etc.
2. Films, movies, photographs prepared for promotional activities.
3. Expenses paid such as lodging, food, entertainment expenses.
4. Transportation by company auto or plane and public transportation of any mode.
5. Social media or other interactive technology platforms that allow for the creation, distribution, and aggregation of content in either text, audio, or visual formats among participants within a virtual community.

b. 426 Miscellaneous Income Deductions. Immediately following the current text and item list, add the following:

- (1) 426.7 Promotional Advertising Expenses.
- (2) 426.8 Institutional or Goodwill Advertising Expenses.
- (3) 426.9 Rate Justification Advertising Expenses.

c. 426.4 Expenditures for Certain Civic, Political, and Related Activities.

(1) Account 426.4 pertains to items in numbered paragraph 16.3(7)"a"(12)"1" and paragraph 16.3(7)"b." This account will include the cost of labor, materials, and expenses incurred in advertising, whether on a national, regional, or local basis, that is designed to influence public opinion with respect to the election or appointment of public officials or the adoption, repeal, revocation, or modification of

referenda, legislation, or ordinances. The account will also include expenditures for influencing the decisions of public officials not including such expenditures that are directly related to appearances before regulatory or other governmental bodies in connection with the utility's existing or proposed operations.

(2) Entries relating to certain civic, political, and related activities included in this account will contain or refer to supporting documents that identify the specific advertising message. If references are used, copies or scripts of the advertising message will be readily available to staff, consumer advocate, or any party involved in a discovery proceeding.

(3) Where certain civic, political, and related activities is undertaken by an association on behalf of its members or by a holding company on behalf of its subsidiaries, the amount of expenses for such activities charged to any member or subsidiary that is an Iowa gas utility and included in this account will be determined in accordance with the text of this account as set forth in paragraph 16.3(7) "c."

(4) Labor items related to certain civic, political, and related activities:

1. Preparing material for newspapers, periodicals, billboards, etc., and preparing and conducting promotional motion pictures, radio, and television programs.
2. Preparing booklets, bulletins, etc., used in direct mail.
3. Preparing window and other displays.
4. Clerical and stenographic work.
5. Investigating advertising agencies and media and conducting negotiations in connection with the placement and subject matter of advertising.
6. Direct supervision of certain civic, political, and related activities.
7. Social media or other interactive technology platforms that allow for the creation, distribution, and aggregation of content in either text, audio, or visual formats among participants within a virtual community.

(5) Materials and expenses related to certain civic, political, and related activities:

1. Advertising in newspapers, periodicals, billboards, radio, etc.
2. Advertising matters such as posters, bulletins, booklets, and related items.
3. Fees and expenses of advertising agencies and commercial artists.
4. Novelties for general distribution.
5. Postage on direct-mail advertising.
6. Printing of booklets, dodgers, bulletins, etc.
7. Supplies and expenses in preparing advertising materials.
8. Office supplies and expenses.
9. Social media or other interactive technology platforms that allow for the creation, distribution, and aggregation of content in either text, audio, or visual formats among participants within a virtual community.

NOTE: Franchise advertising and related expenses shall be charged to account 913.5 shown in paragraph 16.3(7) "h" or FERC account 302, Franchises and Consents.

d. 426.7 Promotional Advertising Expenses.

(1) This account shall include the cost of labor, materials, and expenses incurred in advertising designed to promote or retain the use of utility service, except advertising the sale of merchandise, load factor advertising, or advertising that is part of a promotional practice, or a program that includes a promotional practice, designed to develop or implement programs that promote energy efficiency and are part of the utility's energy efficiency plan developed pursuant to 199—Chapter 35.

(2) Entries relating to promotional advertising included in this account contain or refer to supporting documents that identify the specific advertising message. If references are used, copies or scripts of the advertising message shall be readily available to staff, consumer advocate, or any party involved in a discovery proceeding.

(3) Where promotional advertising is undertaken by an association on behalf of its members or by a holding company on behalf of its subsidiaries, the amount of expenses for such advertising charged to any member or subsidiary that is an Iowa gas utility and included in this account will be determined in accordance with the text of this account as set forth in paragraph 16.3(7) "d."

(4) Labor items related to promotional advertising include items in numbered paragraphs 16.3(7) “c”(4)“1” through “6.”

(5) Materials and expenses related to promotional advertising include:

1. Items in numbered paragraphs 16.3(7) “c”(5)“1” through “8.”
2. Premiums distributed generally, such as recipe books, etc., when not offered as inducement to purchase appliances.

NOTE A: Advertisements that set forth the value or advantages of utility service (without reference to specific appliances or if reference is made to appliances from dealers or refers to appliances not carried for sale by the utility) will be considered sales promotion advertising, and the cost will be charged to this account. However, advertisements that are limited to specific makes of appliances sold by the utility and prices, terms, etc., thereof, without referring to the value or advantages of utility service, will be considered as merchandise advertising, and the cost shall be charged to account 416, Costs and Expenses of Merchandising, Jobbing, and Contract Work.

NOTE B: Advertisements that substantially mention or refer to the value or advantages of utility service, together with specific reference to makes or appliances sold by the utility and the price, terms, etc., thereof, and designed for the joint purpose of increasing the use of utility service and the sales of appliances, will be considered as a combination advertisement, and the costs shall be distributed between this account and account 416, Costs and Expenses of Merchandising, Jobbing, and Contract Work, on the basis of space, time, or other proportional factors.

e. 426.8 Institutional or Goodwill Advertising Expenses.

(1) This account shall include the cost of labor, materials, and expenses incurred in advertising that is designed to create, enhance, or sustain the utility’s image or goodwill to the general public or its customers.

(2) Entries relating to institutional or goodwill advertising included in this account contain or refer to supporting documents that identify the specific advertising message. If references are used, copies or scripts of the advertising message shall be readily available to staff, consumer advocate, or any party involved in a discovery proceeding.

(3) Where institutional or goodwill advertising is undertaken by an association on behalf of its members or by a holding company on behalf of its subsidiaries, the amount of expense for such advertising charged to any member or subsidiary that is an Iowa gas utility and included in this account will be determined in accordance with the text of this account as set forth in paragraph 16.3(7) “e.”

(4) Labor items related to institutional or goodwill advertising include items in numbered paragraphs 16.3(7) “c”(4)“1” through “6.”

(5) Materials and expenses related to institutional or goodwill advertising include items in numbered paragraphs 16.3(7) “c”(5)“1” through “8.”

Below are examples of the advertising to be included in this account:

EXAMPLE 1. Pronouncements primarily lauding the utility or the area or community the utility serves.

EXAMPLE 2. Advertising activities to inform the ratepayers of the social and economic advantages or status of the area or community the utility serves.

EXAMPLE 3. Advertising activities to inform the public of the utility’s participation in programs to improve the economic condition of the area or community the utility serves.

EXAMPLE 4. Advertising activities to inform the public of the utility’s role of good citizenship.

EXAMPLE 5. Information and routine data supplied by the utility to local governments, planning agencies, civic groups, businesses, and the general public that are not inclusive in account 909, Informational and Instructional Advertising Expenses. More information can be found in paragraph 16.3(7) “i.”

EXAMPLE 6. Advertising activities to inform the public of the utility’s consciousness of, or involvement in, health, safety, conservation, or environmental programs, except as included in account 909, Informational and Instructional Advertising Expenses. More information can be found in paragraph 16.3(7) “g.”

f. 426.9 Rate Justification Advertising Expenses.

(1) This account includes the cost of labor, materials, and expenses incurred in advertising, whether on a regional or local basis, that is designed to promote public acceptance of utility rate increases or the utility's filed rates. The account also includes all costs incurred by the utility for advertising in opposition to the decision of the regulatory agency. However, the expenses associated with simply informing customers that new rates have been requested are to be recorded in FERC account 928, Regulatory Commission Expenses.

(2) Entries relating to rate justification advertising included in this account contain or refer to supporting documents that identify the specific advertising message. If references are used, copies or scripts of the advertising message will be readily available to staff, consumer advocate, or any party involved in a discovery proceeding.

(3) Where advertising is undertaken by an association on behalf of its members or by a holding company on behalf of its subsidiaries, the amount of expense for such advertising charged to any member or subsidiary that is an Iowa gas utility and included in this account will be determined in accordance with the text of this account as set forth in paragraph 16.3(7) "f."

(4) Labor items related to rate justification advertising include items in numbered paragraphs 16.3(7) "c"(4)"1" through "6."

(5) Materials and expenses related to rate justification advertising include items in numbered paragraphs 16.3(7) "c"(5)"1" through "8."

g. 909 Informational and Instructional Advertising Expenses.

(1) This account is amended to include the cost of labor, materials, and expenses incurred in advertising activities relating to the following: informing customers of the reasons for and methods whereby energy may be conserved and energy consumption reduced by the consumer; informing the public of the methods by which customers can participate with the utility in preserving and improving the environment; and information as to what the utility urges or suggests customers should do in utilizing gas service to protect their health and safety, and to utilize their gas equipment safely and economically.

1. Included in this account is advertising activity relating to the gas utility that is related directly to the company's provision of service to the customer during energy, fuel, and related shortages.

2. Advertising that is primarily designed to laud the utility's achievements or projects purporting to preserve or enhance the environment will be recorded in account 426.8. More information can be found in paragraph 16.3(7) "e."

(2) Entries relating to informational and instructional advertising included in this account will contain or refer to supporting documents that identify the specific advertising message. If references are used, copies or scripts of the advertising message will be readily available to staff, consumer advocate, or any party involved in a discovery proceeding.

(3) Where informational and instructional advertising is undertaken by an association on behalf of its members or by a holding company on behalf of its subsidiaries, the amount of expense for such advertising charged to any member or subsidiary that is an Iowa gas utility and included in this account will be determined in accordance with the text of this account as set forth in paragraph 16.3(7) "g."

(4) Labor items related to informational and instructional advertising include items in numbered paragraphs 16.3(7) "c"(4)"1" through "6."

(5) Materials and expenses related to informational and instructional advertising include items in numbered paragraphs 16.3(7) "c"(5)"1" through "8."

Below are examples of the advertising to be included in this account:

EXAMPLE 1. Instructions in the proper use of equipment owned by the utility or the customer that will result in less consumption of energy.

EXAMPLE 2. Advertising designed to convince consumers to turn down thermostats or to employ other energy saving measures.

EXAMPLE 3. Instructions in the proper use of equipment owned by the utility or the customer that makes use of the utility's service.

EXAMPLE 4. Information as to new rates, billing practices, new inspection, or meter-reading schedules.

EXAMPLE 5. Notification of emergency conditions and procedures to be followed during the emergency.

EXAMPLE 6. Advice concerning hazards associated with the utility's gas service.

(6) Excluded from this account and charged to FERC account 930.2, Miscellaneous General Expenses, is the cost of publication of stockholder reports, dividend notices, bond redemption notices, financial statements, and other notices of a general corporate character. Also excluded are all expenses of promotional; institutional or goodwill; and certain civic, political, and related activities. More information can be found in paragraphs 16.3(7)“c,” 16.3(7)“d,” and 16.3(7)“e,” which refer to accounts 426.4, Expenditures for Certain Civic, Political, and Related Activities; 426.7, Promotional Advertising Expenses; and 426.8, Institutional or Goodwill Advertising Expenses, respectively.

1. Advertising expenses directly related to obtaining a franchise or renewing an old franchise will be charged to FERC account 302, Franchises and Consents. Such amounts shall be maintained in a separate subaccount for ready identification.

2. Advertising expenses directly related to securing of new debt financing will be charged to FERC account 181, Unamortized Debt Expense. Such amounts shall be maintained in a separate subaccount for ready identification.

3. Advertising expenses directly related to securing of new equity financing shall be charged to FERC account 214, Capital Stock Expense. Such amounts shall be maintained in a separate subaccount for ready identification.

h. 913.5 Franchise Advertising Expenses.

(1) This account includes only reasonable advertising expenditures for the purpose of obtaining approval, modification, or revocation of franchises.

(2) Entries relating to reasonable franchise advertising included in this account contain or refer to supporting documents that identify the specific advertising message. If references are used, copies or scripts of the advertising matter are to be readily available to staff, consumer advocate, or any party involved in a discovery proceeding.

(3) Labor items related to franchise advertising include items in numbered paragraphs 16.3(7)“c”(4)“1” through “6.”

(4) Materials and expenses related to franchise advertising include items in numbered paragraphs 16.3(7)“c”(5)“1” through “8.”

16.3(8) FERC accounts 421.1, Gain on Disposition of Property, and 421.2, Loss on Disposition of Property, as they are defined and exist in the uniform systems of accounts, are to be used to account for the gain or loss on the sale, conveyance, exchange, or transfer of utility or other property, including land and land rights, unless otherwise authorized or required by the commission for good cause shown.

16.3(9) FERC accounts 105, Gas Plant Held for Future Use, and 105.1, Production Properties Held for Future Use, of the uniform systems of accounts in 18 CFR Part 201 are modified in subparagraph “D” by deleting the following language: “in accounts 411.6 or 411.7, as appropriate, except when determined to be significant by the Commission. Upon such determination, the amounts shall be transferred to account 256, Deferred Gains from Disposition of Utility Plant, or account 187, Deferred Losses from Disposition of Utility Plant, and amortized to accounts 411.6, Gains from Disposition of Utility Plant, or 411.7, Losses from Disposition of Utility Plant, as appropriate,” and substituting in lieu thereof: “in FERC accounts 421.1, Gain on Disposition of Property, or 421.2, Loss on Disposition of Property, as appropriate, unless otherwise authorized or required by the board for good cause shown.”

199—16.4(476) Uniform systems of accounts—water. The 2024 uniform systems of accounts for Class A, B, and C water utilities adopted by the National Association of Regulatory Utility Commissioners (NARUC) Board of Directors on November 13, 2024, are adopted.

199—16.5(476) Uniform systems of accounts—wastewater and stormwater drainage. The 2024 uniform systems of accounts for wastewater and storm water drainage adopted by NARUC Board of Directors on November 13, 2024, are adopted.

199—16.6(476) Filing of promotional practices.

16.6(1) Each public utility subject to rate regulation shall file with the commission written documentation describing any proposed new promotional practice as defined in the commission's uniform systems of accounts no less than 30 days prior to the practice's expected implementation. All practices for which the costs are to be charged to account 424 (electric and gas) will be set forth. The accounts currently being charged with these practices will be listed. The company is to show the following data for each promotional practice:

- a.* The name, number, or letter designation of each such promotional practice.
- b.* The class of persons to which such promotional practice is being offered or granted.
- c.* Whether such promotional practice is being uniformly offered or granted to the persons within such class.
- d.* A description of such promotional practice, which includes a statement of the terms and conditions governing the same.
- e.* A description of the advertising or publicity employed with respect to such promotional practice.
- f.* If such promotional practice is offered or granted, in whole or in part, by an affiliate or other person, the identity of such affiliate or person and the nature of such party's participation.
- g.* The expiration date of the practice, if known, or an estimated date.
- h.* Other information relevant to a complete understanding of such promotional practice.
- i.* The date or estimated date of the beginning of such promotional practices.

16.6(2) Any promotional practice, or program that includes a promotional practice, designed to develop or implement programs that promote energy efficiency and are part of the utility's energy efficiency plan developed pursuant to 199—Chapter 35 will be deemed not to be a promotional practice for purposes of this rule and will be exempt from the requirements of this rule.

199—16.7(476) Compiling advertisements and expenses.

16.7(1) The burden of compiling and classifying advertisements and promotional expenses consistent with this chapter will be borne by public utility companies. In this connection the burden of proof as to the accuracy of such classifications and expenses, as with other cost items, will reside with the utility.

16.7(2) Where a given advertisement or group of advertisements may fall within more than one of the categories defined by the accounts in the Uniform Systems of Accounts—Electric, Gas, Water, Wastewater, and Stormwater Drainage as revised by this chapter, the utilities are to apportion the expenses of such advertisements between the categories.

16.7(3) Every advertisement published, broadcast, or otherwise displayed or disseminated to the public by a public utility that is to be paid for by the utility's customers and is not required by the commission or other state or federal regulation is to include the following statement: "The cost of this ad will be paid for by the customers of (Company Name)." This requirement will not apply to advertisements for products or services that are or become subject to competition as determined by the commission or are treated and accounted for as part of a utility's unregulated operations. When a public utility determines that the costs of an ad are to be charged in part to the customers and in part to the public utility, the public utility displays the following notice: "x% of the cost of this ad will be paid for by the customers of (Company Name)." Any statement included in advertisements under this rule will not affect the ability of the commission to determine the proper ratemaking treatment of the cost of the advertisement.

These rules are intended to implement Iowa Code sections 476.1, 476.2, 476.8, 476.9, and 476.18.

[Filed 5/8/25, effective 7/16/25]

[Published 6/11/25]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 6/11/25.

ARC 9351C**UTILITIES COMMISSION[199]****Adopted and Filed****Rulemaking related to service supplied by gas utilities**

The Utilities Commission hereby rescinds Chapter 19, “Service Supplied by Gas Utilities,” and adopts a new Chapter 19, “Service Supplied by Rate-Regulated Gas Utilities,” Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code section 476.2.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code sections 476.1, 476.2, 476.6, 476.8, 476.20, 476.54, 476.66, 476.86 and 476.87.

Purpose and Summary

The Commission commenced this rulemaking under the provisions of Executive Order 10. The purpose of this chapter is to ensure there are clear rules and procedures for rate-regulated and municipal gas systems. The Commission rescinded the previous version of the chapter and adopted a new version of Chapter 19 with the removal of unnecessary and unneeded language and to reduce restrictive terms. Additionally, the Commission adopted rules with language different than the previous version of the chapter at the request of stakeholders.

On May 9, 2025, the Commission issued an order adopting amendments. The order is available on the Commission’s electronic filing system, efs.iowa.gov, under Docket No. RMU-2023-0019.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on January 22, 2025, as **ARC 8796C**. A public hearing was held on the following date(s):

- February 11, 2025
- February 25, 2025

On February 11, 2025, the Commission held the first public hearing, which was attended by the Office of Consumer Advocate (OCA), a division of the Iowa Department of Justice; MidAmerican Energy Company (MidAmerican); and Black Hills/Iowa Gas Utility Company, LLC d/b/a Black Hills Energy (Black Hills). On February 25, 2025, the Commission held the second public hearing, which was attended by OCA, MidAmerican, Black Hills, Interstate Power and Light Company (IPL), the Developers Council of the Home Builders Association of Greater Des Moines (DevCo), and the Iowa Association of Municipal Utilities.

In addition to discussing the proposed changes raised by stakeholders in their written comments, stakeholders discussed proposed changes to the tariff language in subrule 19.2(2) to provide greater clarity and better consistency throughout all of the Commission’s rules and proposed revisions to paragraph 19.4(11)“c” to permit electronic delivery of certain material.

Following publication of the Notice, written comments were filed by OCA, MidAmerican, Black Hills, and IPL. After the second public hearing, the Commission issued an order that permitted the filing of additional written comments. OCA, MidAmerican, and DevCo filed additional written comments, and IPL and Black Hills filed a joint written comment.

No commenting stakeholder opposed the Commission’s adoption of Chapter 19; however, many stakeholders proposed revisions, most of which the Commission adopted.

Changes from the Notice have been made. The majority of the changes from the Notice were nonsubstantive revisions intended to provide greater clarity or advance other Executive Order 10 objectives. For example, at MidAmerican's request, the Commission removed the definition of "plant addition" in paragraph 19.3(7)"a" since it is unnecessary given that term was already defined in subrule 19.1(2). With respect to those changes that are more substantive, the Commission altered the formula in subparagraph 19.3(7)"c"(2) at the request of the stakeholders. Further, in the Notice, the Commission had proposed to remove current subparagraph 19.3(10)"c"(3); however, within its comments, OCA argued that language should be reinserted, and the Commission did so as subparagraph 19.3(7)"c"(3).

Adoption of Rulemaking

This rulemaking was adopted by the Commission on May 9, 2025.

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa.

Jobs Impact

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

Waivers

No waiver provision is included in the amendments because the Commission has a general waiver provision in rule 199—1.3(17A,474,476) that provides procedures for requesting a waiver of the rules in Chapter 19.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rulemaking will become effective on July 16, 2025.

The following rulemaking action is adopted:

ITEM 1. Rescind 199—Chapter 19 and adopt the following **new** chapter in lieu thereof:

CHAPTER 19

SERVICE SUPPLIED BY RATE-REGULATED GAS UTILITIES

199—19.1(476) General information.

19.1(1) Purpose and application of rules. The rules shall apply to any rate-regulated gas utility operating within the state of Iowa as defined in Iowa Code chapter 476 and shall supersede any tariff on file with this commission that is in conflict with these rules. These rules are intended to promote safe and adequate service to the public, to provide standards for uniform and reasonable practices by utilities, and to establish a basis for determining the reasonableness of such demands as may be made by the public upon the utilities.

19.1(2) Definitions. The following words and terms shall have the meaning indicated below:

The abbreviations used, and their meanings, are as follows:

Btu—British thermal unit

LP gas—liquefied petroleum gas

psig—pounds per square inch gauge

W.C.—water column

“*Appliance*” refers to any device that utilizes gas fuel to produce light, heat or power.

“*CFR*” means the Code of Federal Regulations in effect as of July 16, 2025, unless a separate effective date is identified in a specific rule.

“*Commission*” means the Iowa utilities commission.

“*Complaint*” as used in these rules is a statement or question by anyone, whether a utility customer or not, alleging a wrong, grievance, injury, dissatisfaction, illegal action or procedure, dangerous condition or action, or utility failure to fulfill an obligation.

“*Cubic foot*” of gas has the following meanings:

1. Where gas is supplied and metered to customers at the pressure (as defined in subrule 19.7(2)) normally used for domestic customers’ appliances, a cubic foot of gas shall be that quantity of gas which, at the temperature and pressure existing in the meter, occupies one cubic foot, except that where a temperature compensated meter is used, the temperature base shall be 60°F.

2. When gas is supplied to customers at other than the pressure in “1” above, the utility shall specify in its rules the base for measurement of a cubic foot of gas (subparagraph 19.2(4) “c”(6)). Unless otherwise stated by the utility, such cubic foot of gas shall be that quantity of gas which, at a temperature of 60°F and a pressure of 14.73 pounds per square inch absolute, occupies one cubic foot.

3. The standard cubic foot of gas for testing the gas itself for heating value shall be that quantity of gas, saturated with water vapor, which, at a temperature of 60°F and a pressure of 30 inches of mercury, occupies one cubic foot. (Temperature of mercury = 32°F acceleration due to gravity = 32.17 ft. per second per second density = 13.595 grams per cubic centimeter.)

“*Customer*” means any person, firm, association, or corporation; any agency of the federal, state or local government; or any legal entity responsible by law for payment for the gas service or heat from the gas utility.

“*Delinquent*” or “*delinquency*” means an account for which a service bill or service payment agreement has not been paid in full on or before the last day for timely payment.

“*Gas*,” unless otherwise specifically designated, means manufactured gas, natural gas, other hydrocarbon gases, or any mixture of gases produced, transmitted, distributed or furnished by any gas utility.

“*Gas plant*” means all facilities including all real estate, fixtures and property owned, controlled, operated or managed by a gas utility for the production, storage, transmission or distribution of gas and heat.

“*Interruption of service*” means any disturbance of the gas supply whereby gas service to a customer cannot be maintained.

“*Main*” means a gas pipe, excluding a service line, that is owned, operated, or maintained by a utility and is used for the purpose of transmission or distribution of gas.

“*Master meter*” means a single meter used in determining the amount of gas provided to a multi-tenant building or to multiple buildings.

“*Meter*,” without other qualification, means any device or instrument used by a utility in measuring a quantity of gas.

“*Meter shop*” means a shop where meters are inspected, repaired and tested, and may be at a fixed location or may be mobile.

“*Plant addition*” means any additional plant, other than a distribution main or service line, required to be constructed to provide service to a customer.

“*Pressure*,” unless otherwise stated, is expressed in pounds per square inch above atmospheric pressure, i.e., gauge pressure (abbreviation-psig).

“*Rate-regulated utility*” means any utility that is subject to rate regulation as provided in Iowa Code chapter 476.

“*Service line*” means a gas pipe that transports gas from a main or source of supply to a customer meter or the connection to a customer’s piping, whichever is farther downstream, or the connection to a customer’s piping if there is not a customer meter. A customer meter is the meter that measures the transfer of gas from a utility to a customer.

“*Tap*” or “*town border station*” means the delivery point or measuring station at which a gas utility receives gas from a natural gas transmission company.

“*Tariff*” means the entire body of rates, tolls, rentals, charges, classifications, rules, procedures, policies, etc., adopted and filed with the commission by a gas utility in fulfilling its role of furnishing gas service.

“*Therm*” means 100,000 British thermal units.

“*Timely payment*” is a payment on a customer’s account made on or before the date shown on a current bill for service or on a form that records an agreement between the customer and a utility for a series of partial payments to settle a delinquent account, as the date that determines application of a late payment charge.

“*Utility*” means any person, partnership, business association, or corporation, domestic or foreign, owning or operating any gas plant for furnishing gas or heat to the public for compensation.

199—19.2(476) Records, reports, and tariffs.

19.2(1) *Tariffs to be filed with the commission.* The schedules of rates and rules of rate-regulated gas utilities shall be filed with the commission in accordance with this chapter. Tariff provisions will be definite and clear.

Utilities that are not subject to the rate regulation provided for by Iowa Code chapter 476 shall not be required to file schedules of rates, rules, or contracts outlined in this chapter, unless otherwise directed by the commission.

19.2(2) *Form and identification.* All tariffs shall conform to the following rules:

a. The tariff shall conform to the following requirements:

(1) Be on 8½ by 11-inch pages so as to result in a clear and permanent record.

(2) Be filed electronically in compliance with 199—Chapter 14.

(3) The first page is the title page, which will show the name of the utility, the type of utility service being provided, the words “Filed with Iowa Utilities Commission” and the date.

(4) When a tariff is to be superseded or replaced in its entirety, the replacing tariff will 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.

(5) When a tariff sheet in a tariff is revised, amended, or eliminated, the tariff sheet will indicate in the upper right corner the number of the revision to that tariff sheet.

(6) Any tariff sheet modifications will be marked in the right margin with symbols as described below to indicate the place, nature, and extent of the change in text. The marked version will show all added language marked with underlined text and all deleted language with strike-through.

1. (C)—Change in regulation.

2. (D)—Discontinued rate or regulation.

3. (I)—Increase in rate or new treatment resulting in increased rate.

4. (L)—Changed text location.

5. (N)—New rate, treatment, or regulation.

6. (R)—Reduction in rate or new treatment resulting in reduction in rate.

7. (T)—Change in text only.

(7) All sheets except the title page will have the following information located at the upper left corner of the tariff sheet:

1. Company name.

2. Type of utility tariff.

3. The words “Filed with commission.”

(8) All sheets except the title page will have the following information located at the upper right corner of the tariff sheet:

1. Tariff part identification, if any.

2. Tariff sheet number, original or revised.

3. Canceled tariff sheet number, original or revised.

(9) All sheets except the title page will have the following information located at the lower left corner of the tariff sheet:

1. The issued date.
2. The name of the person responsible for the issuance.

(10) All sheets except the title page will have the following information located at the lower right corner of the tariff sheet:

1. An effective date field.
2. Proposed effective date.

b. The issued date is the date the tariff or the revised sheet content was filed by the utility in the commission's electronic filing system.

c. The effective date is to be left blank by the utility and will be determined by the commission.

19.2(3) Content of tariffs. A tariff filed with the commission shall contain:

a. A table of contents containing a list of rate schedules and other sections in the order in which they appear that indicates the first page of each section.

b. All rates for each type of gas as they apply to each class of customer. Tariffs will also include the prices per unit of service, the number of units per billing period to which the prices apply, the period of billing, the minimum bill, the method of measuring demands and consumptions, including the method of calculating or estimating loads or minimums, delivery pressure, and any special terms or conditions applicable. All rates, books, and records should be separated into "gas" and "nongas" components. Books and records shall be available to the commission for audits upon request. The gas components will be the result of the utility's periodic review of gas procurement practices (rule 199—19.10(476)) and PGA (rule 199—19.9(476)) proceeding. The nongas components will be established through rate case proceedings under Iowa Code section 476.3 or 476.6. The period during which the net amount may be paid before the account becomes delinquent shall be specified. In any case where net and gross amounts are billed, the difference between net and gross is a late payment charge and shall be so specified.

Customer charges for all special services relating to providing the basic utility service, including disconnection, reconnection, and service or trip charges, shall be specified.

c. A copy of the utility's rules, or terms and conditions, describing the utility's policies and practices in providing service shall include:

(1) A statement as to the equivalent total heating value of the gas in Btus per cubic foot on which the customers are billed. If necessary, this may be listed by district, division or community.

(2) A list of the items that the utility furnishes, owns, and maintains on the customer's premises, such as service pipe, meters, regulators, vents, and shut-off valves.

(3) A general statement indicating the extent to which the utility will provide service in the adjustment of customer appliances at no additional customer charge.

(4) A general statement of the utility's policy in making adjustments for wastage of gas when such wastage occurs without the knowledge of the customer.

(5) A statement indicating the minimum number of days allowed for payment after the due date of the customer's bill before service will be discontinued for nonpayment.

(6) A statement indicating the volumetric measurement base to which all sales of gas at other than standard delivery pressure are corrected.

(7) Forms of standard contracts required of customers for the various types of service available.

(8) A statement indicating that all rates and charges contained in this tariff or contract with reference thereto may be modified at any time by a subsequent filing made pursuant to the provisions of Iowa Code chapter 476.

(9) A copy of each type of customer bill.

(10) Definitions of classes of customers.

(11) Rules for extending service in accordance with subrule 19.3(7).

(12) Rules with which prospective customers must comply as a condition of receiving service, and the terms of contracts required.

(13) Rules governing the establishment and maintenance of credit by customers for payment of service bills.

(14) Rules governing disconnecting and reconnecting service.

(15) Notice required from customer for having service discontinued.

(16) Rules covering temporary, emergency, auxiliary, and stand-by service.

(17) Rules that address any limitations on loads or the type of equipment that may or may not be connected.

(18) Rate-regulated utilities shall include a list of service areas and the applicable rates in such form as to facilitate ready determination of the rates available in each municipality and in such unincorporated communities as have service.

(19) Rules on meter reading, billing periods, bill issuance, timely customer payment, notice of delinquency and service disconnection for nonpayment of bill.

(20) Rules on how a customer or prospective customer should file a complaint with the utility, and how the complaint will be processed.

(21) Rules on how a customer, disconnected customer or potential customer for residential service may negotiate for a payment agreement on amount due, determination of even payment amounts, and time allowed for payments.

(22) If a sliding scale or automatic adjustment is applicable to regulated rates or charges of billed customers, the manner and method of such adjustment calculation through a detailed explanation.

19.2(4) *Annual, periodic and other reports to be filed with the commission.*

a. System map verification. A utility shall file annually with the commission a verification that it has a correct set of utility system maps for each operating or distribution area. The maps shall show:

- (1) Peak shaving facility location(s).
- (2) Feeder and distribution mains indicating size and pressure.
- (3) System metering (town border stations and other supply points).
- (4) Regulator stations in system indicating inlet and outlet pressures.
- (5) Calorimeter location.
- (6) State boundary crossing.
- (7) Franchise area.
- (8) Names of all communities (post offices) served.

b. Reports of gas service. Each utility shall compile a monthly record of gas service, which will be available to the commission upon request. The record shall be completed within 30 days after the end of the month covered. Such record shall contain:

- (1) The daily and monthly average of total heating values of gas in accordance with subrule 19.7(6).
- (2) The monthly acquisition and disposition of gas.
- (3) Interruptions of service occurring during the month in accordance with subrule 19.7(7). If there were no interruptions, then it should be so stated.
- (4) The number of customer pressure investigations made and the results.
- (5) The number of customer meters tested and test results tabulated as follows: The number that falls into limits 0 to + 2%, + 2 to + 4%, 0 to - 2%, - 2 to - 4%, over + 4%, under - 4%, and "Does Not Register" in accuracy.
- (6) Progress on leak survey programs including the number of leaks found classified as to hazard and nature, and if known, the cause and type of pipe involved.
- (7) Number of district regulators checked and nature of repairs required.
- (8) Number of house regulators checked and nature of repairs required.
- (9) Description of any unusual operating difficulties.
- (10) Type of odorant and monthly average pounds per million cubic feet used in each individual distribution system.

c. Filing published meter and service installation rules. A copy of the utility's current rules, if any, published or furnished by the utility for use by engineers, architects, plumbing contractors, etc., covering meter and service installation shall be filed with the commission.

d. Filing customer bill forms. A copy of each type of customer bill form in current use shall be filed with the commission.

e. Reports to federal agencies. Copies of reports submitted to the U.S. Department of Transportation pursuant to 49 CFR Part 191, Part 192, or Part 199 shall be filed with the commission no later than ten days following the submission. Utilities operating in other states shall provide data to the commission for Iowa only.

f. Change in rate. A notification to the commission shall be made of any planned change in rate of service by a utility. This information shall reflect the amount of increase or decrease and the effective date of application. An up-to-date tariff sheet shall be supplied to the commission showing the current rates.

g. List of persons authorized to receive commission inquiries.

(1) As part of each utility's annual report as required by the general information rule in 199—Chapter 23, utilities shall also file a list of names, titles, addresses, and telephone numbers of persons authorized to receive, act upon, and respond to communications from the commission in connection with:

1. General management duties;
2. Customer relations (complaints);
3. Engineering operations;
4. Meter tests and repairs; and
5. Pipeline permits (gas).

(2) Each utility shall file with the commission a telephone contact number or numbers where the commission can obtain current information 24 hours a day about incidents and interruptions of service from a knowledgeable person. The contact information shall be kept current as changes or corrections are made.

h. Residential customer statistics. Each rate-regulated gas utility shall file with the commission on or before the fifteenth day of each month one copy of the following residential customer statistics for the preceding month:

- (1) Number of accounts;
- (2) Number of accounts certified as eligible for energy assistance since the preceding October 1;
- (3) Number of accounts past due;
- (4) Number of accounts eligible for energy assistance and past due;
- (5) Total revenue owed on accounts past due;
- (6) Total revenue owed on accounts eligible for energy assistance and past due;
- (7) Number of disconnection notices issued;
- (8) Number of disconnection notices issued on accounts eligible for energy assistance;
- (9) Number of disconnections for nonpayment;
- (10) Number of reconnections;
- (11) Number of accounts deemed uncollectible; and
- (12) Number of accounts eligible for energy assistance and deemed uncollectible.

i. Monthly, periodic and annual reports. Each utility shall file such other monthly, periodic and annual reports as are requested by the commission. Monthly and periodic reports shall be due in the commission's office within 30 days after the end of the reporting period. All annual reports shall be filed with the commission by April 1 of each year for the preceding calendar year.

This rule is intended to implement Iowa Code section 476.2.

199—19.3(476) General service requirements.

19.3(1) Disposition of gas. The meter and any service line pressure regulator shall be owned by the utility. The utility shall place a visible seal on all meters and service line regulators in customer use, such that the seal must be broken to gain entry.

a. All gas sold by a utility shall be on the basis of meter measurement except:

- (1) Where the consumption of gas may be readily computed without metering; or
- (2) For temporary service installations.

b. The amount of all gas delivered to multi-tenant buildings shall be measured on the basis of individual meter measurement for each unit, except in the following instances:

- (1) Where gas is used in centralized heating, cooling, or water-heating systems;
- (2) Where a facility is designated for elderly or handicapped persons;
- (3) Where submetering or resale of service was permitted prior to 1966; or
- (4) Where individual metering is impractical. "Impractical" means:

1. Where conditions or structural barriers exist that would make individual meters unsafe or physically impossible to install; or

2. Where the cost of providing individual metering exceeds the long-term benefits of individual metering.

(5) Where the benefits of individual metering (reduced or controlled energy consumption) are more effectively accomplished through a master meter arrangement.

1. A new multi-tenant building qualifies for master metering under this subparagraph if the predicted annual gas use would result in at least a 30 percent savings compared to the predicted annual gas use of a new building meeting the requirements of the state of Iowa energy code and operating with equipment, fixtures, and appliances meeting federal gas standards for manufactured devices for a new building.

2. An existing multi-tenant building qualifies for master metering under this subparagraph when the predicted annual gas use would result in at least a 20 percent energy savings compared to the building's current annual gas usage levels.

3. In determining whether a building's predicted annual gas use would result in at least a 20 or 30 percent savings, all relevant factors that decrease the building's gas usage may be considered, so long as each factor is relevant to why master metering more effectively reduces or controls the building's gas consumption. This includes but is not limited to new or more efficient equipment, materials, or appliances; improved operating practices; changes in fuel type; or structural improvements. This does not affect the determination made for buildings approved prior to July 16, 2025.

4. A report from a qualified independent third party stating that the proposed building or renovation will meet the gas savings requirements of this subparagraph shall establish a rebuttable presumption of eligibility for master metering. "Qualified, independent third party" means a licensed architect or engineer, a certified residential energy services network home energy rating system (RESNET HERS) rater, or any other professional deemed qualified by the commission.

c. If a multi-tenant building is master metered, the end user occupants may be charged for natural gas as an unidentified portion of the rent, condominium fee, or similar payment, or, if some other method of allocating the cost of the gas service is used, the total charge for gas service shall not exceed the total gas bill charged by the utility for the same period.

d. Master metering to multiple buildings is prohibited, except for multiple buildings owned by the same person or entity. Multi-tenant premises within a multiple building complex may be master-metered pursuant to this paragraph only if the requirements of paragraph 19.3(1) "b" have been met.

e. All gas consumed by the utility shall be on the basis of meter measurement except where consumption may be readily computed without metering or where metering is impractical.

19.3(2) Meter reading records. The meter reading records shall show:

- a. Customer's name, address, rate schedule, or identification of rate schedule.
- b. Identifying number or description of the meter(s).
- c. Meter readings.
- d. Whether the reading has been estimated.
- e. Any applicable multiplier or constant, or reference thereto.

19.3(3) 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. Customers shall have continuous visual access to meter registers as a means of verifying the accuracy of bills presented to them and for implementing energy conservation initiatives as they desire. 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; however, utilities may also comply with this subrule by making the required information available via the Internet or other equivalent means.

19.3(4) *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 tariffs approved by the commission.

19.3(5) *Meter reading and billing interval.*

a. 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 provided weekly or daily for a period not to exceed one month unless a waiver is granted by the commission. If the commission 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 provided monthly for the next 12 months unless prior approval is received from the commission 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.

b. Utilities should obtain readings of the meters on corresponding days of each meter reading period when possible. Unless the utility has a plan to test check meter 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.

19.3(6) *Readings and estimates.*

a. When a customer is connected or disconnected or the meter reading date causes a given billing period to deviate by more than 10 percent (counting only business days) from the normal meter reading period, such bill shall be prorated on a daily basis.

b. When access to a meter cannot be gained, the utility may, at its discretion, leave with the customer a meter reading form. The customer may provide the meter reading by telephone, email (if it is allowed by the utility), or mail. If the meter reading information is not obtained in time for the billing operation, an estimated bill may be provided. If an actual meter reading cannot be obtained, the utility may provide an estimated bill without reading the meter or supplying a meter reading form to the customer. Only in unusual cases or when approval is obtained from the customer shall more than three consecutive estimated bills be provided.

c. Utilities will file with the commission procedures for calculating bill estimates, which incorporate normalized weather data, as well as procedures for determining the reasonable heating degree day data to use in the calculations. Utilities shall inform the commission when changes are made to the procedures for calculating estimated bills.

19.3(7) *Plant additions, distribution main extensions, and service lines.*

a. Definitions. The following definitions apply to the terms in this subrule:

"Advance for construction" means cash payments or equivalent surety made to the utility by an applicant for an extensive plant addition or a distribution main extension, portions of which may be refunded depending on any subsequent service line attached to the extensive plant addition or distribution main extension. Cash payments or equivalent surety shall include a grossed-up amount for the income tax effect of such revenue. 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.

"Agreed-upon attachment period" means a period of 30 days, unless a longer period—not more than one year—is mutually agreed on by the utility and applicant, within which the customer will attach.

"Contribution in aid of construction" means a nonrefundable cash payment grossed-up for the income tax effect of such revenue covering the costs of a 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.

"Distribution main extension" means a segment of pipeline installed to convey gas to individual service lines or other distribution mains.

"Estimated base revenues" shall be calculated by subtracting the cost of purchased gas and energy efficiency charges from estimated annual revenues.

“Estimated construction costs” shall be calculated using average current costs in accordance with good engineering practices and upon the following factors: amount of service required or desired by the customer requesting the distribution main extension or service line; size, location, and characteristics of the distribution main extension or service line, including appurtenances; and whether the ground is frozen or whether other adverse conditions exist. Estimated construction costs shall not include costs associated with facilities built for the convenience of the utility. The customer shall be charged actual permit fees in addition to estimated construction costs. Permit fees are to be paid regardless of whether the customer is required to pay an advance for construction or a nonrefundable contribution in aid of construction, and the cost of any permit fee is not refundable.

“Similarly situated customer” means a customer whose annual consumption or service requirements, as defined by estimated annual revenue, are approximately the same as the annual consumption or service requirements of other customers.

b. *Plant additions.* The utility shall provide all gas plant at its cost and expense without requiring an advance for construction from customers or developers, except in those unusual circumstances where extensive plant additions are required before the customer can be served. A written contract between the utility and the customer that requires an advance for construction by the customer to make plant additions shall be available for commission inspection.

c. *Distribution main extensions.* Where the customer will attach to the distribution main extension within the agreed-upon attachment period after completion of the distribution main extension, the following shall apply:

(1) The utility shall finance and make the distribution main extension for a customer without requiring an advance for construction if the estimated construction costs to provide a distribution main extension are less than or equal to six times estimated base revenue calculated on the basis of similarly situated customers. If the utility uses a feasibility model to determine an advance for construction, the utility will file a summary explaining the model’s inputs and a description of the model as part of the utility’s tariff. The utility may charge customers for actual permit fees and additional costs associated with construction during adverse conditions, which are not refundable.

(2) If the estimated construction cost to provide a distribution main extension is greater than six times estimated base revenue calculated on the basis of similarly situated customers, the applicant for a distribution main extension shall contract with the utility and make, no more than 30 days prior to commencement of construction, an advance for construction based upon the following formula:

(estimated construction cost – 6 x estimated base revenues)

If a utility uses a feasibility model to determine if an advance for construction is necessary, it will file a summary explaining the model’s inputs and a description of the model as part of the utility’s tariff. A written contract between the utility and the customer shall be available for commission inspection upon request. The utility will provide the customer with a cost estimate that details the costs and credits, by category. The utility may charge customers for actual permit fees, which are not refundable.

(3) Where the customer will not attach within the agreed-upon attachment period after completion of the distribution main extension, the applicant for the distribution main extension shall contract with the utility and make, no more than 30 days prior to the commencement of construction, an advance for construction equal to the estimated construction cost. The utility may use a feasibility model to determine the amount of the advance for construction. The utility shall file a summary explaining the inputs into the feasibility model and a description of the model as part of the utility’s tariff. A written contract between the utility and the customer shall be available for commission inspection upon request. Whether or not the construction of the distribution main extension would otherwise require a payment from the customer, the utility shall charge the customer for actual permit fees and additional costs associated with construction during adverse conditions, and the permit fees are not refundable.

(4) Advances for construction may be paid by cash or equivalent surety, unless the customer has failed to comply with the conditions of surety in the past, and shall be refundable for ten years.

(5) When the customer is required to make an advance for construction, the utility shall refund the advance in aid of construction to the depositor for a period of ten years from the date of the original

advance a pro rata share for each service line attached to the distribution main extension no less than four times per year.

1. The utility will provide the customer receiving the refund with a statement detailing the refund calculation.

2. Any amounts subject to refund shall be paid by the utility without interest.

(6) The utility shall keep a record of each work order under which the distribution main extension was installed, to include the estimated revenues, the estimated construction costs, the amount of any payment received, and any refunds paid.

d. Service lines.

(1) The utility shall finance and construct a service line without requiring a contribution in aid of construction or any payment by the applicant where the length of the service line to the riser is up to 50 feet on private property or 100 feet on private property if polyethylene plastic pipe is used.

(2) Where the length of the service line exceeds 50 feet on private property or 100 feet if polyethylene plastic pipe is used, the applicant shall provide a contribution in aid of construction for that portion of the service line on private property in excess of 50 feet or in excess of 100 feet if polyethylene plastic pipe is used, exclusive of the riser, within 30 days after completion. The contribution in aid of construction for that portion of the service line shall be computed as follows:

(Estimated Construction Costs) ×

(Total Length in Excess of 50 Feet) or (Total Length in Excess of 100 Feet)

(Total Length of Service Line)

(3) A utility may adopt a tariff or rule that allows the utility to finance and construct a service line of more than 50 feet, or 100 feet if polyethylene plastic pipe is used, without requiring a contribution in aid of construction from the customer if the tariff or rule applies equally to all customers.

(4) Whether or not the construction of the service line would otherwise require a payment from the customer, the utility may charge the customer for actual permit fees and additional costs associated with construction during adverse conditions.

e. Extensions. Utilities are not 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 provides 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. Utilities may make a contract with a customer using a different payment arrangement than provided in this subrule, if the contract provides a more favorable payment arrangement to the customer, so long as no discrimination is practiced among similarly situated customers.

g. Areas without service or with constrained service.

(1) A utility may finance and expand natural gas service into an area of the state with no natural gas service or where capacity constraints limit the expansion of service. A utility expanding service under this paragraph may do so without requiring an advance for construction from a customer or group of customers if a standard feasibility model approved by the commission shows the expansion is economically justified over a period not to exceed 20 years. The approved model will be adopted following a commission proceeding in which interested parties will have the opportunity to review and comment on a model jointly proposed by the regulated gas utilities. The approved model will be made available on the commission's website. The utility shall charge the customer or customers for actual permit fees, and the permit fees are not refundable.

(2) If the feasibility model does not show the expansion is economically justified without an advance for construction, a customer or group of customers may contract with the utility and make, no more than 30 days prior to commencement of construction, an advance for construction in an amount that would make the expansion economically justified.

(3) Upon making a determination that it intends to move forward with an expansion pursuant to this paragraph, the utility shall notify the commission by filing the inputs and results of the feasibility model and any associated contract or contracts with the commission. The utility shall maintain separate books

and records for any expansion made pursuant to this paragraph until the utility's next general rate case proceeding.

19.3(8) *Cooperation and advance notice.* In order that full benefit may be derived from this chapter and in order to facilitate its proper application, all utilities shall observe the following cooperative practices:

a. A utility will provide all other public utilities in the same general territory advance notice of any construction or change in construction or in operating conditions of its facilities concerned or likely to be concerned in situations of proximity.

b. All utilities will assist in promoting conformity with this chapter. An arrangement should be set up among all utilities whose facilities may occupy the same general territory, providing for the interchange of pertinent data and information including that relative to proposed and existing construction and changes in operating conditions concerned or likely to be concerned in situations of proximity.

This rule is intended to implement Iowa Code section 476.8.

199—19.4(476) Customer relations.

19.4(1) *Customer information.* Each utility shall:

a. Maintain up-to-date maps, plans or records of its entire transmission and distribution systems, with such other information as may be necessary to enable the utility to advise prospective customers, and others entitled to the information, as to the facilities available for serving customers in its service area.

b. Assist customers or prospective customers in selecting the most economical rate schedule available for the proposed type of service.

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 commission (compliance filings and tariffs rule in 199—Chapter 26).

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 commission, are available for public inspection. If the utility provides access to its rate schedules and rules for service on its website, the notice shall include the website address.

e. Upon request, inform its customers as to the method of reading meters.

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 website, the statement shall include the website address.

g. Upon request, transmit a statement of either the customer's actual consumption, or degree day adjusted consumption, at the company's option, of natural gas for each billing period during the prior 12 months.

h. Furnish such additional information as the customer may reasonably request.

19.4(2) *Customer contact employee qualifications.* Utilities will 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.

Rate-regulated utilities will notify their 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 Commission by calling 515.725.7300 or toll-free 877.565.4450, or by writing to 1375 E. Court Ave., Des Moines, IA 50319-0069, or by email to customer@iuc.iowa.gov."

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 Commission by calling 515.725.7300, or toll-free 877.565.4450, by writing to 1375 E. Court Ave., Des Moines, IA 50319, or by email to customer@iuc.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 that does not use the standard statement described in this subrule will 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 as long as the advertisement is of a type size that is easily legible and conspicuous and contains the information set forth above.

19.4(3) *Customer deposits.*

a. Each utility may require from any customer or prospective customer a deposit intended to guarantee partial payment of bills for service. Each utility will allow a person other than the customer to pay the customer’s deposit. In lieu of a cash deposit, the utility may accept the written guarantee of a surety or other responsible party as surety for an account. Upon termination of a guarantee contract, or whenever the utility deems the contract insufficient as to amount or surety, a cash deposit or a new or additional guarantee may be required for good cause upon reasonable written notice.

b. A new or additional deposit may be required from a customer when a deposit has been refunded or is found to be inadequate. Written notice shall be mailed advising the customer of any new or additional deposit requirement. The customer will have no less than 12 days from the date of mailing to comply. The new or additional deposit shall be payable at any of the utility’s business offices or local authorized agents. An appropriate receipt shall be provided. The utility does not need to provide written notice of a deposit required as a prerequisite for commencing initial service.

c. No deposit shall be required as a condition for service other than determined by application of either credit rating or deposit calculation criteria, or both, of the filed tariff.

d. The total deposit for any residential or commercial customer for a place that has previously received service shall not be greater than the highest billing of service for one month for the place in the previous 12-month period. The deposit for any residential or commercial customer for a place that has not previously received service or for an industrial customer shall be the customer’s projected one-month usage for the place to be served as determined by the utility or as may be reasonably required by the utility in cases involving service for short periods or special occasions.

19.4(4) *Interest on customer deposits.* Interest will be paid by the rate-regulated utility to each customer required to make a deposit. Utilities will compute interest on customer deposits at 7.5 percent per annum, compounded annually. Interest is to be paid for the period beginning with the date of deposit to the date of refund or to the date that the deposit is applied to the customer’s account, or to the date the customer’s bill becomes permanently delinquent. The date of refund is that date on which the refund or the notice of deposit refund is forwarded to the customer’s last-known address. The date a customer’s bill becomes permanently delinquent, relative to an account treated as an uncollectible account, is the most recent date the account became delinquent.

19.4(5) *Customer deposit records.* Each utility shall keep records to show:

- a. The name and address of each depositor.
- b. The amount and date of the deposit.
- c. Each transaction concerning the deposit.

19.4(6) *Customer’s receipt for a deposit.* Utilities will issue a receipt of deposit to each customer from whom a deposit is received and provide means whereby a depositor may establish claim if the receipt is lost.

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, accounts will 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 waiver provided by subrule 19.3(5), 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.

19.4(8) *Unclaimed deposits.* Utilities will make reasonable efforts to return each unclaimed deposit and accrued interest after the termination of the services for which the deposit was made. The utility shall maintain a record of deposit information for at least two years or until such time as the deposit, together with accrued interest, escheats to the state pursuant to Iowa Code section 556.4, at which time the record and deposit, together with accrued interest less any lawful deductions, will be sent to the state treasurer pursuant to Iowa Code section 556.11.

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. The reading of the meter at the beginning and at the end of the period for which the bill is provided.
- b. The dates on which the meter was read at the beginning and end of the billing period.
- c. The number and kind of units metered.
- d. The applicable rate schedule with the identification of the applicable rate classification.
- e. The account balance brought forward and the amount of each net charge for rate-schedule-priced utility service, sales tax, other taxes, late payment charge, and total amount currently due. In the case of prepayment meters, the amount of money collected shall be shown.
- f. The last date for timely payment, which will not be less than 20 days after the bill is provided.
- g. A distinct marking to identify an estimated bill, when applicable.
- h. A distinct marking to identify a minimum bill.
- i. Any conversions from meter reading units to billing units, or any calculations to determine billing units from recording or other devices, or any other factors, such as sliding scale or automatic adjustment and amount of sales tax adjustments used in determining the bill.

19.4(10) *Customer billing information alternate.* A utility serving fewer than 5,000 gas customers may provide the information in subrule 19.4(9) on bill form or otherwise. If the utility elects not to provide the information in subrule 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.

19.4(11) *Payment agreements.*

a. *Availability of a first payment agreement.* When a residential customer cannot pay in full a delinquent bill for utility service or has an outstanding debt to a utility for residential utility service and is not in default of a payment agreement with the utility, the utility shall offer the customer an opportunity to enter into a reasonable payment agreement.

b. *Reasonableness.* Whether a payment agreement is reasonable will be determined by considering the current household income, ability to pay, payment history including prior defaults on similar agreements, the size of the bill, the amount of time and the reasons why the bill has been outstanding, and any special circumstances creating extreme hardships within the household. The utility may require the person to confirm financial difficulty with an acknowledgment from the department of health and human services or another agency.

c. *Terms of payment agreements.*

(1) First payment agreement. The utility shall offer the following conditions to customers who have received a disconnection notice or who have been previously disconnected and are not in default of a payment agreement:

1. For customers who received a disconnection notice or who 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 even 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 six even monthly payments. Utilities will inform customers they may pay off the delinquency early without incurring any prepayment penalties.

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 provided to the customer when addressed to the customer's last-known address and deposited in the U.S. mail with postage prepaid, or sent via electronic delivery with customer consent. If delivery is by other than U.S. mail, the document is considered provided to the customer when delivered to the last-known address, including electronic addresses, of the person responsible for payment for the service.

8. The document shall state that unless the customer notifies the utility otherwise within ten days from the date the document is provided, 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. Once the first payment required by the agreement is made by the customer or on behalf of the customer, the oral or electronic agreement is deemed accepted by the customer.

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 initial 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 a term at least as long as the term of the first payment agreement.

2. The customer shall 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 budget billing plan to pay the current bill.

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

d. Refusal by utility. A customer may offer the utility a proposed payment agreement. If the utility and the customer do not reach an agreement, the utility may refuse the offer orally, but the utility must provide a written refusal of the customer's final offer, stating the reason for the refusal, within three days of the oral notification. The written refusal shall be considered provided to the customer when addressed to the customer's last-known address and deposited in the U.S. mail with postage prepaid, or sent via electronic delivery with customer consent. If delivery is by other than U.S. mail, the written refusal shall be considered provided to the customer when delivered to the last-known address, including electronic addresses, of the person responsible for the payment for the service.

A customer may ask the commission for assistance in working out a reasonable payment agreement within ten days after the written refusal is provided. During the review of this request, the utility shall not disconnect the service.

19.4(12) Bill payment terms. The bill is considered provided to the customer when deposited in the U.S. mail with postage prepaid, or sent via electronic delivery with customer consent. If delivery is by other than U.S. mail, the bill is considered provided when delivered to the last-known address, including an electronic address, of the party responsible for payment. The customer will have a minimum of 20 days between the providing of a bill and the date by which the account becomes delinquent. Bills for customers on more frequent billing intervals under subrule 19.3(5) will not be considered delinquent less

than five days from the date the bill is provided. However, a late payment charge will not be assessed if payment is received within 20 days of the date the bill is provided.

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, such as but not limited to 15 days from the approximate date each month upon which income is received by the person responsible for payment. Utilities are not required to delay the date of delinquency more than 30 days beyond the date of preparation of the previous bill.

b. In any case where net and gross amounts are billed to customers, the difference between net and gross is a late payment charge and is valid only when part of a delinquent bill payment. A utility's late payment charge shall not exceed 1.5 percent per month of the past due amount. No collection fee may be levied in addition to this late payment charge. This rule does not prohibit cost-justified charges for disconnection and reconnection of service.

c. If the customer makes partial payment in a timely manner, and does not designate the service or product for which payment is made, the payment shall be credited pro rata between the bill for utility services and related taxes.

d. Each account shall be granted not less than one complete forgiveness of a late payment charge each calendar year. The utility's rules shall be definitive that on one monthly bill in each period of eligibility, the utility will accept the net amount of such bill as full payment for such month after expiration of the net payment period. The rules shall state how the customer is notified that the eligibility has been used. Complete forgiveness means no effect upon the credit rating of the customer and no collection of late payment charge.

e. Budget billing plan. Utilities shall offer a budget billing plan to all residential customers or other customers whose consumption is less than 250 ccf per month. A budget billing plan should be designed to limit the volatility of a customer's bill and maintain reasonable account balances and will 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 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 may obtain a refund or apply the credit to future charges. A utility is not required to offer a new budget billing plan to a customer for six months after the customer has terminated from a budget billing plan.

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

1. The amount to be paid at each billing interval by a customer on a budget billing plan shall be computed at the time of entry into the plan and be recomputed at least annually. The 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.

2. When the budget billing amount is recomputed, the utility shall divide the budget billing plan account balance by 12, and add the resulting amount to the estimated monthly budget billing amount. Except when a utility has a budget billing plan that recomputes the budget billing amount monthly, the customer may apply any credit to payments of subsequent months' budget billing amounts due or obtain a refund of any credit in excess of \$25.

3. Except when a utility has a budget billing plan that recomputes the 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.

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

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 subrule 19.4(14) but not less than five years. Customer billing records shall show, where applicable:

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

19.4(14) *Adjustment of bills.* Bills that are incorrect due to billing errors or faulty metering installation are to be adjusted as follows:

a. Fast metering. Whenever a metering installation is tested and found to have overregistered more than 2 percent, the utility shall recalculate the bills for service.

(1) The bills for service shall be recalculated from the time at which the error first developed or occurred if that time can be definitely determined.

(2) If the time at which the error first developed or occurred cannot be definitely determined, it shall be assumed that the overregistration has existed for the shortest time period calculated as one-half the time since the meter was installed or one-half the time elapsed since the last meter test unless otherwise ordered by the commission.

(3) If the recalculated bills indicate that \$5 or more is due an existing customer or \$10 or more is due a person no longer a customer of the utility, the tariff shall provide for refunding of the full amount of the calculated difference between the amount paid and the recalculated amount. Refunds shall be made to the two most recent customers who received service through the metering installation during the time the error existed. In the case of a previous customer who is no longer a customer of the utility, a notice of the amount subject to refund shall be mailed to such previous customer at the last-known address, and the utility shall, upon demand made within three months thereafter, refund the same.

Refunds shall be completed within six months following the date of the metering installation test.

b. Slow metering. Whenever a meter is found to be more than 2 percent slow, the tariff may provide for back billing the customer for the amount the test indicates has been undercharged for the period of inaccuracy.

When the average error cannot be determined by test because of failure of part or all of the metering equipment, the tariff may provide for use of the registration of check metering installation, if any, or for estimating the quantity consumed based on available data. The utility will advise the customer of the failure and of the basis for the estimate of quantity billed.

(1) The utility may not back bill due to underregistration unless a minimum back bill amount is specified in its tariff. The minimum amount specified for back billing shall not be less than \$5 for an existing customer or \$10 for a former customer. All recalculations resulting in an amount due equal to or greater than the tariff specified minimum shall result in issuance of a back bill.

(2) The period for back billing shall not exceed the last six months the meter was in service unless otherwise ordered by the commission.

(3) Back billings shall be provided no later than six months following the date of the metering installation test.

c. Billing adjustments due to fast or slow meters shall be calculated on the basis that the meter should be 100 percent accurate. For the purpose of billing adjustment, the meter error shall be one-half of the algebraic sum of the error at full-rated flow plus the error at check flow.

d. When a customer has been overcharged as a result of incorrect reading of the meter, incorrect application of the rate schedule, incorrect connection of the meter, or other similar reasons, the amount of the overcharge shall be adjusted, refunded, or credited to the customer. The utility shall not be required to adjust, refund, or credit the customer's bill for a period of more than five years unless a different time period is ordered by the commission.

e. Undercharges. When a customer has been undercharged as a result of incorrect reading of the meter, incorrect application of the rate schedule, incorrect connection of the meter, or other similar reasons, the amount of the undercharge may be billed to the customer. The period for which the utility may adjust for the undercharge shall not exceed five years unless otherwise ordered by the commission. The maximum back bill will not exceed the dollar amount equivalent to the tariffed rate for like charges (e.g., usage-based, fixed, or service charges) in the 12 months preceding discovery of the error unless otherwise ordered by the commission.

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

19.4(15) *Refusal or disconnection of service.* A customer, as defined in subrule 19.1(2), may be refused or disconnected from service in accordance with tariffs that are consistent with these rules.

a. The utility shall give written notice of pending disconnection except as specified in paragraph 19.4(15) "*b.*" The notice shall set forth the reason for the notice and final date by which the account is to be settled or specific action taken. The notice is considered provided 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 notice is considered provided when delivered to the last-known address of the person responsible for payment for the service. The date for disconnection of service shall be not less than 12 days after the notice is provided. The date for disconnection of service for customers on shorter billing intervals under subrule 19.3(5) shall not be less than 24 hours after the notice is posted at the service premises.

One written notice, including all reasons for the notice, shall be given where more than one cause exists for disconnection of service. In determining the final date by which the account is to be settled or other specific action taken, the days of notice for the causes shall be concurrent.

b. Service may be disconnected without notice:

(1) In the event of a condition determined by the utility to be hazardous.

(2) In the event of customer use of equipment in a manner that adversely affects the utility's equipment or the utility's service to others.

(3) In the event of tampering with the equipment furnished and owned by the utility. For the purposes of this subrule, a broken or absent meter seal alone shall not constitute tampering.

(4) In the event of unauthorized use.

c. Service may be disconnected or refused after proper notice:

(1) For violation of or noncompliance with the utility's rules on file with the commission.

(2) For failure of the customer to furnish the service equipment, permits, certificates, or rights-of-way that are specified to be furnished, in the utility's rules filed with the commission, as conditions of obtaining service, or for the withdrawal of that same equipment, or for the termination of those same permissions or rights, or for the failure of the customer to fulfill the contractual obligations imposed as conditions of obtaining service by any contract filed with and subject to the regulatory authority of the commission.

(3) For failure of the customer to permit the utility reasonable access to the utility's equipment.

d. Service may be refused or disconnected after proper notice for nonpayment of a bill or deposit, except as restricted by subrules 19.4(16) and 19.4(17), provided that the utility has complied with the following provisions when applicable:

(1) Given the customer a reasonable opportunity to dispute the reason for the disconnection or refusal;

(2) Given the customer, and any other person or agency designated by the customer, written notice that the customer has at least 12 days in which to make settlement of the account to avoid disconnection and a written summary of the rights and responsibilities available. Customers billed more frequently than monthly pursuant to subrule 19.3(5) shall be given posted written notice that they have 24 hours to make settlement of the account to avoid disconnection and a written summary of the rights and responsibilities. All written notices shall include a toll-free or collect telephone number where a utility representative qualified to provide additional information about the disconnection can be reached. Each utility

representative must provide the representative's name and have immediate access to current, detailed information concerning the customer's account and previous contacts with the utility.

(3) The summary of the rights and responsibilities must be approved by the commission. Any utility providing gas service and defined as a public utility in Iowa Code section 476.1 that does not use the standard form set forth below for customers billed monthly shall submit to the commission 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.

CUSTOMER RIGHTS AND RESPONSIBILITIES TO AVOID SHUTOFF OF GAS SERVICE FOR NONPAYMENT

1. What can I do if I receive a notice from the utility that says my gas service will be shut off because I have a past due bill?

- a. Pay the bill in full; or
- b. Enter into a reasonable payment plan with the utility (see #2 below); or
- c. Apply for and become eligible for low-income energy assistance (see #3 below); or
- d. Give the utility a written statement from a doctor or public health official stating that shutting off your gas service would pose an especial health danger for a person living at the residence (see #4 below); or
- e. Tell the utility if you think part of the amount shown on the bill is wrong. However, you must still pay the part of the bill you agree you owe the utility (see #5 below).

2. How do I go about making a reasonable payment plan? (Residential customers only)

- a. Contact the utility as soon as you know you cannot pay the amount you owe. If you cannot pay all the money you owe at one time, the utility may offer you a payment plan that spreads payments evenly over at least 12 months. The plan may be longer depending on your financial situation.
- b. If you have not made the payments you promised in a previous payment plan with the utility and still owe money, you may qualify for a second payment agreement under certain conditions.
- c. If you do not make the payments you promise, the utility may shut off your utility service on one day's notice unless all the money you owe the utility is paid or you enter into another payment agreement.

3. How do I apply for low income energy assistance? (Residential customers only)

- a. Applications are taken at your local community action agency. If you are unsure where to apply, call 211 or 800.244.7431, or visit hhs.iowa.gov/programs/programs-and-services/liheap.
- b. To avoid disconnection, you must apply for energy assistance or weatherization before your service is shut off. Notify your utility that you may be eligible and have applied for energy assistance. Once your service has been disconnected, it will not be reconnected based on approval for energy assistance.
- c. Being certified eligible for energy assistance will prevent your service from being disconnected from November 1 through April 1. Between November 1 and April 1, the utility will delay disconnection of your service for 30 days once you notify the utility that you are applying for energy assistance or weatherization assistance, to allow you time to obtain assistance. Only one 30-day delay is required during the moratorium period.

4. What if someone living at the residence has a serious health condition? (Residential customers only)

Contact the utility if you believe this is the case. Contact your doctor or a public health official and ask the doctor or health official to contact the utility and state that shutting off your utility service would pose an especial health danger for a person living at your residence. The doctor or public health official must provide a written statement to the utility office within five days of when your doctor or public health official notifies the utility of the health condition; otherwise, your utility service may be shut off. If the utility receives this written statement, your service will not be shut off for 30 days. This 30-day delay is to allow you time to arrange payment of your utility bill or find other living arrangements. After 30 days, your service may be shut off if full payment or a payment agreement has not been made.

5. What should I do if I believe my bill is not correct?

You may dispute your utility bill. You must tell the utility that you dispute the bill. You must pay the part of the bill you think is correct. If you do this, the utility will not shut off your service for up to 45 days from the date the bill was mailed while you and the utility work out the dispute over the part of the bill you think is incorrect. You may ask the Iowa Utilities Commission for assistance in resolving the dispute. (See #9 below.)

6. When can the utility shut off my utility service because I have not paid my bill?

- a. Your utility can shut off service between the hours of 6 a.m. and 2 p.m., Monday through Friday.
- b. The utility will not shut off your service on nights, weekends, or holidays for nonpayment of a bill.
- c. The utility will not shut off your service if you enter into a reasonable payment plan to pay the overdue amount (see #2 above).
- d. The utility will not shut off your service if the temperature is forecasted to be 20 degrees Fahrenheit or colder during the following 24-hour period, including the day your service is scheduled to be shut off.
- e. If you have qualified for low-income energy assistance, the utility cannot shut off your service from November 1 through April 1. However, you will still owe the utility for the service used during this time.
- f. The utility will not shut off your service if you have notified the utility that you dispute a portion of your bill and you pay the part of the bill that you agree is correct.
- g. If one of the heads of household is a service member deployed for military service, utility service cannot be shut off during the deployment or within 90 days after the end of deployment. In order for this exception to disconnection to apply, the utility must be informed of the deployment prior to disconnection. However, you will still owe the utility for service used during this time.

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.

8. If service is shut off, when will it be turned back on?

- a. The utility will turn your service back on if you pay the whole amount you owe or agree to a reasonable payment plan.
- b. If you make your payment during the utility's regular business hours, or by 7 p.m. for utilities permitting such payment or other arrangements after regular business hours, the utility must make a reasonable effort to turn your service back on that day. If service cannot reasonably be turned on that same day, the utility must do it by 11 a.m. the next day.
- c. The utility may charge you a fee to turn your service back on. The fee may be higher in the evening or on weekends, so you may ask that your service be turned on during normal utility business hours.

9. Is there any other help available besides my utility?

If the utility has not been able to help you with your problem, you may contact the Iowa Utilities Commission toll-free at 877.565.4450. You may also write the Iowa Utilities Commission at 1375 E. Court Avenue, Des Moines, Iowa 50319-0069, or by email at customer@iuc.iowa.gov. Low-income customers may also be eligible for free legal assistance from Iowa Legal Aid, and may contact Legal Aid at 800.532.1275.

(4) When disconnecting service to a residence, the utility has made a diligent attempt to contact, by telephone or in person, the person 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 utility shall make a diligent attempt to contact the landlord of the rental unit, if known, to determine if the customer is still in occupancy and, if so, the customer's present location. The landlord shall also be informed of the date when service may be disconnected, which will be provided 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.

(5) Disputed bill. If the customer has received notice of disconnection and has a dispute concerning a bill for natural gas service, the utility may require the customer to pay a sum of money equal to the amount of the undisputed portion of the bill pending settlement and thereby avoid disconnection of service. A utility shall delay disconnection for nonpayment of the disputed bill for up to 45 days after the providing of the bill if the customer pays the undisputed amount. The 45 days may be extended by the commission in the event the customer files a written complaint with the commission in compliance with 199—Chapter 6.

(6) Reconnection. Disconnection of a residential customer may take place only between the hours of 6 a.m. and 2 p.m. on a weekday and not on weekends or holidays. If a disconnected customer makes payment or other arrangements during the utility's normal business hours, or by 7 p.m. for utilities permitting such payment or other arrangements after normal business hours, all reasonable efforts shall be made to reconnect the customer that day. If a disconnected customer makes payment or other arrangements after 7 p.m., all reasonable efforts shall be made to reconnect the customer not later than 11 a.m. the next day.

(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 a residence when the actual temperature or the 24-hour forecast of the National Weather Service for the residence's area is predicted to be 20 degrees Fahrenheit or colder. If the utility has properly posted a disconnect notice but is precluded from disconnecting service because of severe cold weather, the utility may immediately proceed with appropriate disconnection procedures, without further notice, when the temperature in the residence's area rises above 20 degrees Fahrenheit and is forecasted to 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.

(8) Health of a resident. Disconnection of a residential customer shall be postponed if the disconnection of service would present an especial danger to the health of any permanent resident of the premises. An especial danger to health is indicated if a person appears to be seriously impaired and may, because of mental or physical problems, be unable to manage the person's own resources, to carry out activities of daily living or to be protected from neglect or hazardous situations without assistance from others. Indicators of an especial danger to health include but are not limited to age, infirmity, or mental incapacitation; serious illness; physical disability, including blindness and limited mobility; and any other factual circumstances that indicate a severe or hazardous health situation.

The utility may require written verification of the especial danger to health by a physician or a public health official, including the name of the person endangered; a statement that the person is a resident of the premises in question; the name, business address, and telephone number of the certifying party; the nature of the health danger; and approximately how long the danger will continue. Initial verification by the verifying party may be by telephone if written verification is forwarded to the utility within five days.

Verification shall postpone disconnection for 30 days. In the event service is terminated within 14 days prior to verification of illness by or for a qualifying resident, service shall be restored to that residence if a proper verification is thereafter made in accordance with the foregoing provisions. If the customer does not enter into a reasonable payment agreement for the retirement of the unpaid balance of

the account within the first 30 days and does not keep the current account paid during the period that the unpaid balance is to be retired, the customer is subject to disconnection pursuant to paragraph 19.4(15) "f."

(9) Winter energy assistance (November 1 through April 1). If the utility is informed that the customer's household may qualify for winter energy assistance or weatherization funds, there shall be no disconnection of service for 30 days from the date the utility is notified to allow the customer time to obtain assistance. Disconnection shall not take place from November 1 through April 1 for a resident who is a head of household and who has been certified to the public utility by the community action agency as eligible for either the low-income home energy assistance program or weatherization assistance program. A utility may develop an incentive program to delay disconnection on April 1 for customers who make payments throughout the November 1 through April 1 period. All such incentive programs shall be set forth in tariffs approved by the commission.

(10) Deployment. If the utility is informed that one of the heads of household, as defined in Iowa Code section 476.20, is a service member deployed for military service, as defined in Iowa Code section 29A.90, disconnection cannot take place at the residence during the deployment or prior to 90 days after the end of the deployment.

e. Abnormal gas consumption. A customer who is subject to disconnection for nonpayment of bill, and who has gas consumption that appears to the customer to be abnormally high, may request the utility to provide assistance in identifying the factors contributing to this usage pattern and to suggest remedial measures. The utility shall provide assistance by discussing patterns of gas usage that may be readily identifiable, suggesting that an energy audit be conducted, and identifying sources of energy conservation information and financial assistance that may be available to the customer.

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(11) "c"(1)"4," provided the utility complies with the provisions of paragraph 19.4(15) "d."

g. Prior to November 1, utilities will mail customers a notice describing the availability of winter energy assistance funds and the application process. The notice must be of a type size that is easily legible and conspicuous and contain the information set out by the state agency administering the assistance program. A utility serving fewer than 25,000 customers may publish the notice in a customer newsletter in lieu of mailing. A utility serving fewer than 6,000 customers may publish the notice in an advertisement in a local newspaper of general circulation or shopper's guide.

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

- a. Delinquency in payment for service by a previous occupant of the premises to be served.
- b. Failure to pay for merchandise purchased from the utility.
- c. Failure to pay for a different type or class of public utility service.
- d. Failure to pay the bill of another customer as guarantor thereof.
- e. Failure to pay the back bill provided in accordance with paragraph 19.4(14) "b" (slow meters).
- f. Failure to pay adjusted bills based on the undercharges set forth in paragraph 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. Delinquency in payment for service by an occupant, if the customer applying for service is creditworthy and able to satisfy any deposit requirements.
- i. Delinquency in payment for service arising more than ten years prior, as measured from the most recent of:

- (1) The last date of service for the account giving rise to the delinquency,
- (2) Physical disconnection of service for the account giving rise to the delinquency, or
- (3) The last voluntary payment or voluntary written promise of payment made by the customer, if made before the ten-year period described in this paragraph has otherwise lapsed.

19.4(17) *When disconnection prohibited.*

a. No disconnection may take place from November 1 through April 1 for a resident who is a head of household and who has been certified to the public utility by the local community action agency as

being eligible for either the low-income home energy assistance program or weatherization assistance program.

b. If the utility is informed that one of the heads of household as defined in Iowa Code section 476.20 is a service member deployed for military service, as defined in Iowa Code section 29A.90, disconnection cannot take place at the residence during the deployment or prior to 90 days after the end of the deployment.

19.4(18) *Change in character of service.* The following shall apply to a material change in the character of gas service:

a. *Changes under the control of the utility.* The utility shall make such changes only with the approval of the commission and after adequate notice to the customers (paragraph 19.7(6)“a”).

b. *Changes not under control of the utility or customer.* Utilities will adjust appliances to attain the proper combustion of the gas supplied. Due consideration shall be given to the gas heating value and specific gravity (paragraph 19.7(6)“b”).

c. *Appliance adjustment charge.* Utilities will make any necessary adjustments to the customer’s appliances without charge and shall conduct the adjustment program with a minimum of inconvenience to the customers.

19.4(19) *Customer complaints.* Utilities will investigate promptly and thoroughly and keep a record of written complaints and all other reasonable complaints received by it from its customers in regard to safety, service, or rates, and the operation of its system that will enable it to review and analyze its procedures and actions. The record shall show the name and address of the complainant, the date and nature of the complaint, and its disposition and the date thereof. All complaints caused by a major outage or interruption shall be summarized in a single report.

a. Tariffs will include a concise, fully informative procedure for the resolution of customer complaints.

b. Reasonable steps will be taken to ensure that customers unable to travel are not denied the right to be heard.

c. The final step in a complaint hearing and review procedure shall be a filing for commission resolution of the issues.

This rule is intended to implement Iowa Code sections 476.2, 476.6, 476.8, 476.20 and 476.54.

199—19.5(476) Engineering practice.

19.5(1) *Requirement for good engineering practice.* The gas plant of the utility shall be constructed, installed, maintained, and operated in accordance with accepted good engineering practice in the gas industry to ensure, as far as reasonably possible, continuity of service, uniformity in the quality of service furnished, and the safety of persons and property.

19.5(2) *Standards incorporated by reference.*

a. The design, construction, operation, and maintenance of gas systems and liquefied natural gas facilities shall be in accordance with the following standards where applicable:

(1) 49 CFR Part 191, “Transportation of Natural and Other Gas by Pipeline; Annual Reports, Incident Reports, and Safety-Related Condition Reports.”

(2) 49 CFR Part 192, “Transportation of Natural and Other Gas by Pipeline: Minimum Federal Safety Standards.”

(3) 49 CFR Part 193, “Liquefied Natural Gas Facilities: Federal Safety Standards.”

(4) 49 CFR Part 199, “Drug and Alcohol Testing.”

(5) ASME B31.8 - 2022, “Gas Transmission and Distribution Piping Systems,” published December 22, 2022.

(6) NFPA 59 - 2024, “Utility LP-Gas Plant Code,” published January 1, 2023.

(7) At railroad crossings, the engineering standards for pipelines rule in 199—Chapter 42.

b. The following publications are adopted as standards of accepted good practice for gas utilities:

(1) ANSI Z223.1/NFPA 54 - 2024, “National Fuel Gas Code,” published January 26, 2024.

(2) NFPA 501A - 2021, “Standard for Fire Safety Criteria for Manufactured Home Installations, Sites, and Communities,” published January 1, 2021.

19.5(3) Adequacy of gas supply. The natural gas regularly available from supply sources supplemented by production or storage capacity must be sufficiently large to meet all reasonable demands for firm gas service.

19.5(4) Gas transmission and distribution facilities. The utility's gas transmission and distribution facilities shall be designed, constructed and maintained as required to reliably perform the gas delivery burden placed upon them. Utilities will be capable of emergency repair work on a scale consistent with its scope of operation and with the physical conditions of its transmission and distribution facilities.

In appraising the reliability of the utility's transmission and distribution system, the commission will consider, as principal factors, the condition of the physical property and the size, training, supervision, availability, equipment and mobility of the maintenance forces.

19.5(5) Inspection of gas plant. Utilities will adopt and follow a program of inspection of its gas plant in order to determine the necessity for replacement and repair. The frequency of the various inspections shall be based on the utility's experience and accepted good practice. Utilities will keep sufficient records to give evidence of compliance with its inspection program.

199—19.6(476) Metering.

19.6(1) Inspection and testing program. Each utility shall adopt a written program for the inspection and testing of its meters to determine the necessity for adjustment, replacement or repair. The frequency of inspection and methods of testing shall be based on the utility's experience, manufacturer's recommendations, and accepted good practice. The commission considers the publications listed in subrule 19.6(3) to be representative of accepted good practice. Each utility shall maintain inspection and testing records for each meter and associated device until three years after its retirement.

19.6(2) Program content. The written program shall, at minimum, address the following subject areas:

- a. Classification of meters by capacity, type, and any other factor considered pertinent.
- b. Checking of new meters for acceptable accuracy before being placed in service.
- c. Testing of in-service meters, including any associated instruments or corrective devices, for accuracy, adjustments, or repairs, and including meters removed from service for any reason.
- d. Periodic calibration or testing of devices or instruments used by the utility to test meters.
- e. Leak testing of meters before return to service.
- f. The limits of meter accuracy considered acceptable by the utility.
- g. The nature of meter and meter test records maintained by the utility.

19.6(3) Accepted good practice. The following publications are considered to be representative of accepted good practice in matters of metering and meter testing:

- a. American National Standard for Gas Displacement Meters (500 Cubic Feet Per Hour Capacity and Under), ANSI B109.1-2000, published January 12, 2013.
- b. American National Standard for Diaphragm Type Gas Displacement Meters (Over 500 Cubic Feet Per Hour Capacity), ANSI B109.2-2000, published January 12, 2013.
- c. American National Standard for Rotary Type Gas Displacement Meters, ANSI B109.3-2000, published January 12, 2013.
- d. Measurement of Gas Flow by Turbine Meters, ANSI/ASME MFC-4M-1986 (Reaffirmed 2016), issued July 15, 1986.
- e. Orifice Metering of Natural Gas and Other Related Hydrocarbon Fluids, API MPMS Chapter 14.3, Parts 1-4.

19.6(4) Meter adjustment. All meters and associated metering devices, when tested, will be adjusted as closely as practicable to the condition of zero error.

19.6(5) Request tests. Utilities will test a customer's meter at the customer's request, but need not do so more frequently than once in 18 months.

Test results will be mailed to the customer within ten days of the completed test, and a record of each test shall be kept on file at the utility's office. The utility shall give the customer or a representative of the customer the opportunity to be present while the test is conducted.

If the test finds the meter is accurate within the limits accepted by the utility in its meter inspection and testing program, the utility may charge the customer \$25 or the cost of conducting the test, whichever is less. The customer shall be advised of any potential charge before the meter is removed for testing.

19.6(6) *Referee tests.* Upon written request by a customer or utility, the commission will conduct a referee test of a meter but not more frequently than once in 18 months. In addition to the written request, the customer will also provide the utility with a \$30 deposit. The customer's request to the commission will indicate that the deposit has been paid.

Within five days of receipt of the written request and payment, the commission will notify the utility of the test. The utility shall, within 30 days after notification of the request, schedule the date, time, and place of the test with the commission 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 made pursuant to subrule 19.4(14). The commission will issue its report after the test is conducted.

19.6(7) *Condition of meter.* No meter that is known to be mechanically defective, has an incorrect correction factor, or has not been tested and adjusted, if necessary, in accordance with paragraphs 19.6(2) "b," "c," and "e," shall be installed or continued in service. The capacity of the meter and the index mechanism shall be consistent with the gas requirements of the customer.

199—19.7(476) Standards of quality of service.

19.7(1) *Purity.* All gas supplied to customers shall be substantially free of impurities that may cause corrosion of mains or piping or from corrosive or harmful fumes when burned in a properly designed and adjusted burner.

19.7(2) *Pressure limits.* The maximum allowable operating pressure for a low-pressure distribution system shall not be so high as to cause the unsafe operation of any connected and properly adjusted low-pressure gas-burning equipment.

19.7(3) *Adequacy for pressure.* Each utility shall have a substantially accurate knowledge of the pressures inside its piping. Periodic pressure measurements shall be taken during periods of high demand at remote locations in distribution systems to determine the adequacy of service. Records of such measurements including the date, time, and location of the measurement shall be maintained not less than two years.

19.7(4) *Standards for pressure measurements.*

a. Secondary standards. Each utility shall own or have access to a dead weight tester that is maintained in an accurate condition.

b. Working standards. Each utility must have or have access to water manometers, laboratory quality indicating pressure gauges, and field-type dead weight pressure gauges as necessary for the proper testing of the indicating and recording pressure gauges used in determining the pressure on the utility's system. Working standards must be checked periodically by comparison with a secondary standard.

19.7(5) *Handling of standards.* Extreme care must be exercised in the handling of standards to ensure that their accuracy is not disturbed. Each standard shall be accompanied at all times by a certificate or calibration card, duly signed and dated, on which are recorded the corrections required to compensate for errors found at the customary test points at the time of the last previous test.

19.7(6) *Heating value.*

a. Awareness. Each utility shall have a substantially accurate knowledge of the heating value of the gas being delivered to customers at all times.

b. Natural and LP gas. The heating value of natural gas and undiluted, commercially pure LP gas is not considered to be under the control of the utility. Utilities will determine the allowable range of monthly average heating values within which its customers' appliances may be expected to function properly without repeated readjustment of the burners. If the monthly average heating value is above or

below the limits of the allowable range for three successive months, the customers' appliances must be readjusted in accordance with paragraph 19.4(18) "c."

c. Renewable natural gas (RNG). The heating value of gas supplied from an RNG facility is considered within the control of the RNG supplier. The average daily heating value of mixed gas in a distribution system shall be at least 95 percent of that normally delivered by the pipeline supplier. RNG producers are responsible for ensuring the gas produced from the RNG facility is compatible to meet these heating requirements.

d. Peak shaving or other mixed gas. The heating value of gas in a distribution system that includes gas from LP or LNG peak shaving facilities, or gas from a source other than a pipeline supplier, is considered within the control of the utility. The average daily heating value of mixed gas shall be at least 95 percent of that normally delivered by the pipeline supplier. All mixed gas shall have a specific gravity of less than 1.000, and heating value shall not be so high as to cause improper operation of properly adjusted customer equipment.

e. Heating value determination and records. Unless acceptable heating value information is available for all periods from other sources, including the pipeline supplier, utilities will have a method by which the heating value of the gas in a distribution system can be accurately determined. The type, accuracy, operation, and location of equipment, and the accuracy of computation methods, shall be in accordance with accepted industry practices and equipment manufacturer's recommendations, subject to review by the commission.

19.7(7) Interruptions of service.

a. Each utility shall make reasonable efforts to avoid interruptions of service, but when interruptions occur, service shall be reestablished within the shortest time practicable, consistent with safety. Records will be maintained for not less than two years of interruptions of service required to be reported pursuant to subrule 19.16(1). Utilities will periodically review these records to determine steps to be taken to prevent recurrence.

b. Planned interruptions shall be made at a time that will not cause unreasonable inconvenience to customers. Interruptions shall be preceded by adequate notice to those who will be affected.

199—19.8(476) Safety.

19.8(1) Acceptable standards. As criteria of accepted good safety practice, the commission will use the applicable provisions of the standards incorporated by reference in subrule 19.5(2).

19.8(2) Protective measures. Utilities will exercise reasonable care to reduce hazards inherent in connection with utility service to which its employees, its customers, and the general public may be subjected and shall adopt and execute a safety program designed to protect the public, fitted to the size and type of its operations. Utilities will give reasonable assistance to the commission in the investigation of the cause of accidents and in the determination of suitable means of preventing accidents and will maintain a summary of all reportable accidents arising from its operations.

19.8(3) Turning on gas. Each utility upon the installation of a meter and turning on gas or the act of turning on gas alone shall take the necessary steps to assure itself that there exists no flow of gas through the meter, which is a warning that the customer's piping or appliances are not safe for gas turn on (Ref: Sec. 8.2.3 and Annex D, ANSI Z223.1/NFPA 54-2018).

19.8(4) Gas leaks. A report of a gas leak shall be considered an emergency requiring immediate attention.

19.8(5) Odorization. Any gas distributed to customers through gas mains or gas services or used for domestic purposes in compressor plants, which does not naturally possess a distinctive odor to the extent that its presence in the atmosphere is readily detectable at all gas concentrations of one-fifth of the lower explosive limit and above, shall have an odorant added to it to make it so detectable. Odorization is not necessary, however, for such gas as is delivered for further processing or use where the odorant would serve no useful purpose as a warning agent. Utilities will test the gas to ensure the odor meets the standards of subrule 19.5(2). Prompt remedial action shall be taken if odorization levels do not meet the prescribed limits for detectability.

19.8(6) *Burial near electric lines.* Each pipeline will be protected from damage or introduction of current from an electrical fault by installing it with at least 12 inches of clearance from buried electrical conductors or by other means if the clearance is not possible.

199—19.9(476) Purchased gas adjustment (PGA).

19.9(1) *PGA clause.* Pursuant to Iowa Code section 476.6(11), PGAs shall be computed separately for each customer classification or grouping previously approved by the commission and will use the same unit of measure as the utility's tariffed rates. PGAs shall be calculated using factors filed in annual or periodic filings according to the following formula:

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

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 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 19.9(6).

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

a. The actual sales volumes S for the prior 12-month period ending May 31, with the necessary degree-day adjustments, and further adjustments approved by the commission. Unless a utility receives prior commission approval to use another methodology, a utility shall use the same weather normalization methodology used in its prior approved PGA. The source of the heating degree days (HDDs) used in the utility's weather normalization calculation shall be the state climatologist of Iowa.

b. The annual expected lost and unaccounted for factors shall be calculated by determining the actual difference between sales and purchase volumes for the 12 months ending May 31 or from the current annual IG-1 filing, but in no case will this factor be less than 0.

c. The purchases C, D, and Z as necessary to comply with subrule 19.9(1).

d. The PGAs shall be adjusted prospectively to reflect the final decision issued by the commission in a periodic review proceeding.

19.9(2) *Annual PGA filing.* Each rate-regulated utility shall file on or before August 1 of each year, for the commission's approval, a PGA for the 12-month period beginning September 1 of that year.

The annual filing shall restate each factor of the formula stated in subrule 19.9(1).

The annual filing shall be based on customer classifications and groupings previously approved by the commission unless new classifications or groupings are proposed.

The annual filing shall include all worksheets and detailed supporting data used to determine the PGA volumes and factors, along with an explanation of the calculations for each factor. Information already on file with the commission may be incorporated by reference in the filing.

19.9(3) *Periodic changes to PGA clause.* Periodic PGA filings shall be based on the PGA customer classifications and groupings previously approved by the commission. Changes in the customer classification and grouping on file are not automatic and require prior approval by the commission.

Periodic filings shall include all worksheets and detailed supporting data used to determine the amount of the adjustment.

Changes in factor S or C may not be made in periodic purchased gas filings. A change in factor D or Z may be made in periodic filings and will be deemed approved if it conforms to the annual purchased gas filing or if it conforms to the principles set out in subrule 19.9(5).

Utilities shall automatically implement all PGA changes that result from changes in Rc, Rd, or Rz and will concurrently notify the commission with adequate information to calculate and support the change. The PGA shall be calculated separately for each customer classification or grouping.

Unless otherwise ordered by the commission, a rate-regulated utility's PGA rate factors shall be adjusted as purchased gas costs change and shall recover from the customers only the actual costs of purchased gas and other currently incurred charges associated with the delivery, inventory, or reservation of natural gas. Such periodic changes shall become effective with usage on or after the date of change.

19.9(4) *Factor Rb.* Each utility has the option of filing an Rb calculation with its October-January PGA filings but shall file an Rb calculation with its February filing and subsequent monthly filings in the PGA year. If the anticipated PGA balance represents costs in excess of revenues, factor Rb shall be assigned a positive value; if the anticipated balance represents revenues in excess of costs, factor Rb shall be assigned a negative value.

19.9(5) *Allocations of changes in contract pipeline transportation capacity obligations.* Any change in contractual pipeline transportation capacity obligations to transportation or storage service providers serving Iowa shall be reported to the commission within 30 days of receipt. The change must be applied on a pro-rata basis to all customer classifications or groupings, unless another method has been approved by the commission. Where a change has been granted as a result of the utility's request based on the needs of specified customers, that change may be allocated to the specified customers. Where the commission has approved anticipated sales levels for one or more customer classifications or groupings, those levels may limit the pro-rata reduction for those classifications or groupings.

19.9(6) *Reconciliation of underbillings and overbillings.* The utility shall file with the commission on or before October 1 of each year a PGA reconciliation for the 12-month period that began on September 1 of the previous year. This reconciliation will be the actual net invoiced costs of purchased gas and appropriate financial hedging tools costs less the actual revenue billed through its PGA 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 are considered overbilling by the utility, and positive differences are considered underbilling. This reconciliation shall be filed with all worksheets and detailed supporting data for each particular PGA clause. Penalty purchases shall only be includable where the utility clearly demonstrates a net savings.

a. Annual reconciliation filings will include the following information concerning the hedging tools used by the utility:

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

(2) The reason 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 utility's natural gas procurement plan.

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

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

- (6) The amount of all commissions paid and to whom those payments were made.
- (7) The amount of money or other collateral held in margin accounts 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.

b. Underbillings will be collected through ten-month adjustments to the appropriate PGA. The underbilling generated from each PGA clause shall be divided by the anticipated sales volumes for the prospective ten-month period beginning November 1 (based upon the sales determination in subrule 19.9(1)).

The quotient, determined on the same basis as the utility's tariff rates, shall be added to the PGA for the prospective ten-month period beginning November 1.

c. Overbillings will be refunded to the customer classification or grouping from which they were generated. Overbillings will be divided by the annual cost of purchased gas subject to recovery for the 12-month period that began the prior September 1 for each PGA clause and applied as follows:

(1) If the net overbilling from the PGA reconciliation exceeds the applicable percentage of the annual cost of purchased gas subject to recovery for a specific customer classification or grouping, the utility will file a proposed refund plan that includes its interest calculations, its plan for refunding the overbilling either by bill credit or check, and the date it proposes to implement the refund. The minimum amount to be refunded by check is \$10. Interest shall be calculated on amounts exceeding 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 PGA reconciliation does not exceed 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 PGA from which they were generated. The minimum amount to be refunded by check is \$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 19.9(1) for the applicable PGA clause. The quotient, determined on the same basis as the utility's

tariff rates, shall be a reduction to that particular PGA for the prospective ten-month period beginning November 1.

(3) The overbilling percentage applicable to utilities serving fewer than 10,000 customers is 5 percent. For utilities serving 10,000 or more customers, the applicable percentage is 3 percent.

d. When a customer has reduced or terminated system supply service and is receiving transportation service, any liability for overcollections and undercollections shall be determined in accordance with the utility's gas transportation tariff.

19.9(7) Refunds related to gas costs charged through the PGA. The utility shall file a refund plan with the commission within 30 days of the receipt of any refund related to gas costs charged through the PGA.

a. Refunds will be provided to customers by bill credit or check in an amount equal to any refund, plus accrued interest, if the refund exceeds \$20 per average residential customer under the applicable customer classification or grouping. The utility may refund lesser amounts through the applicable customer classification or grouping or retain undistributed refund amounts in special refund retention accounts for each customer classification or grouping under the applicable PGA clause until such time as additional refund obligations or interest cause the average residential customer refund to exceed \$20. Any obligations remaining in the retention accounts on September 1 shall become a part of the annual PGA reconciliation.

b. The utility shall file with the refund plan the following information:

- (1) A statement of reason for the refund.
- (2) The amount of the refund with support for the amount.
- (3) The balance of the appropriate refund retention accounts.
- (4) The amount due under each customer classification or grouping.
- (5) The intended period of the refund distribution.
- (6) The estimated interest accrued for each refund through the proposed refund period, with complete interest calculations and supporting data as determined in paragraph 19.9(7) "d."
- (7) The total amount to be refunded, the amount to be refunded per customer classification or grouping, and the refund per ccf or therm.
- (8) The estimated interest accrued for each refund received and for each amount in the refund retention accounts through the date of the filing with the complete interest calculation and support as determined in paragraph 19.9(7) "d."
- (9) The total amount to be retained, the amount to be retained per customer classification or grouping, and the level per ccf or therm.
- (10) The calculations demonstrating that the retained balance is less than \$20 per average residential customer with supporting schedules for all factors used.

c. The refund to each customer will be determined by dividing the amount in the appropriate refund retention account, including interest, by the total ccf or therm of system gas consumed by affected customers during the period for which the refundable amounts are applicable and multiplying the quotient by the ccf or therms of system supply gas actually consumed by the customer during the appropriate period. The utility may use the last available 12-month period if the use of the actual period generating the refund is impractical. The utility shall file complete support documentation for all figures used.

d. The interest rate on refunds distributed under this subrule, compounded annually, 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 day the refund obligation vests. Interest shall accrue from the date the rate-regulated utility receives the refund or billing from the supplier or the midpoint of the first month of overcollection to the date the refund is distributed to customers.

e. The rate-regulated utility shall make a reasonable effort to forward refunds, by check, to eligible recipients who are no longer customers.

f. The minimum amount to be refunded by check is \$10.

This rule is intended to implement Iowa Code section 476.6(11).

199—19.10(476) Periodic review of gas procurement practices.

19.10(1) *Procurement plan.* Pursuant to Iowa Code section 476.6(11), the commission 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. In the years in which the commission does not conduct a contested case proceeding, the commission may require the utilities to file certain information for the commission's review. In years in which the commission 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 three-year natural gas procurement plan. A utility's procurement plan shall be organized as follows and include:

- a.* An index of all documents and information filed in the plan and identification of the commission files in which documents incorporated by reference are located.
- 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 three-year periods.
- c.* 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).
- d.* An exhibit detailing the utility's current, 12-month, and three-year forecasts of total annual throughput by customer class, peak day demand, and anticipated reserve margin on a PGA-year basis.
- e.* 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.
- f.* A summary of the legal, regulatory, and commercial actions taken to minimize purchased gas costs.
- g.* Copies of all studies or investigation reports supporting the utility's testimony or materially considered by the utility in contracting decisions during the plan periods.
- h.* A complete list of all contracts in effect at the time of the procurement plan filing. The list shall include the contract term, the applicable service, and the contracted quantities.
- i.* 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 explain the relationship between forecast and procurement.

19.10(2) *Burden on the utility.* The utility has the burden to prove it is taking all reasonable actions to minimize its purchased gas costs.

19.10(3) *Disallowance of costs.* Purchased gas costs in excess of costs incurred under responsible and prudent policies and practices are disallowed. The PGA factor will be adjusted prospectively to reflect the disallowance.

19.10(4) *Executive summary.* On or before August 1 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. The executive summary shall include the following information:

- a.* The contract number;
- b.* The start and end date;
- c.* The parties to the contract;
- d.* The total estimated dollar value of the contract;
- e.* A description of the type of service offered (including volumes and price).

This rule is intended to implement Iowa Code section 476.6(11).

199—19.11(476) Flexible rates.

19.11(1) *Purpose.* This rule is intended to allow gas utility companies to offer, at their option, incentive or discount rates to their sales and transportation customers.

19.11(2) *General criteria.*

- a.* Natural gas utility companies may offer discounts to individual customers, to selected groups of customers, or to an entire class of 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.

b. In deciding whether to offer a specific discount, the utility shall evaluate the individual customer's, group's, or class's situation and perform a cost-benefit analysis before offering the discount.

c. Any discount offered should be such as to significantly affect the customer's or customers' decision to stay on the system or to increase consumption.

d. The consequences of offering the discount should be beneficial to all customers and to the utility. Other customers should not be at risk of loss as a result of these discounts; in addition, the offering of discounts shall in no way lead to subsidization of the discounted rates by other customers in the same or different classes.

19.11(3) Tariffs. If a company elects to offer flexible rates, the utility shall file for review and approval of tariff sheets specifying the general conditions for offering discounted rates. The tariff sheets shall include, at a minimum, the following criteria:

a. A cost-benefit analysis demonstrating that offering the discount will be more beneficial than not offering the discount.

b. The ceiling for all discounted rates shall be the approved rate on file for the customer's rate class.

c. The floor for the discount sales rates shall be equal to the cost of gas. Therefore, the maximum discount allowed under the sales or transportation tariffs is equal to the nongas costs of serving the customer.

d. No discount shall be offered for a period longer than five years unless the commission determines upon good cause shown that a longer period is warranted.

e. Discounts should not be offered if they will encourage deterioration in the load characteristics of the customer receiving the discount.

f. Customer charges may be discounted.

19.11(4) Reporting. Each natural gas utility electing to offer flexible rates shall file annual reports with the commission within 30 days of the end of each 12 months. Reports shall include the following information:

a. Section 1 of the report concerns discounts initiated in the last 12 months, which 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 reported separately.

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);
- (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 that were evaluated for the discount and rejected during the relevant period.

19.11(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 made at full tariffed rates for the customer class. Determining the actual amount will be a factual determination to be made in the rate case.

199—19.12(476) Transportation service.

19.12(1) *Purpose.* This subrule requires gas distribution utility companies to transport natural gas owned by an end user on a nondiscriminatory basis, subject to the capacity limitations of the specific system. "System capacity" means the maximum flow of gas the relevant portion of the system is capable of handling. Capacity availability is determined using the total current firm gas flow, including both system and transportation gas.

19.12(2) *End user rights.* The end user purchasing transportation services from the utility shall have the following rights and be subject to the following conditions:

a. The end user has the right to receive, pursuant to agreement, 100 percent of the gas delivered by it or on its behalf to the transporting utility (adjusted for a reasonable volume of lost, unaccounted-for, and company-used gas).

b. The volumes that the end user is entitled to receive are subject to curtailment or interruption due to limitations in the system capacity of the transporting utility. Curtailment of the transportation volumes will take place according to the priority class, subdivision, or category that the end user would have been assigned if it were purchasing gas from the transporting utility.

c. During periods of curtailment or interruption, the end user is entitled to a credit equal to the difference between the volumes delivered to the utility and those received by the end user, adjusted for lost, unaccounted-for, and company-used gas.

d. The end user is responsible for all costs associated with any additional plant required for providing transportation services to the end user.

19.12(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.

19.12(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 entitles the end user to return to the system service to the extent of the interstate pipeline capacity purchased. The charge will be at least equal to the administrative costs of monitoring the service, plus any other costs.

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 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.

c. The utility may require a reconnection charge when an end user receiving transportation service without system supply reserve service requests to return to the system supply. The end user shall return to the system and receive service under the appropriate classification as determined by the utility.

d. The end user electing to receive transportation service shall pay reasonable rates for any use of the facilities, equipment, or services of the transporting utility.

19.12(5) Reporting requirements. A natural gas utility will provide a copy of information concerning transportation contracts upon request of the commission, commission staff, or the office of consumer advocate.

19.12(6) Written notice of risks. The utility must notify its large-volume users as defined in 19.13(1) contracting for transportation service in writing that unless the customer buys system supply reserve service from the utility, the utility is not obligated to supply gas to the customer. The notice must also advise the large-volume user of the nature of any identifiable penalties, any administrative or reconnection costs associated with purchasing available firm or interruptible gas, and how any available gas would be priced by the utility. The notice may be provided through a contract provision or separate written instrument. The large-volume user must acknowledge in writing that it has been made aware of the risks and accepts the risks.

199—19.13(476) Certification of competitive natural gas providers and aggregators.

19.13(1) Definitions. The following words and terms, when used in this rule, shall have the meanings indicated below:

“*Large-volume user*” means any end user whose usage exceeds 25,000 therms in any month or 100,000 therms in any consecutive 12-month period.

“*Small-volume user*” means any end user whose usage does not exceed 25,000 therms in any month and does not exceed 100,000 therms in any consecutive 12-month period.

“*Vehicle fuel provider*” or “*VFP*” means a competitive natural gas provider or aggregator as defined in Iowa Code section 476.86 that owns or operates facilities to sell natural gas as vehicle fuel to a retail end user.

19.13(2) General requirement to obtain certificate. A competitive natural gas provider (CNGP) shall not provide competitive natural gas services to an Iowa retail end user without a certificate approved by the commission pursuant to Iowa Code section 476.87.

19.13(3) Filing requirements and application process.

a. Applications to provide service as a CNGP pursuant to Iowa Code sections 476.86 and 476.87 shall contain information to reasonably demonstrate that the applicant possesses the managerial, technical, and financial capability sufficient to obtain and deliver the services the CNGP or aggregator proposes to offer. Applications shall be filed pursuant to 199—Chapter 14. Application forms to provide competitive natural gas service to large-volume, small-volume, and VFPs can be accessed on the commission’s website, iuc.iowa.gov. All applications shall include, at a minimum, the following information:

(1) The legal name and all trade names under which the applicant will operate, a description of the business structure of the applicant, evidence of authority to do business in Iowa, and the applicant’s state of incorporation.

(2) Names, addresses, and telephone numbers of corporate officers responsible for the applicant’s operations in Iowa and a telephone number where the applicant can be contacted 24 hours a day.

(3) Identification of the states and jurisdictions in which the applicant or an affiliate is providing natural gas service.

(4) A commitment to comply with all the applicable conditions of certification contained in subrules 19.13(5) and 19.13(6) and acknowledgment that failure to comply with all the applicable conditions of certification may result in the revocation of the CNGP’s certificate.

b. A request for confidential treatment of the information required to obtain a CNGP certificate may be filed with the commission pursuant to the public information and inspection of records subrule in 199—Chapter 1.

c. An applicant shall notify the commission during the pendency of the certification request and after certification of any material change in the representations and commitments made in the application within 14 days of such change. Any new legal actions or formal complaints are considered material changes in the request.

19.13(4) *Deficiencies and commission determination.* Applications will be considered complete when all required items are submitted. Applicants will be notified of deficiencies and given 30 days to complete applications. Applications with deficiencies that are not cured within the 30-day period will be denied.

19.13(5) *Conditions of certification.* CNGPs shall comply with the conditions set out in this subrule. Failure to comply with the conditions of certification may result in revocation of the certificate.

a. Unauthorized charges. A CNGP shall not charge or attempt to collect any charges from end users for any competitive natural gas services or equipment used in providing competitive natural gas services not contracted for or otherwise agreed to by the end user.

b. Notification of emergencies. Upon receipt of information from an end user of the existence of an emergency situation with respect to delivery service, a CNGP shall immediately contact the appropriate public utility whose facilities may be involved. The CNGP shall also provide the end user with the emergency telephone number of the public utility.

c. Reports to the commission. Each CNGP shall file a report with the commission on April 1 of each year for the 12-month period ending December 31 of the previous year. The report shall be filed on forms provided by the commission, which can be accessed on the commission's website, iuc.iowa.gov. This information may be filed with a request for confidentiality, pursuant to the public information and inspection of records subrule in 199—Chapter 1. For each utility distribution system, the report shall include, at a minimum, total monthly and annual sales volumes, total monthly revenues, and total number of customers served each month as of December 31 of the applicable year.

19.13(6) *Additional conditions applicable to CNGPs providing service to small-volume end users.* All CNGPs when providing service to small-volume natural gas end users shall be subject to the following conditions in addition to those listed under subrule 19.13(5):

a. Customer deposits. Compliance with the following provisions shall apply to customers whose usage does not exceed 2,500 therms in any month or 10,000 therms in any consecutive 12-month period.

Customer deposits – subrule 19.4(3).

Interest on customer deposits – subrule 19.4(4).

Customer deposit records – subrule 19.4(5).

Customer's receipt for a deposit – subrule 19.4(6).

Deposit refund – subrule 19.4(7).

Unclaimed deposits – subrule 19.4(8).

b. Bills to end users. A CNGP shall include on bills to end users all the information listed in this paragraph. The bill may be sent to the customer electronically at the customer's option.

(1) The period of time for which the billing is applicable.

(2) The amount owed for current service, including an itemization of all charges.

(3) Any past-due amount owed.

(4) The last date for timely payment.

(5) The amount of penalty for any late payment.

(6) The location for or method of remitting payment.

(7) A toll-free telephone number for the end user to call for information and to make complaints regarding the CNGP.

(8) A toll-free telephone number for the end user to contact the CNGP in the event of an emergency.

(9) A toll-free telephone number for the end user to notify the public utility of an emergency regarding delivery service.

(10) The tariffed transportation charges and supplier refunds, where a combined bill is provided to the customer.

c. Disclosure. Each prospective end user must receive in writing, prior to initiation of service, all terms and conditions of service and all rights and responsibilities of the end user associated with the offered service. The information may be provided electronically, at the customer's option.

d. Notice of service termination. Notice shall be provided to the end user, the commission, and the public utility at least 12 calendar days prior to service termination. If the notice of service termination is

rescinded, the CNGP must notify the public utility. CNGPs are prohibited from physically disconnecting the end user or threatening physical disconnection for any reason.

e. Transfer of accounts. CNGPs will not transfer the account of any end user to another supplier except with the consent of the end user and notice to the commission. This provision does not preclude a CNGP from transferring all or a portion of its accounts pursuant to a sale or transfer of all or a substantial portion of a CNGP's business in Iowa, provided that the transfer satisfies all of the following conditions:

- (1) The transferee will serve the affected end users through a certified CNGP;
- (2) The transferee will honor the transferor's contracts with the affected end users;
- (3) The transferor provides written notice of the transfer to each affected end user prior to the transfer;
- (4) Any affected end user is given 30 days to change supplier without penalty; and
- (5) The transferor provides notice to the public utility of the effective date of the transfer.

f. Bond. The commission may require the applicant to file a bond or other demonstration of its financial capability to satisfy claims and expenses that can reasonably be anticipated to occur as part of operations under its certificate, including the failure to honor contractual commitments. In determining the adequacy of the bond or demonstration, the commission shall consider the extent of the services to be offered, the size of the provider, and the size of the load to be served.

g. Replacement cost for supply failure. Each individual rate-regulated public utility shall file for the commission's review tariffs establishing replacement cost for supply failure. Replacement cost revenue will be credited to the rate-regulated public utility's system PGA.

199—19.14(476) Customer contribution fund.

19.14(1) *Applicability and purpose.* This rule applies to each gas public utility, as defined in Iowa Code sections 476.1 and 476.1B, and is intended to implement Iowa Code section 476.66.

19.14(2) *Notification.* Each utility shall notify all customers of the customer contribution fund at least twice a year. Upon commencement of service and at least once a year, the notice will be mailed or personally delivered to all customers, or provided by electronic means to those customers who have consented to receiving electronic notices. The other 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 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:

- a.* A description of the availability and the purpose of the fund;
- b.* A customer authorization form that includes a monthly billing option and any other methods of contribution.

19.14(3) *Methods of contribution.* Contributions will be provided as monthly pledges, as well as one-time or periodic contributions. A pledge will 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.

19.14(4) *Annual report.* On or before September 30 of each year, each utility shall file with the commission a report of all the customer contribution fund activity for the previous fiscal year beginning July 1 and ending June 30. The report shall be in a form provided by the commission and contain an accounting of the total revenues collected and all distributions of the fund. The utility shall report all utility expenses directly related to the customer contribution fund.

199—19.15(476) Reserve margin.

19.15(1) *Applicability.* All rate-regulated gas utility companies may maintain a reserve of contract services in excess of their maximum daily system demand requirement and recover the cost of the reserve from their customers through the PGA.

19.15(2) *Definitions.* The following definitions apply to the terms as used in this rule:

"Contract services" refers to the amount of firm gas delivery capacity or delivery services contracted for use by a utility to satisfy its maximum daily system demand requirement, including the

planned delivery capacity of the utility-owned liquefied natural gas facilities but excluding the delivery capacity of propane storage facilities.

“Design day” means reasonably anticipated colder-than-normal weather conditions during a 24-hour period beginning at 9 a.m.

“Maximum daily system demand requirements” means the maximum daily gas demand requirement that the utility forecasts to occur on behalf of its system firm sales customers under design day weather conditions. The maximum daily gas demand requirement forecast will be determined based upon an evaluation of historic usage levels of firm sales customers, adjusted for reasonably anticipated colder-than-normal weather conditions and other clearly identifiable factors that may contribute to the demand for gas by firm sales customers. The maximum daily system demand requirements shall be submitted for approval by the commission with the Annual PGA filing required by subrule 19.9(2).

19.15(3) *Maximum daily system demand requirements of less than 25,000 Dth per day.* A reserve margin of 9 percent or less in excess of the maximum daily system demand requirements will be presumed reasonable.

19.15(4) *Maximum daily system demand requirements of more than 25,000 Dth per day.* A reserve margin of 5 percent or less in excess of the maximum daily system demand requirements will be presumed reasonable.

19.15(5) *Rebuttable presumption.* All contract services in excess of an amount needed to meet the maximum daily system demand requirements plus the reserve are presumed to be unjust and unreasonable unless a factual showing to the contrary is made during the periodic review of gas proceeding or in a proceeding specifically addressing the issue with an opportunity for an evidentiary hearing. All contract services less than an amount of the maximum daily system demand requirements plus the reserve are presumed to be just and reasonable unless a factual showing to the contrary can be made during the periodic review of gas proceeding or in a proceeding specifically addressing the issue with an opportunity for an evidentiary hearing.

19.15(6) *Allocation of cost of the reserve.* Fifty percent of the reserve cost shall be collected as a demand charge allocation to noncontractual firm customers. The remaining 50 percent shall be collected as a throughput charge on customers excluding transportation customers who have elected no system supply reserve.

199—19.16(476) Incident notification and reports.

19.16(1) *Notification.* Utilities will notify the commission immediately, or as soon as practical, of any incident involving the release of gas, failure of equipment, or interruption of facility operations, which results in any of the following:

- a. Any reportable incidents as defined in 49 CFR 191.3.
- b. An interruption of service to 50 or more customers.
- c. Evacuation of a school, hospital, health care facility, or event totaling 100 or more people.
- d. Rerouting of traffic or closing of a primary interstate highway by public emergency responders.
- e. National media attention.
- f. Fire or explosion.
- g. Any other incident considered significant by the utility.

19.16(2) *Reporting information.* The utility shall notify the commission by email, as soon as practical, of any reportable incident at dutyofficer@iuc.iowa.gov or, when email is not available, by calling the commission duty officer at 515.745.2332. The person sending the email or the caller shall leave a call-back number for a person who can provide the following information:

- a. The name of the utility, the name and telephone number of the person making the report, and the name and telephone number of a contact person knowledgeable about the incident.
- b. The location of the incident.
- c. The time of the incident.
- d. The number of deaths or personal injuries and the extent of those injuries, if any.
- e. An initial estimate of damages.
- f. The number of services interrupted.

g. A summary of the significant information available to the utility regarding the probable cause of the incident and extent of damages.

h. Any oral or written report required by the U.S. Department of Transportation, and the name of the person who made the oral report or prepared the written report.

19.16(3) *Written incident reports.* Within 30 days of the date of the incident, the utility shall file a written report with the commission that includes the information listed in subrule 19.16(2), the probable cause as determined by the utility, the number and cause of any deaths or personal injuries requiring in-patient hospitalization, and a detailed description of property damage and the amount of monetary damages. If significant additional information becomes available at a later date, the utility will timely file the information in a supplemental report. The utility will also provide the commission with copies of any written reports concerning an incident or safety-related condition filed with or submitted to the U.S. Department of Transportation or the National Transportation Safety Board.

199—19.17(476) Capital infrastructure investment automatic adjustment mechanism.

19.17(1) *Eligible capital infrastructure investment.* A rate-regulated natural gas utility may file for commission approval of a capital infrastructure investment automatic adjustment mechanism to allow recovery of certain costs from customers. To be eligible for recovery through the capital infrastructure investment automatic adjustment mechanism, the costs shall either:

a. Meet the following criteria:

- (1) The costs are beyond the direct control of management;
- (2) The costs are subject to sudden, important change in level;
- (3) The costs are an important factor in determining the total cost of capital infrastructure investment to serve customers; and

(4) The costs are readily, precisely, and continuously segregated in the accounts of the utility; or

b. Be for a capital infrastructure investment that:

(1) Does not serve to increase revenues by directly connecting the infrastructure replacement to new customers;

(2) Is in service but was not included in the gas utility's rate base in its most recent general rate case; and

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

19.17(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 19.17(1). The allowed rate of return will be the approved average cost of debt from the utility's most recent general gas or electric rate review proceeding before the commission. Depreciation expense shall be based upon the depreciation rates allowed by the commission in the utility's most recent general gas rate review proceeding before the commission.

19.17(3) *Recovery procedures.*

a. To recover capital infrastructure investment costs that meet the criteria in paragraph 19.17(1) "a" through an automatic adjustment mechanism, the utility will first obtain prior commission approval of the automatic adjustment mechanism. The utility will file the following information in support of the proposed automatic adjustment mechanism:

(1) A description of the capital infrastructure investment and the costs that are proposed to be recovered through the automatic adjustment mechanism;

(2) An explanation of why the costs of the capital infrastructure investment are beyond the control of the utility's management;

(3) An exhibit that shows the changes in level of the costs of the capital infrastructure investment that are proposed to be recovered, both historical and projected;

(4) An explanation of why these particular capital infrastructure investment costs are an important factor in determining the total cost of capital infrastructure investment to serve customers;

(5) A description of proposed recovery procedures, if different from the procedures described in paragraph 19.17(3) “c”; and

(6) The length of time that the automatic adjustment mechanism will be in place.

b. Recovery of capital infrastructure investment costs pursuant to paragraph 19.17(1) “b” may be made by the utility by filing a proposed tariff 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. The filing will include the following information in support of the proposed automatic adjustment rates:

(1) Proof that the capital infrastructure investment is a project that was approved in advance by the commission as specified in subparagraph 19.17(1) “b”(3).

(2) The location, description, and costs associated with the project.

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

(4) The calculations showing the total costs that are eligible for recovery and the rates that are proposed to be implemented.

(5) Supporting documentation, including but not limited to work orders and journal entries, to the commission staff or the office of consumer advocate upon request.

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 commission. 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. Recovery of a return on and return of capital infrastructure investment that is eligible for recovery pursuant to an automatic adjustment mechanism will 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 commission 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 are effective, the automatic adjustment mechanism will reset to zero. No more than five years of capital investment recovery will be allowed between general rate proceedings unless otherwise approved by the commission. A utility may continue recoveries allowed under this rule until the investments are fully depreciated or until the utility’s next general rate proceeding.

These rules are intended to implement Iowa Code sections 476.1, 476.2, 476.6, 476.8, 476.20, 476.54, 476.66, 476.86, and 476.87.

[Filed 5/22/25, effective 7/16/25]

[Published 6/11/25]

EDITOR’S NOTE: For replacement pages for IAC, see IAC Supplement 6/11/25.

ARC 9352C

UTILITIES COMMISSION[199]

Adopted and Filed

Rulemaking related to service supplied by rate-regulated electric utilities

The Utilities Commission hereby rescinds Chapter 20, “Service Supplied by Rate-Regulated Electric Utilities,” Iowa Administrative Code, and adopts a new chapter with the same title.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code sections 476.1, 476.2, 478.19 and 478.20.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code sections 474.5, 476.1, 476.2, 476.6, 476.8, 476.20, 476.54, 476.66 and 478.18 through 478.20.

Purpose and Summary

The Commission commenced this rulemaking as part of its Executive Order 10 review. The rulemaking promulgates the standards by which the Commission requires utilities to follow to maintain safe electrical infrastructure within the state of Iowa.

On May 12, 2025, the Commission issued an Order Adopting Amendments. The order is available on the Commission’s electronic filing system, efs.iowa.gov, under Docket No. RMU-2023-0020.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on February 19, 2025, as **ARC 8879C**. A public hearing was held on the following date(s):

- March 11, 2025
- March 25, 2025

MidAmerican Energy Company (MidAmerican) provided comments in response to the proposed changes to the tariff filing rules in subrule 20.2(3), which are similar to the proposed changes in the 199—Chapter 19 rulemaking in Docket No. RMU-2023-0019. Additionally, MidAmerican requested the Commission provide consistent changes between similar provisions in 199—Chapter 19, which governs gas utilities, and Chapter 20, which governs electric utilities.

The Office of Consumer Advocate (OCA), a division of the Iowa Department of Justice, stated that revenue credit review could be done during rate cases and should not be pursued during this rulemaking. Additionally, OCA stated it opposed the removal of the second sentence in paragraph 20.4(1)“f” as suggested by MidAmerican.

Iowa Legal Aid provided comments showing support for the proposed changes in subrule 20.4(14) and the increased clarity that will be provided.

OCA filed a written comment in which it expressed support for the Notice version of the chapter. MidAmerican filed a written comment, stating that it agrees with many of the amendments contained in the Notice. MidAmerican did, however, suggest a number of formatting changes, clarifying amendments, and other modifications to ensure better consistency within Chapter 20 and between Chapter 19 of the Commission’s rules and Chapter 20. Similarly, Interstate Power and Light Company (IPL) filed a written comment in which it expressed support for the Commission’s efforts to provide better consistency between 199—Chapters 19 and 20 and proposed a few additional changes to provide for better clarity.

Changes from the Notice have been made. The Commission made editorial changes to update numbering, citations, and similar grammatical errors. Subrule 20.2(3) was also revised so the content of filed tariffs would be consistent with similar rules in the electric and water, wastewater, and stormwater drainage chapters. IPL and MidAmerican each suggested modifications to paragraph 20.3(1)“b,” and the Commission adopted these modifications to provide better clarity. The Commission also updated rule 199—20.4(476) to allow consistency between 199—Chapters 19 and 20, in addition to allowing modification to the bill form. The Commission also revised subrule 20.7(8) to allow additional types of equipment to be used for voltage measurements; however, the same accuracy standards must be met. Paragraph 20.17(3)“e” was modified to reduce the burden on the utilities by revising language regarding

what records need to be retained for interruptions. The Commission also made two other changes to rule 199—20.17(476,478). The first change was to follow IEEE standards when defining system average interruption duration index and system average interruption frequency index because only “sustained” interruptions are used. The second change was to retain the language in current paragraph 20.17(5)“c” but move it to paragraph 20.17(5)“g.”

Adoption of Rulemaking

This rulemaking was adopted by the Commission on May 12, 2025.

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa.

Jobs Impact

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

Waivers

No waiver provision is included in the amendments because the Commission has a general waiver provision in rule 199—1.3(17A,474,476) that provides procedures for requesting a waiver of the rules in Chapter 20.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee’s meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rulemaking will become effective on July 16, 2025.

The following rulemaking action is adopted:

ITEM 1. Rescind 199—Chapter 20 and adopt the following **new** chapter in lieu thereof:

CHAPTER 20

SERVICE SUPPLIED BY RATE-REGULATED ELECTRIC UTILITIES

199—20.1(476) General information.

20.1(1) Authorization of rules. Iowa Code chapter 476 provides that the Iowa utilities commission shall establish all needful, just and reasonable rules, not inconsistent with law, to govern the exercise of its powers and duties, the practice and procedure before it, and to govern the form, content, and filing of reports, documents, and other papers necessary to carry out the provisions of this law.

a. Iowa Code chapter 478 provides that the Iowa utilities commission shall have power to make and enforce rules relating to the location, construction, operation, and maintenance of certain electrical transmission lines.

b. Electric utilities with fewer than 10,000 customers subject to commission regulation pursuant to Iowa Code section 476.1A are subject to the regulatory requirements set out in 199—Chapter 27 for municipal electric utilities and electric cooperatives.

20.1(2) Application of rules. These rules shall apply to any rate-regulated electric utility operating within the state of Iowa subject to Iowa Code chapter 476, and to the construction, operation, and maintenance of electric transmission lines to the extent provided in Iowa Code chapter 478, and shall supersede all tariffs on file with the commission that are in conflict with these rules.

a. These rules are intended to promote safe and adequate service to the public, to provide standards for uniform and reasonable practices by utilities, and to establish a basis for determining the reasonableness of such demands as may be made by the public upon the utilities.

b. The adoption of these rules shall in no way preclude the commission from altering or amending them pursuant to statute or from making such modifications with respect to their application as may be found necessary to meet exceptional conditions.

20.1(3) Definitions. The following words and terms, when used in these rules, shall have the meaning indicated below:

“Acid Rain Program” means the sulfur dioxide and nitrogen oxides air pollution control program established pursuant to Title IV of the Act under 40 CFR Parts 72 through 78.

“Act” means the Clean Air Act, 42 U.S.C. Section 7401, et seq, as amended on November 15, 1990.

“Affected unit” means a unit or source that is subject to any emission reduction requirement or limitation under the Acid Rain Program, the CAIR, the CSAPR, or the MATS or a unit or source that opts in under 40 CFR Part 74, dated April 4, 1995.

“Allowance” means an authorization, allocated by the United States Environmental Protection Agency (EPA), to emit sulfur dioxide (SO₂) under the Acid Rain Program or SO₂ and nitrogen oxide (NO_x) under the CAIR, and the CSAPR during or after a specified calendar year.

“Allowance futures contract” means an agreement between a futures exchange clearinghouse and a buyer or seller to buy or sell an allowance on a specified future date at a specified price.

“Capacity” means the instantaneous rate at which energy can be delivered, received, or transferred, measured in kilowatts (kW).

“Clean Air Interstate Rule” or *“CAIR”* means the requirements EPA published in the Federal Register (70 Fed. Reg. 25161) on May 12, 2005.

“Code of Federal Regulations” or *“CFR”* means the Code of Federal Regulations, which contains the general administrative rules adopted by federal departments and agencies, in effect as of July 16, 2025, unless a separate effective date is identified in a specific rule.

“Complaint” means a statement or question by anyone, whether a utility customer or not, alleging a wrong, grievance, injury, dissatisfaction, illegal action or procedure, dangerous condition or action, or utility obligation.

“Compliance plan” means the document submitted for an affected source to the EPA that specifies the methods by which each affected unit at the source will meet the applicable emissions limitation and emissions reduction requirements.

“Cross-State Air Pollution Rule” or *“CSAPR”* means the requirements established by the EPA in 40 CFR 97 Subparts AAAAA, BBBBB, CCCCC, and DDDDD as amended by 81 FR 13275 (March 14, 2016).

“Customer” means any person, firm, association, or corporation; any agency of the federal, state, or local government; or any legal entity responsible by law for payment for the electric service or heat from the electric utility.

“Delinquent” or *“delinquency”* means an account for which a service bill or service payment agreement has not been paid in full on or before the last day for timely payment.

“Distribution line” means any single or multiphase electric power line operating at nominal voltage in either of the following ranges: 2,000 to 26,000 volts between ungrounded conductors or 1,155 to 15,000 volts between grounded and ungrounded conductors, regardless of the functional service provided by the line.

“Electric plant” includes all real estate, fixtures, and property owned, controlled, operated, or managed in connection with or to facilitate production, generation, transmission, or distribution, in providing electric service or heat by an electric utility.

“Electric service” means furnishing to the public for compensation any electricity, heat, light, power, or energy.

“Emission for emission trade” is an exchange of one type of emission for another type of emission. For example, the exchange of SO₂ emission allowances for NO_x emission allowances.

“Energy” means electric energy measured in kilowatt hours (kWh).

“Master meter” means a single meter used in determining the amount of electricity provided to a multitenant building or multiple buildings.

“Mercury and Air Toxics Standards” or *“MATS”* means the requirements established by the EPA in 40 CFR Parts 60 and 63 regarding limits of power plant emissions of toxic air pollutants (February 16, 2012).

“Meter” means, unless otherwise qualified, a device that measures and registers the integral of an electrical quantity with respect to time.

“Power” means electric power measured in kW.

“Price hedging” means using futures contracts or options to guard against unfavorable price changes.

“Rate-regulated utility” means any utility, as defined in subrule 20.1(3), that is subject to rate regulation under Iowa Code chapter 476.

“Secondary line” means any single or multiphase electric power line operating at nominal voltage less than either 2,000 volts between ungrounded conductors or 1,155 volts between grounded and ungrounded conductors, regardless of the functional service provided by the line.

“Service limitation” means the establishment of a limit on the amount of power that may be consumed by a residential customer through the installation of a service limiter on the customer’s meter.

“Service limiter” or *“service limitation device”* means a device that limits a residential customer’s power consumption to 3,600 watts (or some higher level of usage approved by the commission) and that resets itself automatically, or can be reset manually by the customer, and may also be reset remotely by the utility at all times.

“Speculation” means using futures contracts or options to profit from expectations of future price changes.

“Tariff” means the entire body of rates, tolls, rentals, charges, classifications, rules, procedures, policies, etc., adopted and filed with the commission by an electric utility in fulfilling its role of furnishing service.

“Timely payment” means a payment on a customer’s account made on or before the date shown on a current bill for service, or on a form, which records an agreement between the customer and a utility for a series of partial payments to settle a delinquent account, as the date that determines application of a late payment charge to the current bill or future collection efforts.

“Transmission line” means any single or multiphase electric power line operating at nominal voltages at or in excess of either 69,000 volts between ungrounded conductors or 40,000 volts between grounded and ungrounded conductors, regardless of the functional service provided by the line.

“Uniform system of accounts” means the uniform system of accounts as prescribed by 199—Chapter 16.

“Utility” means any person, partnership, business association, or corporation, domestic or foreign, owning or operating any facilities for providing electric service or heat to the public for compensation.

“Vintage trade” means an exchange of one vintage of allowances for another vintage of allowances with the difference in value between vintages being cash or additional allowances.

“Weighted average unit cost of inventoried allowances” equals the dollars in inventory at the end of the month divided by the total allowances available for use at the end of the month.

20.1(4) Abbreviations. The following abbreviations, when used in these rules, have the following meanings:

ANSI—American National Standards Institute

DOE—Department of Energy

FERC—Federal Energy Regulatory Commission

NFPA—National Fire Protection Association

This rule is intended to implement Iowa Code sections 476.1, 476.1A, and 476.2.

199—20.2(476) Records, reports, and tariffs.

20.2(1) *Location and retention of records.* Unless otherwise specified by this chapter, all records required by these rules shall be kept and preserved in accordance with the applicable provisions of 199—Chapter 18.

20.2(2) *Tariffs to be filed with the commission.* The schedules of rates and rules of rate-regulated electric utilities shall be filed with the commission and shall be classified, designated, arranged, and submitted so as to conform to the requirements of this chapter. Provisions of the schedules shall be definite and so stated as to minimize ambiguity or the possibility of misinterpretation. The form, identification, and content of tariffs shall be in accordance with these rules. A rate-regulated electric utility's current tariff will be made available through the commission's electronic filing system (EFS).

20.2(3) *Form and identification.* All tariffs shall conform to the following rules:

a. The tariff shall conform to the following requirements:

- (1) Be on 8½- by 11-inch pages so as to result in a clear and permanent record.
- (2) Be filed electronically in compliance with 199—Chapter 14.
- (3) The first page is the title page, which will show the name of the utility, the type of utility service being provided, and the words "filed with Iowa Utilities Commission," and the date.

(4) When a tariff is to be superseded or replaced in its entirety, the replacing tariff will 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.

(5) When a tariff sheet in a tariff is revised, amended, or eliminated, the tariff sheet will indicate in the upper right corner the number of the revision to that tariff sheet.

(6) Any tariff sheet modifications will be marked in the right margin with symbols as described below to indicate the place, nature, and extent of the change in text. The marked version will show all added language marked with underlined text and all deleted language with strike-through.

1. (C)—Change in regulation.
2. (D)—Discontinued rate or regulation.
3. (I)—Increase in rate or new treatment resulting in increased rate.
4. (L)—Changed text location.
5. (N)—New rate, treatment, or regulation.
6. (R)—Reduction in rate or new treatment resulting in reduction in rate.
7. (T)—Change in text only

(7) All sheets except the title page will have the following information located at the upper left corner of the tariff sheet:

1. Company name.
2. Type of utility tariff.
3. The words "Filed with Commission."

(8) All sheets except the title page will have the following information located at the upper right corner of the tariff sheet:

1. Tariff part identification, if any.
2. Tariff sheet number, original or revised.
3. Canceled tariff sheet number, original or revised.

(9) All sheets except the title page will have the following information located at the lower left corner of the tariff sheet:

1. The issued date.
2. The name of the person responsible for the issuance.

(10) All sheets except the title page will have the following information located at the lower right corner of the tariff sheet:

1. An effective date field.
2. Proposed effective date.

b. The issued date is the date the tariff or the revised sheet content was filed by the utility in the commission's electronic filing system.

c. The effective date is to be left blank by the utility and will be determined by the commission.

20.2(4) *Content of tariffs.*

a. A table of contents containing a list of rate schedules and other sections in the order in which they appear showing the sheet numbers of the first page of each rate schedule or other section. In the event the utility filing the tariff elects to segregate a section such as general rules from the section containing the rate schedules or other sections, it may at its option prepare a separate table of contents for each such segregated section.

b. A preliminary statement containing a brief general explanation of the utility's operations.

c. All rates for service with indication for each rate of the type and voltage of service and the class of customers to which it applies. There shall also be shown any limitations on loads and type of equipment that may be connected, the net prices per unit of service and the number of units per billing period to which the net prices apply, the period of billing, the minimum bill, any effect of transformer capacity upon minimum bill or upon the number of kWh in any step of the rate, method of measuring demands, method of calculating or estimating loads in cases where transformer capacity has a bearing upon minimum bill or size of rate steps, level payment plan, and any special terms or conditions applicable. The period during which the net amount may be paid before the account becomes delinquent shall be specified. In any case where net and gross amounts are billed, the difference between net and gross is a late payment charge and shall be so specified.

d. The voltage and type of service (direct current or single or polyphase alternating current) supplied in each municipality but without reference required to any particular part thereof.

e. Forms of standard contracts required of customers for the various types of service available.

f. If service to other utilities or municipalities is furnished at a standard filed rate, either a copy of each signed contract or a copy of the standard uniform contract form together with a summary of the provisions of each signed contract. The summary shall show the principal provisions of the contract and include the name and address of the customer, the points where energy is delivered, rate, term, minimum, load conditions, voltage of delivery, and any special provisions such as rentals.

g. Copies of special contracts for the purchase, sale, or interchange of electrical energy. All tariffs must provide that, notwithstanding any other provision of this tariff or contract with reference thereto, all rates and charges contained in this tariff or contract with reference thereto may be modified at any time by a subsequent filing made pursuant to the provisions of Iowa Code chapter 476.

h. A list of all communities in which service is furnished.

i. The list of service areas and the rates, filed in a form to facilitate ready determination of the rates available in each municipality and in unincorporated communities that have service. Any areas with the same rates shall be indicated.

j. Definitions of classes of customers.

k. Extension rules for extending service to new customers indicating what portion of the extension or cost thereof will be furnished by the utility; and if the rule is based on cost, the items of cost included.

l. Type of construction that the utility requires the customer to provide if in excess of the Iowa electric safety code or the requirements of the municipality having jurisdiction, whichever may be the most stringent.

m. Specification of such portions of service as the utility furnishes, owns, and maintains, such as service drop, service entrance cable or conductors, conduits, service entrance equipment, meter and socket. Indication of the portions of interior wiring such as range or water heater connection, furnished in whole or in part by the utility, and a statement indicating final ownership and responsibility for maintaining equipment furnished by utility.

n. A statement of the type of special construction commonly requested by customers that the utility allows to be connected, and terms upon which such construction will be permitted, with due provision for the avoidance of unjust discrimination as between customers who request special construction and those who do not. This applies, for example, to a case where a customer desires underground service in overhead territory.

o. Rules with which prospective customers must comply as a condition of receiving service and the terms of contracts required.

- p. Rules governing the establishment and maintenance of credit by customers for payment of service bills.
- q. Rules governing the procedure followed in disconnecting and reconnecting service.
- r. Notice required from a customer for having service discontinued.
- s. Rules covering temporary, emergency, auxiliary, and stand-by service.
- t. Rules covering the type of equipment that may or may not be connected, including rules such as those requiring demand-limiting devices or power-factor corrective equipment.
- u. A general statement of the method used in making adjustments for wastage of electricity when accidental grounds exist without the knowledge of the customer.
- v. Statements of utility rules on meter reading, bill issuance, customer payment, notice of delinquency, and service discontinuance for nonpayment of bill.
- w. Rules for extending service in accordance with subrule 20.3(11).
- x. If a sliding scale or automatic adjustment is applicable to regulated rates and charges of billed customers, the manner and method of such adjustment calculation, covered through a detailed explanation.
- y. Rules on how a customer or prospective customer should file a complaint with the utility and how the complaint will be processed.
- z. Rules on how a customer, disconnected customer or potential customer for residential service may negotiate for a payment agreement on amount due, determination of even payment amounts, and time allowed for payments.

20.2(5) *Annual, periodic and other reports to be filed with the commission.*

- a. System map verification. The utility shall file annually a verification that it has a currently correct set of utility system maps in accordance with the general requirements of subrule 20.3(9) and a statement as to the location of the utility's offices where such maps, except those deemed confidential by the commission, are accessible and available for examination by the commission or its agents. The verification and map location information shall also be reported to the commission upon other occasions when significant changes occur in either the maps or location of the maps.
- b. Electric service record. Each utility shall compile a monthly record of electric service showing the production, acquisition, and disposition of electric energy; the number of customer terminal voltage investigations made; the number of customer meters tested; and such other information as may be required by the commission. The monthly "Electric Service" record shall be compiled not later than 30 days after the end of the month covered, and such record shall, upon and after compilation, be kept available for inspection by the commission or its staff at the utility's principal office within the state of Iowa. A summary of the 12 monthly "Electric Service" records for each calendar year shall be attached to and submitted with the utility's annual report to the commission.
- c. The utility shall keep the commission informed currently by written notice as to the location at which the utility keeps the various classes of records required by these rules.
- d. The utility's current rules, if any, published or furnished by the utility for the use of engineers, architects, electrical contractors, etc., covering meter and service installations shall be maintained and made available to the commission upon request.
- e. A copy of each type of customer bill form in current use shall be filed with the commission.
- f. A copy of the adjustment calculation shall be provided to the commission prior to each billing cycle on the forms adopted by the commission.
- g. Residential customer statistics. Each rate-regulated electric utility shall file with the commission on or before the fifteenth day of each month one copy of the following residential customer statistics for the preceding month:
 - (1) Number of accounts;
 - (2) Number of accounts certified as eligible for energy assistance since the preceding October 1;
 - (3) Number of accounts eligible for energy assistance and past due;
 - (4) Number of accounts past due;
 - (5) Total revenue owed on accounts past due;
 - (6) Total revenue owed on accounts eligible for energy assistance and past due;

- (7) Number of disconnection notices issued;
- (8) Number of disconnection notices issued on accounts eligible for energy assistance;
- (9) Number of disconnections for nonpayment;
- (10) Number of reconnections;
- (11) Number of accounts determined uncollectible; and
- (12) Number of accounts eligible for energy assistance and determined uncollectible.

h. List of persons authorized to receive commission inquiries.

(1) Each utility shall file with the commission in the annual report required in rule 199—23.1(476) a list of names, titles, addresses, and telephone numbers of persons authorized to receive, act upon, and respond to communications from the commission in connection with:

1. General management duties;
2. Customer relations (complaints);
3. Engineering operations;
4. Meter tests and repairs;
5. Franchises for electric lines;
6. Certificates for electric generating plants; and
7. Outages and interruptions 24 hours a day.

(2) The contact information required by this paragraph shall be kept current as changes or corrections are made.

This rule is intended to implement Iowa Code section 476.2.

199—20.3(476) General service requirements.

20.3(1) *Disposition of electricity.* The meter, any associated instrument transformers, and the wiring between the instrument transformers and the meters shall be owned by the utility. The utility shall place a visible seal on all meters in customer use, such that the seal must be broken to gain entry.

a. All electricity sold by a utility shall be on the basis of meter measurement except:

- (1) Where the consumption of electricity may be readily computed without metering; or
- (2) For temporary service installations not otherwise metered.

b. The amount of all electricity delivered to multitenant buildings shall be measured on the basis of individual meter measurement for each unit, except in the following instances:

(1) Where electricity is used as the primary energy source to operate centralized heating, cooling, water-heating, or ventilation systems;

(2) Where a facility is designated for elderly or handicapped persons;

(3) Where submetering or resale of service was permitted prior to 1966;

(4) Where individual metering is impractical. “Impractical” means:

1. Where conditions or structural barriers exist that would make individual meters unsafe or physically impossible to install; or

2. The cost of providing individual metering exceeds the long-term benefits of individual metering.

(5) Where the benefits of individual metering (reduced and controlled energy consumption) are more effectively accomplished through a master meter arrangement.

1. A new multitenant building qualifies for master metering under this subparagraph if the predicted annual energy use would result in at least a 30 percent energy savings compared to the predicted annual energy use of a new building meeting the requirements of the State of Iowa Energy Code and operating with equipment, fixtures, and appliances meeting federal energy standards for manufactured devices for a new building.

2. An existing multitenant building qualifies for master metering under this subparagraph when the predicted annual energy use would result in at least a 20 percent energy savings compared to the building’s current annual energy usage levels.

3. In determining whether a building’s predicted annual energy use would result in at least a 20 or 30 percent energy savings, all relevant factors that decrease the building’s energy usage may be considered, so long as each factor is relevant to why master metering more effectively reduces or

controls the building's energy consumption. This includes but is not limited to new or more efficient equipment, materials, or appliances; improved operating practices; changes in fuel type; or structural improvements. This does not affect the determination made for buildings approved prior to July 16, 2025.

4. Neither reductions of energy purchased from the utility resulting from the installation of a renewable generation facility nor credits for on-site renewable energy generation shall be taken into account when determining the predicted energy savings.

5. A report from a qualified, independent third party stating that the proposed building or renovation will meet the energy savings requirements of this subparagraph shall establish a rebuttable presumption of eligibility for master metering. "Qualified, independent third party" means a licensed architect or engineer, a certified residential energy services network home energy rating system rater, or any other professional deemed qualified by the commission.

c. If a multitenant building is master-metered, the end-user occupants may be charged for electricity as an unidentified portion of the rent, condominium fee, or similar payment, or, if some other method of allocating the cost of the electric service is used, the total charge for electric service shall not exceed the total electric bill charged by the utility for the same period.

d. Master-metering to multiple buildings is prohibited, except for multiple buildings owned by the same person or entity. Multitenant buildings within a multiple building complex may be master-metered pursuant to this paragraph only if the requirements of paragraph 20.3(1) "c" have been met.

e. All electricity consumed by the utility shall be on the basis of meter measurement except where consumption may be readily computed without metering, or where metering is impractical.

20.3(2) *Meter reading records.* The meter reading records shall show:

a. Customer's name, address, and rate schedule or identification of rate schedule.

b. Identification of the meter or meters either by permanently marked utility number or by manufacturer's name, type number and serial number.

c. Meter readings.

d. If the reading has been estimated.

e. Any applicable multiplier or constant.

20.3(3) *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. Customers shall have continuous visual access to meter registers as a means of verifying the accuracy of bills presented to them and for implementing such energy conservation initiatives as they desire, except in the individual locations where the utility has experienced vandalism to windows in the protective enclosures. Where remote meter reading is used, whether outdoor on premises or off premises automated, the customer shall also have readable meter registers at the meter. A utility may comply with the requirements of this subrule by making the required information available via the Internet or other equivalent means.

Where a delayed processing means is used, the utility may comply by having readable kWh registers only, visually accessible.

In instances in which the utility has determined that readable access, to locations existing July 1, 1981, will create a safety hazard, the utility is exempted from the access provisions above.

In instances when a building owner has determined that unrestricted access to tenant metering installation would create a vandalism or safety hazard, the utility is exempted from the access provision above.

Continuing efforts should be made to eliminate or minimize the number of restricted locations. The utility should assist affected customers in obtaining meter register information.

20.3(4) *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 provided 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 a waiver from the commission. If the commission denies a waiver, or if a waiver is not sought with respect to a high-demand customer after

the initial month, that customer's meter shall be read monthly for the next 12 months. The group of larger customers to which shorter billing intervals may be applied shall be specified in the utility's tariff 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. When the meter reading date causes a given billing period to deviate by more than 10 percent (counting only business days) from the normal meter reading period, such bills shall be prorated on a daily basis.

The utility 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 readings, a utility representative shall physically read the meter at least once each 12 months.

In the event that the utility leaves a meter reading form with the customer when access to meters cannot be gained and the form is not returned in time for the billing operation, an estimated bill may be provided.

If an actual meter reading cannot be obtained, the utility may provide an estimated bill without reading the meter or supplying a meter reading form to the customer. Only in unusual cases or when approval is obtained from the customer shall more than three consecutive estimated bills be provided.

20.3(5) Demand meter registration. When a demand meter is used for billing, the meter installation should be designed so that the highest expected annual demand reading to be used for billing will appear in the upper half of the meter's range.

20.3(6) Service areas. Service areas are defined by the boundaries on service area maps. Electronic maps are available for viewing during regular business hours at the commission's offices and on the commission's website.

20.3(7) Modification of service area and answers.

a. An exclusive service area is subject to modification through a contested case proceeding that may be commenced by filing a petition for modification of service area with the commission. The commission may commence a service area modification proceeding on its own motion. In determining whether the modification is in the public interest, the commission will consider the factors described in Iowa Code section 476.25(1) and any other relevant factors.

b. An electric utility may file a petition for modification of service area containing (1) a legal description of the service area desired, (2) a designation of the utilities involved in each boundary section, (3) a justification for the proposed service area modification, and (4) in addition to the PDF (Portable Document Format) required in rule 199—14.8(17A,476), an electronic file of the proposed service area boundaries, in a format designated by the commission, as described on the EFS homepage under EFS Filing Standards. The justification shall include a detailed statement of why the proposed modification is in the public interest. A map showing the affected areas that complies with paragraph 20.3(9) "a" shall be attached to the petition as an exhibit.

c. Electric utilities may agree to service area modifications by contract pursuant to Iowa Code section 476.25(2).

20.3(8) Certificate of authority. Any electric utility or municipal corporation requesting a service territory modification pursuant to subrule 20.3(7) that would result in service to a customer by a utility other than the utility currently serving the customer must also petition the commission for a certificate of authority under Iowa Code section 476.23. The electric utility or municipal corporation shall pay the party currently serving the customer a reasonable price for the facilities serving the customer.

20.3(9) Maps.

a. Each utility shall maintain a current map or set of maps, including KMZ or other similar format, showing the physical location of electric lines, stations, and electric transmission facilities for its service areas, which include the exact location of the following:

- (1) Generating stations with capacity designation.
- (2) Purchased power supply points with maximum contracted capacity designation.
- (3) Purchased power metering points if located at other than power delivery points.

(4) Transmission lines with size and type of conductor designation and operating voltage designation.

(5) Transmission-to-transmission voltage transformation substations with transformer voltage and capacity designation.

(6) Transmission-to-distribution voltage transformation substations with transformer voltage and capacity designation.

(7) Distribution lines with size and type of conductor designation, phase designation, and voltage designation.

(8) All points at which transmission, distribution, or secondary lines of the utility cross Iowa state boundaries.

(9) All current information required in Iowa Code section 476.24(1).

(10) All county boundaries and county names.

(11) Natural and artificial lakes that cover more than 50 acres and all rivers.

(12) Any additional information required by the commission.

b. All maps, except those deemed confidential by the commission, shall be available for examination at the utility's designated offices during the utility's regular office hours or on the utility's website. The maps shall be drawn with clean, uniform lines to a scale of one inch per mile. A large scale shall be used where it is necessary to clarify areas where there is a heavy concentration of facilities. All cartographic details shall be clean cut, and the background shall contain little or no coloration or shading.

20.3(10) *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 tariffs approved by the commission.

20.3(11) *Plant additions, electrical line extensions and service lines.*

a. *Definitions.* The following definitions shall apply to the terms used in this subrule:

"Advance for construction" means cash payments or equivalent surety made to the utility by an applicant for an extensive plant addition or an electrical line extension, portions of which may be refunded depending on the attachment of any subsequent service line made to the extensive plant addition or electrical line extension. Cash payments or equivalent surety shall include a grossed-up amount for the income tax effect of such revenue. The amount of tax shall be reduced by the present value of the tax benefits to be obtained by depreciating the property in determining tax liability.

"Agreed-upon attachment period" means a period of not less than 30 days nor more than one year mutually agreed upon by the utility and the applicant within which the customer will attach. If no time period is mutually agreed upon, the agreed-upon attachment period shall be deemed to be 30 days.

"Contribution in aid of construction" means a nonrefundable cash payment grossed-up for the income tax effect of such revenue covering the costs of a 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.

"Electrical line extensions" means distribution line extensions and secondary line extensions as defined in subrule 20.1(3), except for service lines as defined in this subrule.

"Equivalent overhead transformer cost" is that transformer capitalized cost, or fraction thereof, that would be required for similarly situated customers served by a pole-mounted or platform-mounted transformer. For each overhead service, it is the capitalized cost of the transformer divided by the number of customers served by that transformer. For each underground service, it is the capitalized cost of an overhead transformer with the same voltage and volt-ampere rating divided by the number of customers served by that transformer.

"Estimated annual revenues" is calculated based upon the following factors, including but not limited to the size of the facility to be used by the customer, the size and type of equipment to be used by the customer, the average annual amount of service required by the equipment, and the average number of hours per day and days per year the equipment will be in use.

“Estimated base revenues” is calculated by subtracting the fuel expense costs as described in the uniform system of accounts as adopted by the commission and energy efficiency charges from the estimated annual revenues.

“Estimated construction costs” is calculated using average current costs in accordance with good engineering practices and upon the following factors: amount of service required or desired by the customer requesting the electrical line extension or service line; size, location, and characteristics of the electrical line extension or service line, including appurtenances, except equivalent overhead transformer cost; and whether the ground is frozen or whether other adverse conditions exist. In no event shall estimated construction costs include costs associated with facilities built for the convenience of the utility. The customer shall be charged actual permit fees in addition to estimated construction costs. Permit fees are to be paid regardless of whether the customer is required to pay an advance for construction or a nonrefundable contribution in aid of construction, and the cost of any permit fee is not refundable.

“Plant addition” means any additional plant required to be constructed to provide service to a customer other than an electrical line extension or service line.

“Point of attachment” is that point of first physical attachment of the utilities’ service drop (overhead) or service lateral (underground) conductors to the customer’s service entrance conductors. For overhead services, it shall be the point of tap or splice to the service entrance conductors. For underground services, it shall be the point of tap or splice to the service entrance conductors in a terminal box or meter or other enclosure with adequate space inside or outside the building wall. If there is no terminal box, meter, or other enclosure with adequate space, it shall be the point of entrance into the building.

“Service line” means any secondary line extension, as defined in subrule 20.1(3), on private property serving a single customer or point of attachment of electric service.

“Similarly situated customer” means a customer whose annual consumption or service requirements, as defined by estimated annual revenue, are approximately the same as the annual consumption or service requirements of other customers.

“Utility” means a rate-regulated utility.

b. *Plant additions.* The utility shall provide all electric plant at its cost and expense without requiring an advance for construction from customers or developers except in those unusual circumstances where extensive plant additions are required before the customer can be served. A written contract between the utility and the customer that requires an advance for construction by the customer to make plant additions shall be available for commission inspection.

c. *Electrical line extensions.* Where the customer will attach to the electrical line extension within the agreed-upon attachment period after completion of the electrical line extension, the following shall apply:

(1) The utility shall finance and make the electrical line extension for a customer without requiring an advance for construction if the estimated construction costs to provide an electrical line extension are less than or equal to three times estimated base revenue calculated on the basis of similarly situated customers. The utility may use a feasibility model, rather than three times estimated base revenue, to determine what, if any, advance for construction is required by the customer. The utility shall file a summary explaining the inputs into the feasibility model and a description of the model as part of the utility’s tariff. Whether or not the construction of the electrical line extension would otherwise require a payment from the customer, the utility shall charge the customer for actual permit fees, and the permit fees are not refundable.

(2) If the estimated construction cost to provide an electrical line extension is greater than three times estimated base revenue calculated on the basis of similarly situated customers, the applicant for the electrical line extension shall contract with the utility and make, no more than 30 days prior to commencement of construction, an advance for construction equal to the estimated construction cost less three times estimated base revenue to be produced by the customer. The utility may use a feasibility model to determine whether an advance for construction is required. The utility shall file a summary explaining the inputs into the feasibility model and a description of the model as part of the utility’s

tariff. A written contract between the utility and the customer shall be available for commission inspection upon request. Whether or not the construction of the electrical line extension would otherwise require a payment from the customer, the utility shall charge the customer for actual permit fees, and the permit fees are not refundable.

(3) Where the customer will not attach within the agreed-upon attachment period after completion of the electrical line extension, the applicant for the electrical line extension shall contract with the utility and make, no more than 30 days prior to the commencement of construction, an advance for construction equal to the estimated construction cost. The utility may use a feasibility model to determine the amount of the advance for construction. The utility shall file a summary explaining the inputs into the feasibility model and a description of the model as part of the utility's tariff. A written contract between the utility and the customer shall be available for commission inspection upon request. Whether or not the construction of the electrical line extension would otherwise require a payment from the customer, the utility shall charge the customer for actual permit fees, and the permit fees are not refundable.

(4) Advances for construction may be paid by cash or equivalent surety and shall be refundable for ten years. The customer has the option of providing an advance for construction by cash or equivalent surety unless the utility determines that the customer has failed to comply with the conditions of a surety in the past.

(5) Refunds. When the customer is required to make an advance for construction, the utility shall refund to the depositor for a period of ten years from the date of the original advance a pro-rata share for each service line attached to the electrical line extension. The pro-rata refund shall be computed in the following manner:

1. If the combined total of three times estimated base revenue, or the amount allowed by the feasibility model, for the electrical line extension and each service line attached to the electrical line extension exceeds the total estimated construction cost to provide the electrical line extension, the entire amount of the advance for construction provided will be refunded.

2. If the combined total of three times estimated base revenue, or the amount allowed by the feasibility model, for the electrical line extension and each service line attached to the electrical line extension is less than the total estimated construction cost to provide the electrical line extension, the amount to be refunded will equal three times estimated base revenue, or the amount allowed by the feasibility model, when a service line is attached to the electrical line extension.

3. In no event will the total amount to be refunded exceed the amount of the advance for construction. Any amounts subject to refund will be paid by the utility without interest. At the expiration of the above-described ten-year period, the advance for construction record will be closed and the remaining balance will be credited to the respective plant account.

(6) The utility shall keep a record of each work order under which the electrical line extension was installed, to include the estimated revenues, the estimated construction costs, the amount of any payment received, and any refunds paid.

d. Service lines.

(1) The utility shall finance and construct either an overhead or underground service line without requiring a nonrefundable contribution in aid of construction or any payment by the applicant where the length of the overhead service line to the first point of attachment is up to 50 feet on private property or where the cost of the underground service line to the meter or service disconnect is less than or equal to the estimated cost of constructing an equivalent overhead service line of up to 50 feet.

(2) Where the length of the overhead service line exceeds 50 feet on private property, the applicant shall be required to provide a nonrefundable contribution in aid of construction for that portion of the service line on private property, exclusive of the point of attachment, within 30 days after completion. The nonrefundable contribution in aid of construction for that portion of the service line shall be computed as follows:

$$(\text{Estimated Construction Costs}) \times \frac{(\text{Total Length in Excess of 50 Feet})}{(\text{Total Length of Service Line})}$$

(3) Where the cost of the underground service line exceeds the estimated cost of constructing an equivalent overhead service line of up to 50 feet, the applicant shall be required to provide a nonrefundable contribution in aid of construction within 30 days after completion equal to the difference between the estimated cost of constructing the underground service line and the estimated cost of constructing an equivalent overhead service line of up to 50 feet.

(4) A utility may adopt a tariff or rule that allows the utility to finance and construct a service line of more than 50 feet without requiring a nonrefundable contribution in aid of construction from the customer if the tariff or rule applies equally to all customers or members.

(5) Whether or not the construction of the service line would otherwise require a payment from the customer, the utility shall charge the customer for actual permit fees.

e. Extensions not required. Utilities shall not be required to make electrical line extensions or install service lines as described in this subrule unless the electrical line extension or service line shall be of a permanent nature. When the utility provides a temporary service to a customer, the utility may require that the customer bear all 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 customers.

This rule is intended to implement Iowa Code section 476.8.

199—20.4(476) Customer relations.

20.4(1) *Customer information.* Each utility shall:

a. Maintain up-to-date maps, plans, or records of its entire transmission and distribution systems, together with such other information as may be necessary to enable the utility to advise prospective customers, and others entitled to the information, as to the facilities available for serving prospective customers in its service area.

b. Assist the customer or prospective customer in selecting the most economical rate schedule available for the customer's proposed type of service.

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 commission (rule 199—26.4(17A,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 commission, are available for public inspection. The utility shall provide access to its rate schedules and rules for service on its website, and the notice shall include the website address.

e. Upon request, inform its customers as to the method of reading meters.

f. State, on the bill form, that tariff and rate schedule information is available upon request at the utility's local business office or on the utility's website. The bill form shall include the utility's website address.

g. Upon request, transmit a statement of either the customer's actual consumption, or degree day adjusted consumption, at the company's option, of electricity for each billing during the prior 12 months.

h. Furnish such additional information as the customer may reasonably request.

20.4(2) *Customer contact employee qualifications.* Each utility shall promptly and courteously resolve inquiries for information or complaints. Employees who receive customer telephone calls, emails, or 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.

a. 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 Commission by calling

515.725.7300, or toll-free 877.565.4450, or by writing to 1375 E. Court Avenue, Des Moines, IA 50319, or by email to customer@iuc.iowa.gov." Any utility that does not use the standard statement described in this subrule will file its proposed statement in its tariff for approval.

b. The bill insert or notice on the bill shall be provided monthly.

20.4(3) *Customer deposits.*

a. Each utility may require from any customer or prospective customer a deposit intended to guarantee partial payment of bills for service. Each utility shall allow a person other than the customer to pay the customer's deposit. In lieu of a cash deposit, the utility may accept the written guarantee of a surety or other responsible party as surety for an account. Upon termination of a guarantee contract, or whenever the utility deems the contract insufficient as to amount or surety, a cash deposit or a new or additional guarantee may be required for good cause upon written notice.

b. A new or additional deposit may be required from a customer when a deposit has been refunded or is found to be inadequate. Written notice shall be mailed advising the customer of any new or additional deposit requirement. The customer shall have no less than 12 days from the date of mailing to comply. The new or additional deposit shall be payable at any of the utility's business offices or local authorized agents. An appropriate receipt shall be provided. No written notice is required to be given of a deposit required as a prerequisite for commencing initial service.

c. No deposit shall be required as a condition for service other than determined by application of either credit rating or deposit calculation criteria, or both, of the filed tariff.

d. The total deposit for any residential or commercial customer for a place that has previously received service shall not be greater than the highest billing of service for one month for the place in the previous 12-month period. The deposit for any residential or commercial customer for a place that has not previously received service, or for an industrial customer, shall be the customer's projected one-month usage for the place to be served as determined by the utility, or as may be reasonably required by the utility in cases involving service for short periods or special occasions.

20.4(4) *Interest on customer deposits.* Interest shall be paid by the rate-regulated utility to each customer required to make a deposit. Rate-regulated utilities shall compute interest on customer deposits at 7.5 percent per annum, compounded annually. Interest shall be paid for the period beginning with the date of deposit to the date of refund or to the date that the deposit is applied to the customer's account, or to the date the customer's bill becomes permanently delinquent. The date of refund is that date on which the refund or the notice of deposit refund is forwarded to the customer's last-known address. The date a customer's bill becomes permanently delinquent, relative to an account treated as an uncollectible account, is the most recent date the account became delinquent.

20.4(5) *Customer deposit records.* Each utility shall keep records to show:

- a. The name and address of each depositor.
- b. The amount and date of the deposit.
- c. Each transaction concerning the deposit.

20.4(6) *Customer's receipt for a deposit.* Each utility shall issue a receipt of deposit to each customer from whom a deposit is received and shall provide means whereby a depositor may establish claim if the receipt is lost.

20.4(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. For refund purposes the account shall be reviewed for prompt payment 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 provided by paragraph 20.4(3) "b," 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.

20.4(8) *Unclaimed deposits.* The utility shall make a reasonable effort to return each unclaimed deposit and accrued interest after the termination of the services for which the deposit was made. The utility shall maintain a record of deposit information for at least two years or until such time as the deposit, together with accrued interest, escheats to the state pursuant to Iowa Code section 556.4, at

which time the record and deposit, together with accrued interest less any lawful deductions, shall be sent to the state treasurer pursuant to Iowa Code section 556.11.

20.4(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. The reading of the meter at the beginning and at the end of the period for which the bill is provided.
- b. The dates on which the meter was read, at the beginning and end of the billing period.
- c. The number and kind of units metered.
- d. The applicable rate schedule, with the identification of the applicable rate classification.
- e. The account balance brought forward and amount of each net charge for rate-schedule-priced utility service, sales tax, other taxes, late payment charge, and total amount currently due. In the case of prepayment meters, the amount of money collected shall be shown.
- f. The last date for timely payment, which shall be clearly shown and shall be not less than 20 days after the bill is provided.
- g. A distinct marking to identify an estimated bill.
- h. A distinct marking to identify a minimum bill.
- i. Any conversions from meter reading units to billing units, or any calculations to determine billing units from recording or other devices, or any other factors, such as sliding scale or automatic adjustment and amount of sales tax adjustments used in determining the bill.
- j. Customer billing information alternate. A utility serving less than 5,000 electric customers may provide the information in this subrule on bill form or otherwise. If the utility elects not to provide this information, it shall advise the customer, on bill form or by bill insert, that such information can be obtained by contacting the utility's local office.

20.4(10) Payment agreements.

a. *Availability of a first payment agreement.* When a residential customer cannot pay in full a delinquent bill for utility service or has an outstanding debt to the utility for residential utility service and is not in default of a payment agreement with the utility, a utility shall offer the customer an opportunity to enter into a reasonable payment agreement.

b. *Reasonableness.* Whether a payment agreement is reasonable will be determined by considering the current household income, ability to pay, payment history including prior defaults on similar agreements, the size of the bill, the amount of time, the reasons why the bill has been outstanding, and any special circumstances creating extreme hardships within the household. The utility may require the person to confirm financial difficulty with an acknowledgment from the department of health and human services or another agency.

c. *Terms of payment agreements.*

(1) First payment agreement. The utility shall offer the following conditions to customers who have received a disconnection notice or who have been previously disconnected and are not in default of a payment agreement:

1. For customers who received a disconnection notice or who 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 even 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 six even monthly payments. The utility shall inform customers they may pay off the delinquency early without incurring any prepayment penalties.
2. The agreement shall also include a 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 provided to the customer when addressed to the customer's last-known address and deposited in the U.S. mail with postage paid, or sent via electronic delivery with customer consent. If delivery is by other than U.S. mail, the document shall be considered provided to the customer when delivered to the last-known address, including electronic addresses, of the customer.

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

9. Once the first payment required by the agreement is made by the customer or on behalf of the customer, the oral or electronic agreement is deemed accepted by the customer.

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 initial payment is due on the due date for the next regular bill.

12. A customer shall not be charged interest, or a late payment charge, on a payment agreement where the customer is making payments consistent with the terms of the payment agreement.

(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 a term at least as long as the term of the first payment agreement.

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 budget billing plan to pay the current bill.

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

d. Refusal by utility. A customer may offer the utility a proposed payment agreement. If the utility and the customer do not reach an agreement, the utility may refuse the offer orally, but the utility must provide a written refusal to the customer, stating the reason for the refusal, within three days of the oral notification. The written refusal shall be considered provided 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 written refusal shall be considered provided to the customer when handed to the customer, when delivered to the last-known address of the customer, or sent via electronic delivery with customer consent.

A customer may ask the commission for assistance in working out a reasonable payment agreement. The request for assistance must be made to the commission within ten days after the written refusal is provided. During the review of this request, the utility shall not disconnect the service.

20.4(11) Bill payment terms. The bill shall be considered provided 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 provided when delivered to the last-known address of the customer, or sent via electronic delivery with customer consent. There shall not be less than 20 days between the providing of a bill and the date by which the account becomes delinquent. Bills for customers on more frequent billing intervals under subrule 20.3(4) may not be considered delinquent less than five days from the date the bill is provided. However, a late payment charge may not be assessed if payment is received within 20 days of the date the bill is provided.

a. The date of delinquency for all residential customers or other customers whose consumption is less than 3,000 kWh per month shall be changeable for cause such as but not limited to 15 days from the 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. In any case where net and gross amounts are billed to customers, the difference between net and gross is a late payment charge and is valid only when part of a delinquent bill payment. A utility's late payment charge shall not exceed 1.5 percent per month of the past due amount. No collection fee may be levied in addition to this late payment charge. This rule does not prohibit cost-justified charges for disconnection and reconnection of service.

c. If the customer makes partial payment in a timely manner, and does not designate the service or product for which payment is made, the payment shall be credited pro rata between the bill for utility services and related taxes.

d. Each account shall be granted not less than one complete forgiveness of a late payment charge each calendar year. The utility's rules shall be definitive that on one monthly bill in each period of eligibility, the utility will accept the net amount of such bill as full payment for such month after expiration of the net payment period. The rules shall state how the customer is notified that the eligibility has been used. Complete forgiveness prohibits any effect upon the credit rating of the customer or collection of late payment charge.

e. Budget billing plan. Utilities shall offer a budget billing plan to all residential customers or other customers whose consumption is less than 3,000 kWh per month. A budget billing plan should be designed to limit the volatility of a customer's bill and maintain reasonable account balances. The 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 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 budget billing plan to a customer for six months after the customer has terminated from a budget billing plan.

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

The amount to be paid at each billing interval by a customer on a budget billing plan shall be computed at the time of entry into the plan and shall be recomputed at least annually. The 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 budget billing amount is recomputed, the budget billing plan account balance shall be divided by 12 and the resulting amount shall be added to the estimated monthly budget billing amount. Except when a utility has a budget billing plan that recomputes the budget billing amount monthly, the customer shall be given the option of applying any credit to payments of subsequent months' budget billing amounts due or of obtaining a refund of any credit in excess of \$25.

Except when a utility has a budget billing plan that recomputes the budget billing amount monthly, the customer shall be notified of the recomputed payment amount not less than one full billing period 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

budget billing amount. If the account balance is a credit, the budget billing plan may be terminated by the utility after 30 days of delinquency.

20.4(12) Customer records. The utility shall retain records as may be necessary to effectuate compliance with subrules 20.4(13) and 20.6(6), but not less than five years. Records for a customer shall show, where applicable:

- a. kWh meter reading;
- b. kWh consumption;
- c. kW meter reading;
- d. kW measured demand;
- e. kW billing demand; and
- f. Total amount of bill.

20.4(13) Adjustment of bills.

a. *Meter error.* Whenever a meter creeps or whenever a metering installation is found upon any test to have an average error of more than 2.0 percent for watt-hour metering, or a demand metering error of more than 1.5 percent in addition to the errors allowed under accuracy of demand metering, an adjustment of bills for service for the period of inaccuracy shall be made in the case of overregistration and may be made in the case of underregistration. The amount of the adjustment shall be calculated on the basis that the metering equipment should be 100 percent accurate with respect to the testing equipment used to make the test. For watt-hour metering installations, the average accuracy shall be the arithmetic average of the percent registration at 10 percent of rated test current and at 100 percent of rated test current, giving the 100 percent of rated test current registration a weight of four and the 10 percent of rated test current registration a weight of one.

b. *Determination of adjustment.* Recalculation of bills shall be on the basis of actual monthly consumption, except that if service has been measured by self-contained single-phase meters or three-wire network meters and involves no billing other than for kWh, the recalculation of bills may be based on the average monthly consumption determined from the most recent 36 months' consumption data.

When the average error cannot be determined by test because of failure of part or all of the metering equipment, it shall be permissible to use the registration of check metering installations, if any, or to estimate the quantity of energy consumed based on available data. The customer must be advised of the failure and of the basis for the estimate of quantity billed. The periods of error shall be used as defined in subparagraphs 20.4(13) "b"(1) and "b"(2).

(1) *Overregistration.* If the date when overregistration began can be determined, such date shall be the starting point for determination of the amount of the adjustment. If the date when overregistration began cannot be determined, it shall be assumed that the error has existed for the shortest time period calculated as one-half the time since the meter was installed or one-half the time elapsed since the last meter test unless otherwise ordered by the commission.

The overregistration due to creep shall be calculated by timing the rate of creeping and assuming that the creeping affected the registration of the meter for 25 percent of the time since the more recent of either metering installation or last previous test.

(2) *Underregistration.* If the date when underregistration began can be determined, it shall be the starting point for determination of the amount of the adjustment except that billing adjustment shall be limited to the preceding six months. If the date when underregistration began cannot be determined, it shall be assumed that the error has existed for one-half of the time elapsed since the more recent of either meter installation or the last meter test, except that billing adjustment shall be limited to the preceding six months unless otherwise ordered by the commission.

The underregistration due to creep shall be calculated by timing the rate of creeping and assuming that this creeping affected the registration for 25 percent of the time since the more recent of either metering installation or last previous test, except that billing adjustment shall be limited to the preceding six months.

c. *Refunds.* If the recalculated bills due to overregistration indicate that \$5 or more is due an existing customer or \$10 or more is due a person no longer a customer of the utility, the tariff shall provide refunding of the full amount of the calculated difference between the amount paid and the

recalculated amount. Refunds shall be made to the two most recent customers who received service through the metering installation found to be in error. In the case of a previous customer who is no longer a customer of the utility, a notice of the amount subject to refund shall be mailed to such previous customer at the last-known address, and the utility shall, upon demand made within three months thereafter, refund the same.

Refunds shall be completed within six months following the date of the metering installation test.

d. Back billing. A utility may not back bill due to underregistration unless a minimum back bill amount is specified in its tariff. The minimum amount specified for back billing shall not be less than but may be greater than \$5 for an existing customer or \$10 for a former customer. All recalculations resulting in an amount due equal to or greater than the tariff specified minimum shall result in issuance of a back bill.

Back billings shall be provided no later than six months following the date of the metering installation test.

e. Overcharges. When a customer has been overcharged as a result of incorrect reading of the meter, incorrect application of the rate schedule, incorrect connection of the metering installation or other similar reasons, the amount of the overcharge shall be adjusted, refunded or credited to the customer. The utility shall not be required to adjust, refund, or credit the customer's bill for a period of more than five years unless a different time period is ordered by the commission.

f. Undercharges. When a customer has been undercharged as a result of incorrect reading of the meter, incorrect application of the rate schedule, incorrect connection of the meter, or other similar reasons, the amount of the undercharge may be billed to the customer. The period for which the utility may adjust for the undercharge shall not exceed five years unless otherwise ordered by the commission. The maximum back bill shall not exceed the dollar amount equivalent to the tariffed rate for like charges (e.g., usage-based, fixed, or service charges) in the 12 months preceding discovery of the error unless otherwise ordered by the commission.

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

20.4(14) Refusal or disconnection of service. A utility shall refuse service or disconnect service to a customer, as defined in subrule 20.1(3), in accordance with tariffs that are consistent with these rules.

a. The utility shall give written notice of pending disconnection, except as specified in paragraph 20.4(14) "b." The notice shall set forth the reason for the notice and the final date by which the account is to be settled or specific action taken. The notice shall be considered provided 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 notice shall be considered provided when delivered to the last-known address of the customer. The date for disconnection of service shall be not less than 12 days after the notice is provided. The date for disconnection of service for customers on shorter billing intervals under subrule 20.3(4) shall not be less than 24 hours after the notice is posted at the service premises.

One written notice, including all reasons for the notice, shall be given where more than one cause exists for disconnection of service. In determining the final date by which the account is to be settled or other specific action taken, the days of notice for the causes shall be concurrent.

b. Service may be disconnected without notice:

- (1) In the event of a condition on the customer's premises determined by the utility to be hazardous.
- (2) In the event of customer use of equipment in a manner that adversely affects the utility's equipment or the utility's service to others.
- (3) In the event of tampering with the equipment furnished and owned by the utility. For the purposes of this subrule, a broken or absent meter seal alone shall not constitute tampering.

(4) In the event of unauthorized use.

c. Service may be disconnected or refused after proper notice:

- (1) For violation of or noncompliance with the utility's rules on file with the commission.
- (2) For failure of the customer to furnish the service equipment, permits, certificates, or rights-of-way that are specified to be furnished, in the utility's rules filed with the commission, as conditions of obtaining service, for the withdrawal of that same equipment, for the termination of those same

permissions or rights, or for the failure of the customer to fulfill the contractual obligations imposed as conditions of obtaining service by any contract filed with and subject to the regulatory authority of the commission.

(3) For failure of the customer to permit the utility reasonable access to the utility's equipment.

d. Service may be refused or disconnected after proper notice for nonpayment of a bill or deposit, except as restricted by subrules 20.4(15) and 20.4(16), provided that the utility has complied with the following provisions when applicable:

(1) Given the customer a reasonable opportunity to dispute the reason for the disconnection or refusal.

(2) Given the customer, and any other person or agency designated by the customer, written notice that the customer has at least 12 days in which to make settlement of the account to avoid disconnection and a written summary of the rights and responsibilities available. Customers billed more frequently than monthly pursuant to subrule 20.3(6) shall be given posted written notice that they have 24 hours to make settlement of the account to avoid disconnection and a written summary of the rights and responsibilities. All written notices shall include a toll-free or collect telephone number where a utility representative qualified to provide additional information about the disconnection can be reached. Each utility representative must provide the representative's name and have immediate access to current, detailed information concerning the customer's account and previous contacts with the utility.

(3) The summary of the rights and responsibilities must be approved by the commission. Any utility providing electric service and defined as a public utility in Iowa Code section 476.1 that does not use the standard form set forth below for customers billed monthly shall submit to the commission 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 "electric" with the words "gas and electric" in all instances.

CUSTOMER RIGHTS AND RESPONSIBILITIES TO AVOID SHUTOFF OF ELECTRIC SERVICE FOR NONPAYMENT

1. What can I do if I receive a notice from the utility that says my service will be shut off because I have a past due bill?

- a. Pay the bill in full;
- b. Enter into a reasonable payment plan with the utility (see #2 below);
- c. Apply for and become eligible for low-income energy assistance (see #3 below);
- d. Give the utility a written statement from a doctor or public health official stating that shutting off your electric service would pose an especial health danger for a person living at the residence (see #4 below); or
- e. Tell the utility if you think part of the amount shown on the bill is wrong. However, you must still pay the part of the bill you agree you owe the utility (see #5 below).

2. How do I go about making a reasonable payment plan? (Residential customers only)

- a. Contact the utility as soon as you know you cannot pay the amount you owe. If you cannot pay all the money you owe at one time, you are to be offered an initial payment plan that spreads payments evenly over at least 12 months. The plan may be longer depending on your financial situation.
- b. If you have not made the payments you promised in a previous payment plan with the utility and still owe money, you may qualify for a second payment agreement under certain conditions.
- c. If you do not make the payments you promise, the utility may shut off your utility service on one day's notice unless all the money you owe the utility is paid or you enter into another payment agreement.

3. How do I apply for low-income energy assistance? (Residential customers only)

- a. Applications are taken at your local community action agency. If you are unsure where to apply, call 211 or 800.244.7431, or visit hhs.iowa.gov/programs/programs-and-services/liheap. To prevent disconnection, contact the utility prior to disconnection of your service.
- b. To avoid disconnection, you must apply for energy assistance or weatherization before your service is shut off. Notify your utility that you may be eligible and have applied for energy assistance.

Once your service has been disconnected, it will not be reconnected based on approval for energy assistance.

c. Being certified eligible for energy assistance will prevent your service from being disconnected from November 1 through April 1.

4. What if someone living at the residence has a serious health condition? (Residential customers only)

Contact the utility if you believe this is the case. Contact your doctor or a public health official and ask the doctor or health official to contact the utility and state that shutting off your utility service would pose an especial health danger for a person living at your residence. The doctor or public health official must provide a written statement to the utility office within five days of when your doctor or public health official notifies the utility of the health condition; otherwise, your utility service may be shut off. If the utility receives this written statement, your service will not be shut off for 30 days. This 30-day delay is to allow you time to arrange payment of your utility bill or find other living arrangements. After 30 days, your service may be shut off if full payment or payment arrangements have not been made.

5. What should I do if I believe my bill is not correct?

You may dispute your utility bill. You must tell the utility that you dispute the bill. You must pay the part of the bill you think is correct. If you do this, the utility will not shut off your service for up to 45 days from the date the bill was mailed while you and the utility work out the dispute over the part of the bill you think is incorrect. You may ask the Iowa Utilities Commission for assistance in resolving the dispute. (See #9 below.)

6. When can the utility shut off my utility service because I have not paid my bill?

- a. Your utility can shut off service between the hours of 6 a.m. and 2 p.m., Monday through Friday.
- b. The utility will not shut off your service on nights, weekends, or holidays for nonpayment of a bill.
- c. The utility will not shut off your service if you enter into a reasonable payment plan to pay the overdue amount (see #2 above).
- d. The utility will not shut off your service if the temperature is forecasted to be 20 degrees Fahrenheit or colder during the following 24-hour period, including the day your service is scheduled to be shut off.
- e. If you have qualified for low-income energy assistance, the utility cannot shut off your service from November 1 through April 1.

However, you will still owe the utility for the service used during this time.

f. The utility will not shut off your service if you have notified the utility that you dispute a portion of your bill and you pay the part of the bill that you agree is correct.

g. If one of the heads of household is a service member deployed for military service, utility service cannot be shut off during the deployment or within 90 days after the end of deployment. In order for this exception to disconnection to apply, the utility must be informed of the deployment prior to disconnection. However, you will still owe the utility for service used during this time.

7. How will I be told the utility is going to shut off my 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 of or another conspicuous place at your residence to tell you that your utility service will be shut off.

8. If service is shut off, when will it be turned back on?

- a. The utility will turn your service back on if you pay the whole amount you owe or agree to a reasonable payment plan. The service shall be restored for 30 days if the customer provides the utility with medical verification from a doctor or public health official of an especial danger to health within 14 days of a shut off for nonpayment.

b. If you make your payment during regular business hours, or by 7 p.m. for utilities permitting such payment or other arrangements after regular business hours, the utility must make a reasonable effort to turn your service back on that day. If service cannot reasonably be turned on that same day, the utility must do it by 11 a.m. the next day.

c. The utility may charge you a fee to turn your service back on that may be higher in the evening or on weekends, so you may ask that your service be turned on during normal utility business hours.

9. Is there any other help available besides my utility?

If the utility has not been able to help you with your problem, you may contact the Iowa Utilities Commission toll-free at 877.565.4450. You may also write the Iowa Utilities Commission at 1375 E. Court Ave., Des Moines, IA 50319, or email at customer@iuc.iowa.gov. Low-income customers may also be eligible for free legal assistance from Iowa Legal Aid and may contact Legal Aid at 800.532.1275.

(4) If the utility has adopted a service limitation policy pursuant to subrule 20.4(21), the following paragraph shall be appended to the end of the standard form for the summary of rights and responsibilities, as set forth in subparagraph 20.4(14) “d”(3):

Service limitation: We have adopted a limitation of service policy for customers who otherwise could be disconnected. Contact our business office for more information or to learn if you qualify.

(5) When disconnecting service to a residence, the utility made a diligent attempt to contact, by telephone or in person, the customer 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 utility shall make a diligent attempt to contact the landlord of the rental unit, if known, to determine if the customer is still in occupancy and, if so, the customer’s present location. The landlord shall also be informed of the date when service may be disconnected. The utility shall make a diligent attempt to inform the landlord 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.

(6) Disputed bill. If the customer has received notice of disconnection and has a dispute concerning a bill for electric utility service, the utility may require the customer to pay a sum of money equal to the amount of the undisputed portion of the bill pending settlement and thereby avoid disconnection of service. A utility shall delay disconnection for nonpayment of the disputed bill for up to 45 days after the providing of the bill if the customer pays the undisputed amount. The 45 days shall be extended if requested of the utility by the commission in the event the customer files a written complaint with the commission in compliance with 199—Chapter 6.

(7) Reconnection. Disconnection of a residential customer may take place only between the hours of 6 a.m. and 2 p.m. on a weekday and not on weekends or holidays. If a disconnected customer makes payment or other arrangements during normal business hours, or by 7 p.m. for utilities permitting such payment or other arrangements after normal business hours, all reasonable efforts shall be made to reconnect the customer that day. If a disconnected customer makes payment or other arrangements after 7 p.m., all reasonable efforts shall be made to reconnect the customer not later than 11 a.m. the next day.

(8) Severe cold weather. A disconnection may not take place where electricity is used as the only source of space heating or to control or operate the only space heating equipment at a residence when the actual temperature or the 24-hour forecast of the National Weather Service for the residence’s area is predicted to be 20 degrees Fahrenheit or colder. If the utility has properly posted a disconnect notice but is precluded from disconnecting service because of severe cold weather, the utility may immediately proceed with appropriate disconnection procedures, without further notice, when the temperature in the residence’s area rises above 20 degrees Fahrenheit and is forecasted to 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.

(9) Health of a resident. Disconnection of a residential customer shall be postponed if the disconnection of service would present an especial danger to the health of any permanent resident of the premises. An especial danger to health is indicated if a person appears to be seriously impaired and may, because of mental or physical problems, be unable to manage the person's own resources, to carry out activities of daily living or to be protected from neglect or hazardous situations without assistance from others. Indicators of an especial danger to health include but are not limited to age, infirmity, or mental incapacitation; serious illness; physical disability, including blindness and limited mobility; and any other factual circumstances that indicate a severe or hazardous health situation.

The utility may require written verification of the especial danger to health by a physician or a public health official, including the name of the person endangered; a statement that the person is a resident of the premises in question; the name, business address, and telephone number of the certifying party; the nature of the health danger; and approximately how long the danger will continue. Initial verification by the verifying party may be by telephone if written verification is forwarded to the utility within five days.

Verification shall postpone disconnection for 30 days. In the event service is terminated within 14 days prior to verification of illness by or for a qualifying resident, service shall be restored to that residence if a proper verification is thereafter made in accordance with the foregoing provisions. If the customer does not enter into a reasonable payment agreement for the retirement of the unpaid balance of the account within the first 30 days and does not keep the current account paid during the period that the unpaid balance is to be retired, the customer is subject to disconnection pursuant to paragraph 20.4(14) "f."

(10) Winter energy assistance (November 1 through April 1). If the utility is informed that the customer's household may qualify for winter energy assistance or weatherization funds, there shall be no disconnection of service for 30 days from the date the utility is notified to allow the customer time to obtain assistance. Disconnection shall not take place from November 1 through April 1 for a resident who is a head of household and who has been certified to the public utility by the community action agency as eligible for either the low-income home energy assistance program or weatherization assistance program, as well as members of the household named in the application. A utility may develop an incentive program to delay disconnection on April 1 for customers who make payments throughout the November 1 through April 1 period. All such incentive programs shall be set forth in tariffs approved by the commission.

(11) Deployment. If the utility is informed that one of the heads of household as defined in Iowa Code section 476.20 is a service member deployed for military service, as defined in Iowa Code section 29A.90, disconnection cannot take place at the residence during the deployment or prior to 90 days after the end of the deployment.

e. Abnormal electric consumption. A customer who is subject to disconnection for nonpayment of bill, and who has electric consumption that appears to the customer to be abnormally high, may request the utility to assist in identifying the factors contributing to this usage pattern and to suggest remedial measures. The utility shall assist by discussing patterns of electric usage that may be readily identifiable, suggesting that an energy audit be conducted, and identifying sources of energy conservation information and financial assistance that may be available to the customer.

f. A utility may disconnect electric service after 24-hour notice (and without the written 12-day notice) for failure of the customer to comply with the terms of a payment agreement.

g. The utility shall, prior to November 1, mail customers a notice describing the availability of winter energy assistance funds and the application process. The notice must be of a type size that is easily legible and conspicuous and must contain the information set out by the state agency administering the assistance program. A utility serving fewer than 25,000 customers may publish the notice in a customer newsletter in lieu of mailing. A utility serving fewer than 6,000 customers may publish the notice in an advertisement in a local newspaper of general circulation or shopper's guide.

20.4(15) *Insufficient reasons for denying service.* The following shall not constitute sufficient cause for refusal of service to a customer:

- a. Delinquency in payment for service by a previous occupant of the premises to be served.
- b. Failure to pay for merchandise purchased from the utility.
- c. Failure to pay for a different type or class of public utility service.
- d. Failure to pay the bill of another customer as guarantor thereof.
- e. Failure to pay the back bill provided in accordance with paragraph 20.4(13) "d."
- f. Failure to pay a bill provided in accordance with paragraph 20.4(13) "f."
- 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. Delinquency in payment for service by an occupant if the customer applying for service is creditworthy and able to satisfy any deposit requirements.
- i. Delinquency in payment for service arising more than ten years prior, as measured from the most recent of:
 - (1) The last date of service for the account giving rise to the delinquency,
 - (2) Physical disconnection of service for the account giving rise to the delinquency, or
 - (3) The last voluntary payment or voluntary written promise of payment made by the customer, if made before the ten-year period described in this paragraph has otherwise lapsed.
- j. Delinquency in payment for service that arose on or before September 4, 2010, pursuant to an oral contract, except in cases of fraud or deception that prevented the utility from timely addressing such delinquencies with the customer.

20.4(16) *When disconnection is prohibited.*

- a. No disconnection may take place from November 1 through April 1 for a resident who has been certified to the public utility by the local community action agency as being eligible for either the low-income home energy assistance program or weatherization assistance program.
- b. If the utility is informed that one of the heads of household as defined in Iowa Code section 476.20 is a service member deployed for military service, as defined in Iowa Code section 29A.90, disconnection cannot take place at the residence during the deployment or prior to 90 days after the end of the deployment.

20.4(17) *Estimated demand.* Upon request of the customer and provided the customer's demand is estimated for billing purposes, the utility shall measure the demand during the customer's normal operation and use the measured demand for billing.

20.4(18) *Servicing utilization control equipment.* Each utility shall service and maintain any equipment it uses on a customer's premises and shall correctly set and keep in proper adjustment any thermostats, clocks, relays, time switches, or other devices that control the customer's service in accordance with the provisions in the utility's rate schedules.

20.4(19) *Customer complaints.* Complaints concerning the charges, practices, facilities or service of the utility shall be investigated promptly and thoroughly. The utility shall keep such records of customer complaints as will enable it to review and analyze its procedures and actions.

- a. Each utility shall provide in its filed tariff a concise, fully informative procedure for the resolution of customer complaints.
- b. The utility shall take reasonable steps to ensure that customers unable to travel shall not be denied the right to be heard.
- c. The final step in a complaint hearing and review procedure shall be a filing for commission resolution of the issues.

20.4(20) *Change in type of service.* If a change in the type of service or a change in voltage to a customer's substation is effected at the insistence of the utility and not solely by reason of increase in the customer's load or change in the character thereof, the utility shall share equitably in the cost of changing the equipment of the customer affected as determined by the commission in the absence of agreement between utility and customer. In general, the customer should be protected against or reimbursed for the following losses and expenses to an appropriate degree:

- a. Loss of value in electrical power utilization equipment,

- b. Cost of changes in wiring, and
- c. Cost of removing old and installing new utilization equipment.

20.4(21) *Limitation of service.* The utility shall have the option of adopting a policy for service limitation at a customer's residence as a measure to be taken in lieu of disconnection of service to the customer. The service limiter policy shall be set out in the utility's tariff and contain the following conditions:

- a. A service limitation device shall not be activated without the customer's agreement.
- b. A service limitation device shall not be activated unless the customer has defaulted on all payment agreements for which the customer qualifies under the commission's rules and the customer has agreed to a subsequent payment agreement.
- c. The service limiter shall provide for usage of a minimum of 3,600 watts. If the service limiter policy provides for different usage levels for different customers, the tariff shall set out specific nondiscriminatory criteria for determining the usage levels. Electric-heating residential customers may have their service limited if otherwise eligible, but such customers shall have consumption limits set at a level that allows them to continue to heat their residences. For purposes of this subrule, "electric heating" applies to heating by means of a fixed-installation electric appliance that serves as the primary source of heat and not, for example, one or more space heaters.
- d. A provision that, if the minimum usage limit is exceeded such that the limiter function interrupts service, the service limiter function must be capable of being reset manually by the customer, or the service limiter function must reset itself automatically within 15 minutes after the interruption. In addition, the service limiter function may also be capable of being reset remotely by the utility. If the utility chooses to use the option of resetting the meter remotely, the utility shall provide a 24-hour toll-free number for the customer to notify the utility that the limiter needs to be reset and the meter shall be reset immediately following notification by the customer. If the remote reset option is used, the meter must still be capable of being reset manually by the customer or the service limiter function must reset itself automatically within 15 minutes after the interruption.
- e. There shall be no disconnect, reconnect, or other charges associated with service limiter interruptions or restorations. A provision that, upon installation of a service limiter or activation of a service limiter function on the meter, the utility shall provide the customer with information on the operation of the limiter, including how it can be reset, and information on what appliances or combination of appliances can generally be operated to stay within the limits imposed by the limiter.
- f. A provision that the service limiter function of the meter shall be disabled no later than the next working day after the residential customer has paid the delinquent balance in full.
- g. A service limiter customer that defaults on the payment agreement is subject to disconnection after a 24-hour notice pursuant to paragraph 20.4(14) "f."

This rule is intended to implement Iowa Code sections 476.6, 476.8, 476.20, and 476.54.

199—20.5(476) Engineering practice.

20.5(1) *Requirement for good engineering practice.* The electric plant of the utility shall be constructed, installed, maintained, and operated in accordance with accepted good engineering practice in the electric industry to ensure, as far as reasonably possible, continuity of service, uniformity in the quality of service furnished, and the safety of persons and property.

20.5(2) *Standards incorporated by reference.* The utility shall use the applicable provisions in the publications listed below as standards of accepted good practice unless otherwise ordered by the commission.

- a. Iowa Electrical Safety Code, as defined in 199—Chapter 25.
- b. National Electrical Code, ANSI/NFPA 70-2023, as published September 14, 2022.
- c. American National Standard Requirements for Instrument Transformers, ANSI/IEEE C57.13.1-2016, as approved August 21, 2017; and C57.13.3-2016, as approved August 21, 2017.
- d. American National Standard for Electric Power Systems and Equipment Voltage Ratings (60 Hertz), ANSI C84.1-2020, as published September 3, 2020.

e. Recommended Practice for Grounding of Industrial and Commercial Power Systems, IEEE 3003.1-2019, as published August 9, 2019.

f. IEEE Standard 1159-2019, IEEE Recommended Practice for Monitoring Electric Power Quality or any successor standard, as published August 13, 2019.

g. IEEE Standard 519-2022, IEEE Recommended Practices and Requirements for Harmonic Control in Electrical Power Systems, as published August 5, 2022.

h. At railroad crossings, as described in rule 199—42.6(476).

20.5(3) Adequacy of supply and reliability of service. The generating capacity of the utility's plant, supplemented by the electric power regularly available from other sources, must be sufficiently large to meet all normal demands for service and provide a reasonable reserve for emergencies.

In appraising adequacy of supply the commission will segregate electric utilities into two classes viz., those having high capacity transmission interconnections with other electrical utilities and those that lack such interconnection and are therefore completely dependent upon the firm generating capacity of the utility's own generating facilities.

a. In the case of utilities having interconnecting ties with other utilities, the commission will, upon appraising adequacy of supply, take appropriate notice of the utility's recent past record, as of the date of appraisal, of any widespread service interruptions and any capacity shortages along with the consideration of the supply regularly available from other sources, the normal demands, and the required reserve for emergencies.

b. In the case of noninterconnected utilities, the commission will give attention to the maximum total coincident customer demand that could be satisfied without the use of the single element of plant equipment, the disability of which would produce the greatest reduction in total net plant productive capacity and also give attention to the normal demands for service and to the reasonable reserve for emergencies.

This rule is intended to implement Iowa Code sections 476.8 and 478.18.

199—20.6(476) Metering.

20.6(1) Inspection and testing program. Each utility shall adopt a written program for the inspection and testing of its meters to determine the necessity for adjustment, replacement, or repair. The frequency of inspection and methods of testing shall be based on the utility's experience, manufacturer's recommendations, and accepted good practice. The publications listed in subrule 20.6(3) are representative of accepted good practice. Each utility shall maintain inspecting and testing records for each meter and associated device until three years after its retirement.

20.6(2) Program content. The written program shall, at minimum, address the following subject areas:

- a. Classification of meters by capacity, type, and any other factor considered pertinent.
- b. Checking of new meters for acceptable accuracy before they are placed in service.
- c. Testing of in-service meters, including any associated instruments or corrective devices, for accuracy, adjustments, or repairs. This may be accomplished by periodic tests at specified intervals or on the basis of a statistical sampling plan but shall include meters removed from service for any reason.
- d. Periodic calibration or testing of devices or instruments used by the utility to test meters.
- e. The limits of meter accuracy considered acceptable by the utility.
- f. The nature of meter and meter test records that will be maintained by the utility.

20.6(3) Accepted good practice. The American National Standard Code for Electricity Metering, ANSI C12.1-2022, as approved June 9, 2022, is considered to be representative of accepted good practice in matters of metering and meter testing.

20.6(4) Meter adjustment. All meters and associated metering devices shall, when tested, be adjusted as closely as practicable to the condition of zero error.

20.6(5) Request tests. Upon request by a customer, a utility shall test the meter servicing for that customer but need not test more frequently than once in 18 months.

A written report of the test results shall be mailed to the customer within ten days of the completed test, and a record of each test shall be kept and made available upon request. The utility shall give the customer or a representative of the customer the opportunity to be present while the test is conducted.

If the test finds the meter is accurate within the limits accepted by the utility in its meter inspection and testing program, the utility may charge the customer \$25 or the cost of conducting the test, whichever is less. The customer shall be advised of any potential charge before the meter is removed for testing.

20.6(6) Referee tests. Upon written request by a customer or utility, the commission will conduct a referee test of a meter but need not test more frequently than once in 18 months. The customer request shall be accompanied by a \$30 deposit made payable to the utility.

Within five days of receipt of the written request and payment, the commission 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 commission 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 in subrule 20.4(13). The commission shall issue its report within 15 days after the test is conducted, with a copy to the customer and the utility.

20.6(7) Condition of meter. No meter that is known to be mechanically or electrically defective, or to have incorrect constants, or that has not been tested and adjusted if necessary in accordance with these rules shall be installed or continued in service. The capacity of the meter and the index mechanism shall be consistent with the electricity requirements of the customer.

20.6(8) Comprehensive meter upgrade programs.

a. A utility may forgo the meter testing procedures required under the utility's own inspection and testing program and subrule 20.6(2) if:

(1) The meters are removed or scheduled to be removed as part of a comprehensive meter upgrade program over a specified period not to exceed three years;

(2) The meters being removed have not previously been shown to be inaccurate or otherwise faulty;

(3) The utility either retains the removed meters for a period of one year from the removal date to allow customers the opportunity to challenge a meter's accuracy or tests a representative statistical sample based upon an industry standard such as ANSI C12.1-2022 of each type of meter being removed as part of the program and maintains the removed meters for a period of at least six months; and

(4) The utility tests any meter upon request of a customer based upon the customer's experience comparing the replaced and replacement meters.

b. Prior to forgoing its testing procedures under this subrule, a utility shall notify the commission that the utility is engaging in a comprehensive meter upgrade program. The notice shall state the option the utility is electing to pursue under subparagraph 20.6(8) "a"(3), the specified period of the program, and the expected number of meters to be upgraded. A utility electing to test a statistical sample of removed meters under subparagraph 20.6(8) "a"(3) shall also state the industry standard it will use to determine the sample size and provide the full text of the standard to the commission upon request.

c. A utility shall continue to follow the meter testing procedures for meters removed for any reason unrelated to the comprehensive meter upgrade program.

d. A utility shall resume the meter testing procedures required under the utility's own inspection and testing program and subrule 20.6(2) upon completion of the comprehensive meter upgrade program or the end of the specified period, whichever occurs first.

199—20.7(476) Standards of quality of service.

20.7(1) Standard frequency. The standard frequency for alternating current distribution systems shall be 60 cycles per second. The frequency shall be maintained within limits that will permit the satisfactory operation of customer's clocks connected to the system.

20.7(2) Voltage limits retail. Each utility supplying electric service to ultimate customers shall provide service voltages in conformance with the standard at paragraph 20.5(2) "d."

20.7(3) Voltage balance. Where three-phase service is provided, the utility shall exercise reasonable care to ensure that the phase voltages are in balance. In no case shall the ratio of maximum voltage deviation from average to average voltage exceed .02.

20.7(4) Voltage limits, service for resale. The nominal voltage shall be as mutually agreed upon by the parties concerned. The allowable variation shall not exceed 7.5 percent above or below the agreed-upon nominal voltage without the express approval of the commission.

20.7(5) Exceptions to voltage requirements. Voltage outside the limits specified will not be considered a violation when the variations:

- a. Arise from the action of the elements.
- b. Are infrequent fluctuations not exceeding five minutes in duration.
- c. Arise from service interruptions.
- d. Arise from temporary separation of parts of the system from the main system.
- e. Are from causes beyond the control of the utility.
- f. Do not exceed 10 percent above or below the standard nominal voltage, and service is at a distribution line or transmission line voltage with the retail customer providing voltage regulators.

20.7(6) Voltage surveys and records. Voltage measurements shall be made at the customer's entrance terminals. For single-phase service the measurement shall be made between the grounded conductor and the ungrounded conductors. For three-phase service the measurement shall be made between the phase wires.

20.7(7) Each utility shall make a sufficient number of voltage measurements in order to determine if voltages comply with subrules 20.7(2), 20.7(3), and 20.7(4). All records obtained under this subrule shall be retained by the utility for at least two years and shall be available for inspection by the commission's representatives. Notations on each chart shall indicate the following:

- a. The location where the voltage was taken.
- b. The time and date of the test.
- c. The results of the comparison with a working standard indicating voltmeter.

20.7(8) Equipment for voltage measurements.

a. *Secondary standard indicating voltmeter.* Each utility shall have available at least one indicating voltmeter maintained with error no greater than 0.25 percent of full scale.

b. *Working standard indicating voltmeters.* Each utility shall have at least two indicating voltmeters maintained so as to have as-left errors of no greater than 1 percent of full scale.

c. *Recording voltmeters.* Each utility must have readily available at least two portable recording voltmeters with a rated accuracy of 1 percent of full scale.

d. *Voltage monitors integral to watt-hour meters.* If the utility employs automated metering infrastructure with integrated voltage monitoring, this may be used in lieu of the equipment listed in paragraphs 20.7(8) "a," "b," or "c" as long as the automated metering infrastructure with integrated voltage monitoring meets the accuracy standard required for the equipment being replaced.

20.7(9) Extreme care must be exercised in the handling of standards and instruments to ensure that their accuracy is not disturbed. Each standard shall be accompanied at all times by a certificate or calibration card, duly signed and dated, on which are recorded the corrections required to compensate for errors found at the customary test points at the time of the last previous test.

20.7(10) Planned interruptions shall be made at a time that will not cause unreasonable inconvenience to customers, and interruptions planned for longer than one hour shall be preceded by adequate notice to those who will be affected.

20.7(11) Power quality monitoring. Each utility shall investigate power quality complaints from its customers and determine if the cause of the problem is on the utility's systems. In addressing these problems, each utility shall implement to the extent reasonably practical the practices outlined in the standard given at paragraph 20.5(2) "f."

20.7(12) Harmonics. A harmonic is a sinusoidal component of the 60 cycles per second fundamental wave having a frequency that is an integral multiple of the fundamental frequency. When excessive harmonics problems arise, each electric utility shall investigate and take actions to rectify the problem. In addressing harmonics problems, the utility and the customer shall implement to the extent

practicable and in conformance with prudent operation the practices outlined in the standard at paragraph 20.5(2) “g.”

This rule is intended to implement Iowa Code sections 476.2 and 476.8.

199—20.8(476) Safety.

20.8(1) *Protective measures.* Each utility shall exercise reasonable care to reduce those hazards inherent in connection with its utility service and to which its employees, its customers, and the general public may be subjected and shall adopt and execute a safety program designed to protect the public and fitted to the size and type of its operations. A utility shall include in its safety program procedures for notifying the commission and the public of an incident involving a component of a wind turbine, solar facility, storage facility, or any other generating facility where the incident has resulted in damage to adjacent property or members of the public.

20.8(2) *Accident investigation and prevention.* The utility shall give reasonable assistance to the commission in the investigation of the cause of accidents and in the determination of suitable means of preventing accidents.

20.8(3) *Reportable accidents.* Each utility shall maintain a summary of all reportable accidents, as defined in rule 199—25.5(476,478), arising from its operations.

20.8(4) *Grounding of secondary distribution system.* Unless otherwise specified by the commission, each utility shall comply with, and encourage its customers to comply with, the applicable provisions of the acceptable standards listed in subrule 20.5(2) for the grounding of secondary circuits and equipment.

Ground connections should be tested for resistance at the time of installation. The utility shall keep a record of all ground resistance measurements.

The utility shall establish a program of inspection so that all artificial grounds installed by it shall be inspected within reasonable periods of time.

199—20.9(476) Electric energy automatic adjustment. The electric energy cost adjustment of the unit charge shall be an energy adjustment clause.

20.9(1) *Applicability.* A utility’s electric energy adjustment shall recover from consumers only those costs that:

- a. Are incurred in supplying energy;
- b. Are beyond direct control of management;
- c. Are subject to sudden important change in level;
- d. Are an important factor in determining the total cost to serve; and
- e. Are readily, precisely, and continuously segregated in the accounts of the utility.

20.9(2) *Energy adjustment clause.* Prior to any period in which a utility proposes to change the adjustment amount for each energy unit delivered to the customer, the utility shall determine and file for commission approval the adjustment amount to be charged for each energy unit delivered under rates set by the commission. The energy adjustment clause factors shall be printed on the customer’s bill. The filing shall include all invoices (except invoices for fuel, freight, and transportation), worksheets, and detailed supporting data used to determine the amount of the adjustment. Spreadsheets, workbooks, and databases included in filings shall include all cell formulae and cell references. Utilities that participate in a wholesale energy market and use a forecasted energy adjustment clause shall provide information about key inputs and assumptions and explain the differences between the forecast and actual fuel costs. The estimated amount of fossil fuel should be detailed to reflect the amount of fuel, transportation, emission allowances, and other costs.

a. The utility shall keep and maintain journal entries to reflect a breakdown of the following for each type of fuel: actual cost of fuel, transportation costs, and other costs. Items identified as other costs should be described, and their inclusion as fuel costs shall be approved by the commission. The commission may direct that journal entries be filed. The utility shall also file detailed supporting data:

(1) To show the actual amount of sales of energy by month for which an adjustment was utilized, and

(2) To support the energy cost adjustment balance utilized in the monthly energy adjustment clause filings.

b. The energy adjustment shall provide for change of the price per kWh delivered under rates set by the commission based upon the formulas provided in the utility's tariff. The energy adjustment factor shall be rounded on a consistent basis to either the nearest 0.01¢/kWh or 0.001¢/kWh. The tariff shall define the components of the formula(s) and shall include reference to the specific accounts of the Uniform System of Accounts for each component.

(1) For each period as specified in the tariff, the calculation shall include but not be limited to:

1. The estimated energy cost and revenues;

2. The estimated electric energy to be delivered and entered in accounts 440, 442, and 444-7, excluding energy from distinct interchange deliveries entered into account 447, and including intrautility energy service as included in accounts 448 and 929 of the Uniform System of Accounts during the month in which the energy adjustment charge will be used; and

3. The energy cost adjustment account balance.

(2) The base formula for the energy adjustment factor shall be:

Energy adjustment factor = (energy cost adjustment account balance + estimated energy costs and revenues) / estimated energy delivered

c. The estimated energy cost and revenues shall be the estimated cost and revenues associated with:

(1) Fossil and nuclear fuel consumed in the utility's own plants and the utility's share of fossil and nuclear fuel consumed in jointly owned or leased plants. Fossil fuel shall include natural gas used for electric generation and the cost of fossil fuel transferred from account 151 to account 501 or 547 of the Uniform System of Accounts. Nuclear fuel shall be that shown in account 518 of the Uniform System of Accounts except that if account 518 contains any expense for fossil fuel that has already been included in the cost of fossil fuel, it shall be deducted from the account. (Paragraph C of account 518 includes the cost of other fuels used for ancillary steam facilities.)

(2) The cost of steam purchased, or transferred from another department of the utility or from others under a joint facility operating agreement, for use in prime movers producing electric energy (accounts 503 and 521).

(3) A deduction shall be made of the expenses of producing steam chargeable to others, to other utility departments under a joint operating agreement, or to other electric accounts outside the steam generation group of accounts (accounts 504 and 522).

(4) The cost of water used for hydraulic power generation. Water cost shall be limited to items of account 536 of the Uniform System of Accounts. For pumped storage projects, the energy cost of pumping is included. Pumping energy cost shall be determined from the applicable costs of paragraph 20.9(2) "c."

(5) The energy costs paid for energy purchased under arrangements or contracts, as entered into account 555 of the Uniform System of Accounts, less the energy revenues to be recovered from corresponding sales, as entered in account 447 of the Uniform System of Accounts.

(6) Purchases from alternative energy production facilities under rule 199—15.10(476).

(7) The weighted average costs of inventoried allowances used in generating electricity.

(8) The gains and losses, as described in subrule 20.16(9), from allowance transactions occurring during the month. Allowance transactions shall include vintage trades and emission for emission trades.

(9) Eligible costs or credits associated with the utility's annual reconciliation of its alternate energy purchase program under rule 199—15.11(476).

(10) Federal production tax credits unless the commission approves different ratemaking treatment.

(11) Other costs and revenues as specified in the utility's tariff and approved by the commission. For all other costs and revenues, the utility shall provide the type of cost, the dollar amount, and reference to the commission order approving the cost to be included in the energy adjustment clause.

d. The energy cost adjustment account balance shall be the cumulative balance of any excess or deficiency that arises out of the difference between commission recognized energy cost recovery and the amount recovered through application of energy charges to consumption under rates set by the

commission. The calculation for the energy cost adjustment account balances shall include but not be limited to:

(1) The actual energy expense for the prior period and recorded in accounts 440, 442 and 444-6 of the Uniform System of Accounts;

(2) The actual electric energy delivered for the prior period and recorded in accounts 440, 442, and 444-7, excluding energy from distinct interchange deliveries entered into account 447, and including intrautility energy service as included in accounts 448 and 929 of the Uniform System of Accounts; and

(3) The beginning energy cost adjustment account balance (overrecovered or underrecovered amount) for the current period.

e. Reserve account for nuclear generation. A rate-regulated utility owning nuclear generation or purchasing energy under a participation power agreement on nuclear generation may establish a reserve account. The reserve account will spread the higher cost of energy used to replace the energy normally received from nuclear sources. A surcharge would be added to each kWh from the nuclear source. The surcharges collected are credited to the reserve account. During an outage or reduced level of operation, replacement energy cost would be offset through debit to the reserve account. The debit would be based upon the cost differential between replacement energy cost and the average cost (including the surcharge) of energy from the nuclear capacity. A reserve account shall have credit and debit limitations equal in dollar amounts to the total cost differential for replacement energy during a normal refueling outage.

f. A rate-regulated utility desiring to collect expensed allowance costs and the gains and losses from allowance transactions through the energy adjustment must file with the commission monthly reports including:

(1) The number and weighted average unit cost of allowances used during the month to offset emissions from the utility's affected units;

(2) The number and unit price of allowances purchased during the month;

(3) The number and unit price of allowances sold during the month;

(4) The weighted average unit cost of allowances remaining in inventory;

(5) The dollar amount of any gain from an allowance sale occurring during the month;

(6) The dollar amount of any loss from an allowance sale occurring during the month; and

(7) Documentation of any gain or loss from an allowance sale occurring during the month.

g. The energy adjustment clause factor may include other automatic adjustment mechanisms as approved by the commission.

20.9(3) *Utilities not making monthly changes to the adjustment amount.* Utilities that do not file monthly adjustments shall:

a. File the information pursuant to subrule 20.9(2) on a quarterly basis.

b. File an annual reconciliation of the EAC factor and an update to the EAC factor. The date of the annual reconciliation and update shall be specified in the utility's tariff. The reconciliation shall follow the requirements of subrule 20.9(2).

c. Include a semiannual adjustment if the absolute value of the cumulative over recovery or under recovery amount is greater than 20 percent of the forecasted net recoverable energy costs for the EAC year. The semiannual adjustment filing shall be filed six months after the annual reconciliation and update filing and shall follow the requirements of subrule 20.9(2) but will be limited to the remaining months of the year. The semiannual factor updates may utilize updated forecasts for the costs and sales for the remainder of the year.

20.9(4) *Review of energy adjustment clause.* At least biennially, but no more than annually, the commission shall require each utility that owns generation and utilizes an energy adjustment clause to provide fuel, freight, and transportation invoices from two months of the previous calendar year. The utility shall include an explanation of and demonstrate how these invoices correspond to the energy adjustment clause calculations. The explanation shall include inventory accounting information and average cost of fuel and transportation included in the energy adjustment clause calculations. The commission will notify each utility by May 1 as to which two months' invoices will be required. These invoices shall be filed with the commission no later than the subsequent November 1.

20.9(5) *Annual reports.* With the first filing of the utility's EAC year, each utility participating in a wholesale market shall file a report explaining how participation results in reduced customer rates or reduces increases in customer rates, identifying current and evolving market issues that are expected to impact rates, and describing the utility's efforts to influence market issues for the benefit of customers.

199—20.10(476) Ratemaking standards.

20.10(1) *Coverage.* Standards for ratemaking shall apply to all rate-regulated utilities in the state of Iowa. The commission may, by rule or by order in specific cases, exempt a utility or class of utilities from any or all ratemaking standards. The standards are recommended to all service-regulated utilities in this jurisdiction.

20.10(2) *Cost of service.* Rates charged by an electric utility for providing electric service to each class of electric consumers shall be designed, to the maximum extent practicable, to reasonably reflect the costs of providing electric service to the class. The methods used to determine class costs of service shall to the maximum extent practical permit identification of differences in cost-incurrence, for each class of electric consumers, attributable to daily and seasonal time of use of service, and permit identification of differences in cost-incurrence attributable to differences in demand, energy, and customer components of cost.

The design of rates should reasonably approximate a pricing methodology for any individual utility that would reflect the price system that would exist in a competitive market environment. For purposes of determining revenue requirements among customer classes, embedded costs shall be preferred. For purposes of determining rate designs within customer classes, long-run marginal cost approaches are preferred although embedded cost approaches may be considered reasonable.

Nothing in this rule shall authorize or require the recovery by an electric utility of revenues in excess of, or less than, the amount of revenues otherwise determined to be lawful by the commission.

Guidelines for use in evaluating the acceptability of methods of class cost of service estimation include but are not limited to the following:

a. All usage of customer, demand, and energy components of service shall be considered new usage.

b. Customer classes shall be established on the primary basis of reasonably similar usage patterns within classes, even if this requires disaggregation or recombination of traditional customer classes.

c. Generating capacity estimates or allocations among and within classes shall recognize that utility systems are designed to serve both peak and off-peak demand and shall attribute costs based upon both peak period demand and the contribution of off-peak period demand in determining generation mix. Generating capacity estimates and allocations among and within classes shall be based on load data for each class as described in 199—subrule 35.5(4).

d. Transmission and distribution capacity estimates or allocations among and within classes shall be demand-related based upon system usage patterns and the load imposed by a class on the transmission or distribution capacity in question.

e. Customer cost component estimates or allocations shall include only costs of the distribution system from and including transformers, meters, and associated customer service expenses.

f. Methods of cost estimates or allocations among customer classes shall recognize the differences in voltage levels and other service characteristics and line losses among customer classes.

g. Methods of class cost of service determination that are consistent with zero customer, demand, or energy component costs or major categories of these, such as generation, transmission, or distribution, shall be considered unacceptable methods.

h. Long-run marginal cost methods of class cost of service determination shall clearly reflect changes in total costs to the utility with respect to changes in the outputs of customer, demand, or energy components of electric services.

i. The use of an inverse elasticity approach to adjust long-run marginal cost-based rates to the revenue requirement shall be unacceptable. Other approaches will be considered on a case-by-case basis.

20.10(3) *Declining block rates.* The energy-related cost component of a rate, or the amount attributable to the energy-related cost component of a rate, charged by an electric utility for providing

electric service during any period to any class of electric consumers, shall not decrease as kWh consumption by such class increases during the period except to the extent that the utility demonstrates that the energy costs of providing electric service to such class decrease as consumption increases during the period.

20.10(4) *Time-of-day rates.* The rates charged by any electric utility for providing electric service to each class of electric consumers shall be on a time-of-day basis that reflects the cost of providing electric service to that class of electric consumers at different times of the day unless such rates are not cost-effective with respect to the class. These rates are cost-effective with respect to a class if the long-run benefits of the rate to the electric utility and its electric consumers in the class concerned are likely to exceed the metering costs and other costs associated with the use of the rates. Cost-based time-of-day rates shall be offered on an optional basis to electric consumers who do not otherwise qualify for the rates if consumers agree to pay the additional metering costs and other costs associated with the use of the rates.

20.10(5) *Seasonal rates.* The rates charged by an electric utility for providing electric service to each class of electric consumers may be on a seasonal basis that reflects the costs of providing service to the class of consumers at different seasons of the year to the extent that costs vary seasonally for the utility, if the commission determines that seasonal rates are appropriate in an individual case.

20.10(6) *Interruptible rates.* Each electric utility shall offer an interruptible rate that reflects the cost of providing interruptible service to the class of which the consumer is a member and the eligibility requirements for that interruptible service.

199—20.11(476) Customer notification of peaks in electric energy demand.

20.11(1) Pursuant to Iowa Code section 476.17, each investor-owned utility shall have a plan to notify its customers of an approaching peak demand on the day when peak demand is likely to occur. The plan shall be made available to the commission upon request.

20.11(2) The plan shall include, at a minimum, the following:

- a.* A description and explanation of the condition(s) that will prompt a peak alert.
- b.* A provision for a general notice to be given to customers prior to the time when peak demand is likely to occur and an explanation of when and how notice of an approaching peak in electric demand will be given to customers.
- c.* The text of the message or messages to be given in the general notice to customers. The message shall include the name of the utility providing the notice, an explanation that conditions exist that indicate a peak in electric demand is approaching, and an explanation of the significance of reductions in electricity use during a period of peak demand and the potential benefits of energy efficiency.

199—20.12(476) Periodic electric energy supply and cost review [476.6(12)]. Pursuant to Iowa Code section 476.6(12), the commission shall periodically conduct a contested case proceeding for the purpose of evaluating the reasonableness and prudence of a rate-regulated public utility's practices related to procurement of and contracting for fuel used in generating electricity. When it determines to conduct a contested case proceeding, the commission shall notify a rate-regulated utility that it will be required to file an electric fuel procurement plan. The notification to the utility shall include a detailed list of what the commission will be examining as part of the review. The utility shall file its plan no later than 105 days after notification unless otherwise directed by the commission. A utility's procurement plan shall be organized to include information as follows:

20.12(1) *Index.* The plan shall include an index of all documents and information required to be filed in the plan, and the identification of the commission files in which the documents incorporated by reference are located.

20.12(2) *Purchase contracts and arrangements.* A utility's procurement plan shall include detailed summaries of the following types of contracts and agreements executed since the last procurement review:

- a.* All contracts and fuel supply arrangements for obtaining fuel for use by any unit in generation;

- b.* All contracts and arrangements for transporting fuel from point of production to the site where placed in inventory, including any unit generating electricity for the utility;
- c.* All contracts and arrangements for purchasing or selling allowances;
- d.* Purchased power contracts or arrangements, including sale-of-capacity contracts, involving over 25 MW of capacity;
- e.* Pool interchange agreements;
- f.* Multiutility transmission line interchange agreements; and
- g.* Interchange agreements between investor-owned utilities, generation and transmission cooperatives, or both, not required to be filed above, which were entered into or in effect since the last filing, and all such contracts or arrangements that will be entered into or exercised by the utility during the prospective 12-month period.

All procurement plans filed by a utility shall include all of the types of contracts and arrangements listed in paragraphs 20.12(2)“*a*” and “*b*” that will be entered into or exercised by the utility during the prospective 12-month period. In addition, the utility shall file an updated list of contracts that are or will become subject to renegotiation, extension, or termination within five years. The utility shall also update any price adjustment affecting any of the filed contracts or arrangements.

20.12(3) *Other contract offers.* The procurement plan shall include a list and description of those types of contracts and arrangements listed in subrule 20.12(2) offered to the utility since the last filing into which the utility did not enter. In addition, the procurement plan shall include a list of those types of contracts and arrangements listed in subrule 20.12(2) that were offered to the utility for the prospective 12-month period and into which the utility did not enter.

20.12(4) *Studies or investigation reports.* The procurement plans shall include all studies or investigation reports that have been considered by the utility in deciding whether to enter into any of those types of contracts or arrangements listed in subrules 20.12(2) and 20.12(3) that will be exercised or entered into during the prospective 12-month period.

20.12(5) *Price hedge justification.* The procurement plan shall justify purchasing allowance futures contracts as a hedge against future price changes in the market rather than for speculation.

20.12(6) *Actual and projected costs.* The procurement plan shall include an accounting of the actual costs incurred in the purchase and transportation of fuel and the purchase of allowances for use in generating electricity associated with each contract or arrangement filed in accordance with subrule 20.12(2) for the previous 12-month period.

The procurement plan also shall include an accounting of all costs projected to be incurred by the utility in the purchase and transportation of fuel and the purchase of allowances for use in generating electricity associated with each contract or arrangement filed in accordance with subrule 20.12(2) in the prospective 12-month period.

If applicable, the reporting of transportation costs in the procurement plan shall include all known liabilities, including all unit train costs.

20.12(7) *Costs directly related to the purchase of fuel.* The utility shall provide a list and description of all other costs directly related to the purchase of fuels for use in generating electricity not required to be reported by subrule 20.12(6).

20.12(8) *Compliance plans.* Each utility shall file its emissions compliance plan as submitted to the EPA. Revisions to the compliance plan shall be filed with each subsequent procurement plan.

20.12(9) *Evidence submitted.* Each utility shall submit all factual evidence and written argument in support of its evaluation of the reasonableness and prudence of the utility’s procurement practice decisions in the manner described in its procurement plan. The utility shall file data sufficient to forecast fuel consumption at each generating unit or power plant for the prospective 12-month period. The commission may require the submission of machine-readable data for selected computer codes or models.

20.12(10) *Additional information.* Each utility shall file additional information as ordered by the commission.

199—20.13(476) Flexible rates.

20.13(1) Purpose. This rule is intended to allow electric utility companies to offer, at their option, incentive or discount rates to their customers.

20.13(2) General criteria.

a. Electric utility companies may offer discounts to individual customers, to selected groups of customers, or to an entire class of 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.

b. In deciding whether to offer a specific discount, the utility shall evaluate the individual customer's, group's, or class's situation and perform a cost-benefit analysis before offering the discount.

c. Any discount offered should be such as to significantly affect the customer's or customers' decision to stay on the system or to increase consumption.

d. The consequences of offering the discount should be beneficial to all customers and to the utility. Other customers should not be at risk of loss as a result of these discounts; in addition, the offering of discounts shall in no way lead to subsidization of the discounted rates by other customers in the same or different classes.

20.13(3) Tariff requirements. If a company elects to offer flexible rates, the utility shall file for review and approval tariff sheets specifying the general conditions for offering discounted rates. The tariff sheets shall include, at a minimum, the following criteria:

a. The cost-benefit analysis must demonstrate that offering the discount will be more beneficial than not offering the discount.

b. The ceiling for all discounted rates shall be the approved rate on file for the customer's rate class.

c. The floor for the discount rate shall be equal to the energy costs and customer costs of serving the specific customer.

d. No discount shall be offered for a period longer than five years unless the commission determines upon good cause shown that a longer period is warranted.

e. Discounts should not be offered if they will encourage deterioration in the load characteristics of the customer receiving the discount.

20.13(4) Reporting requirements. Each rate-regulated electric utility electing to offer flexible rates shall file annual reports with the commission within 30 days of the end of each 12 months. Reports shall include the following information:

a. For all discounts initiated in the last 12 months, section 1 of 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 end-use cost of alternate fuels or energy supplies available to the customer, if relevant; and
- (5) The energy and demand components by month of the amount of electricity sold to the customer in the preceding 12 months.

b. Section 2 of the report relates to overall program evaluation. Amount of electricity refers to both energy and demand components when the customer is billed for both elements. For all discounts currently being offered, section 2 of the report shall include:

- (1) The identity of each customer (by account number, if necessary);
- (2) The amount of electricity sold in the last 12 months to each customer at discounted rates, by month;
- (3) The amount of electricity sold 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; and
- (5) The dollar value of sales to each customer for each of the previous 12 months.

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

- (1) Customer identification (by account number, if necessary);
- (2) The amount of electricity sold in the last 12 months to each customer, by month;
- (3) The amount of electricity sold to each customer in the same 12 months of the preceding year, by month; and
- (4) The dollar value of sales to each customer for each of the past 12 months.

d. No monthly report is required if the utility had no customers receiving a discount during the relevant period and had no customers that were evaluated for the discount and rejected during the relevant period.

20.13(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 were made at full tarified rates for the customer class. Determining the actual amount will be a factual determination to be made in the rate case.

199—20.14(476) Customer contribution fund.

20.14(1) Applicability and purpose. This rule applies to each electric public utility, as defined in Iowa Code sections 476.1, 476.1A, and 476.1B. 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.

20.14(2) Notification. Each utility shall notify all customers of the customer contribution fund at least twice a year. The method of notice that 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 provided 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 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:

- a. A description of the availability of the fund;
- b. A description of the purpose of the fund; and
- c. A customer authorization form. This form shall include a monthly billing option and any other methods of contribution.

20.14(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 pledger. 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.

20.14(4) Annual report. On or before September 30 of each year, each utility shall file with the commission a report of all the customer contribution fund activity for the previous fiscal year beginning July 1 and ending June 30. The report shall be in a form provided by the commission, contain an accounting of the total revenues collected and all distributions of the fund, and describe all utility expenses directly related to the customer contribution fund.

199—20.15(476) Exterior flood lighting.

20.15(1) Newly installed lighting. All newly installed public utility-owned exterior flood lighting shall be solid-state lighting or lighting with equivalent or better energy efficiency.

20.15(2) In-service lighting replacement schedule. In-service lighting shall be replaced with solid-state lighting or lighting with equivalent or better energy efficiency when worn out due to ballast, lamp, or fixture failure for any other reason, such as vandalism or storm damage. A utility shall file with the commission as part of the utility's annual report required in 199—Chapter 23 a report stating the

progress in converting to higher pressure sodium lighting or lighting with equivalent or higher energy efficiency.

20.15(3) *Efficacy standards.* Lighting other than solid-state has equivalent or better efficacy if one or more of the following can be established:

- a.* For fixtures, the mean lumens-per-watt lamp rating is greater than 100;
- b.* The new lighting uses no more energy per installation than comparable, suitably sized solid-state; or
- c.* The new lighting luminaries have a mean efficacy rating equal to or greater than 100 lumens per watt according to a DOE Lighting Facts label, testing under the DOE Commercially Available LED Product Evaluation and Reporting Program (CALiPER), Design Lights Consortium (DLC) or any other testing agency that follows Illuminating Engineering Society of North America LM-79-19, as approved May 14, 2019, test procedures.

199—20.16(476) Ratemaking treatment of emission allowances.

20.16(1) *Applicability and purpose.* This rule applies to all rate-regulated utilities providing electric service in Iowa. Under the Act, each electric utility is required to hold sufficient emission allowances to offset emissions at all affected and new units. The acquisition and disposition of emission allowances will be treated for ratemaking purposes as defined in this rule.

20.16(2) *Definitions.* The following words and terms, when used in this rule, shall have the meaning indicated below:

“Auction allowances” are allowances acquired or sold through EPA’s annual allowance auction.

“Boot” means something acquired or forfeited to equalize a trade.

“Direct sale allowances” are allowances purchased from the EPA in its annual direct sale.

“Fair market value” is the amount at which an allowance could reasonably be sold in a transaction between a willing buyer and a willing seller other than in a forced or liquidation sale.

“Historical cost” is the amount of cash or its equivalent paid to acquire an asset, including any direct acquisition expenses. Any commissions paid to brokers shall be considered a direct acquisition expense.

“Original cost” is the historical cost of an asset to the person first devoting the asset to public service.

“Statutory allowances” are allowances allocated by the EPA at no cost to affected units under the Act either through annual allocations as a matter of statutory right and those for which a utility may qualify by using certain compliance options or effective use of conservation and renewables.

20.16(3) *Valuing allowances for ratemaking purposes.*

- a.* Statutory allowances. Valued at zero cost to electric utility.
- b.* Direct sale allowances. Valued at historical cost.
- c.* Auction allowances. Valued at historical cost.
- d.* Purchased allowances. Valued at historical cost.

20.16(4) *Valuing allowance inventory accounts.* Allowance inventory accounts shall be valued at the weighted average cost of all allowances eligible for use during that year.

20.16(5) *Valuing allowances acquired as part of a package.* Allowances acquired as part of a package with equipment, fuel, or electricity shall be valued at their fair market value at the time the allowances were acquired.

20.16(6) *Valuing allowances acquired through exchanges.*

a. Exchanges without boot. Electric utilities shall value allowances received in exchanges based on the recorded inventory value of the allowances relinquished.

b. Exchanges with boot. Electric utilities shall value allowances as the sum of the inventory cost of the allowances given up and the monetary consideration paid in boot for the newly acquired allowances. In determining the historical cost of allowances received, a gain (or loss) shall be recorded to the extent that the amount of boot received exceeds a proportionate share of the recorded weighted average inventory cost of the allowance surrendered. The proportionate share shall be based upon the ratio of the monetary consideration received (i.e., boot) to the total consideration received (monetary consideration plus the fair market value of the allowances received). The historical cost of the allowances received

shall be equal to the amount derived by subtracting the difference between the boot received and the gain from the old inventory cost.

20.16(7) *Valuing allowances transferred among affiliates.*

a. Allowances transferred from a utility to a parent or unregulated subsidiary shall be transferred at the higher of historical cost or fair market value.

b. Allowances transferred from an unregulated subsidiary or parent to a utility shall be transferred at the lesser of original cost or fair market value.

c. Allowances transferred from a utility to an affiliated utility shall be transferred at fair market value.

20.16(8) *Expense recognition and recovery of allowance costs.*

a. *Expense recognition.* Electric utilities shall charge allowances (including fractional amounts) to expense in the month in which related emissions occur.

b. *Expense recovery.* The expense associated with allowances used for compliance shall be passed through the energy adjustment as specified in rule 199—20.9(476). The expense associated with allowances used for compliance shall include expenses associated with vintage trades and emission for emission trades.

c. *Allowance inventory shortage.* If a utility emits more emissions in a month than it has allowances in inventory, the utility shall pass the estimated cost of acquiring the needed allowances through the energy adjustment. When the needed allowances are acquired, any difference between the estimated and actual cost of the allowances shall be passed through the energy adjustment as specified in rule 199—20.9(476).

20.16(9) *Gains/losses from allowance transactions.* The gains and losses, including net gains and losses, from allowance transactions shall be passed through the energy adjustment as specified in rule 199—20.9(476). Allowance transactions shall include vintage trades and emission for emission trades.

20.16(10) *Allowance futures or option contracts.*

a. *Price hedging.* Electric utilities shall defer the costs or benefits from hedging transactions and include such amounts in inventory values when the related allowances are acquired, sold, or otherwise disposed of. Where the costs or benefits of hedging transactions are not identifiable with specific allowances, the amounts shall be included in inventory values when the futures contract is closed.

b. *Speculation.* Allowance transactions entered into for the purpose of speculation shall not affect allowance inventory pricing.

20.16(11) *Working capital reserve of allowances.* A working capital reserve of allowances shall be established in each utility's rate case proceeding based on the probability of forced outages, fuel quality variability, variability in load growth, nuclear exposure, the price and availability of allowances on the national market, and any other factors that the commission deems appropriate. The working capital reserve will earn at the utility's authorized rate of return.

20.16(12) *Allowances banked for future use.* Allowances banked for future use shall be considered plant held for future use in utility rate proceedings if a definitive plan and schedule for use of the allowances is deemed adequate by the commission.

20.16(13) *Prudence of allowance transactions.* The prudence of allowance transactions shall be determined by the commission in the periodic electric energy supply and cost review. The prudence review of allowance transactions and accompanying compliance plans shall be based on information available at the time the options or plans were developed. Costs recovered from ratepayers through the energy adjustment that are deemed imprudent by the commission shall be refunded with interest to ratepayers through the energy adjustment as specified in rule 199—20.9(476).

199—20.17(476,478) Service reliability requirements for electric utilities.

20.17(1) *Applicability.* This rule is applicable to investor-owned electric utilities operating within the state of Iowa subject to Iowa Code chapter 476 and to the construction, operation, and maintenance of electric transmission lines by electric utilities as defined in subrule 20.17(4) to the extent provided in Iowa Code chapter 478.

20.17(2) Purpose and scope. Reliable electric service is of high importance to the health, safety, and welfare of the citizens of Iowa. The purpose of this rule is to establish requirements for assessing the reliability of the transmission and distribution systems and facilities that are under the commission's jurisdiction. This rule establishes reporting requirements to provide consumers, the commission, and electric utilities with methodology for monitoring reliability and ensuring quality of electric service within an electric utility's operating area. This rule provides definitions and requirements for maintenance of interruption data, retention of records, and report filing.

20.17(3) General obligations.

a. Each electric utility shall make reasonable efforts to avoid and prevent interruptions of service. However, when interruptions occur, service shall be reestablished within the shortest time practicable, consistent with safety.

b. The electric utility's electrical transmission and distribution facilities shall be designed, constructed, maintained, and electrically reinforced and supplemented as required to reliably perform the power delivery burden placed upon them in the storm and traffic hazard environment in which they are located.

c. Each electric utility shall carry on an effective preventive maintenance program and be capable of emergency repair work on a scale that its storm and traffic damage record indicates as appropriate to its scope of operations and to the physical condition of its transmission and distribution facilities.

d. In appraising the reliability of the electric utility's transmission and distribution system, the commission will consider the condition of the physical property and the size, training, supervision, availability, equipment, and mobility of the maintenance forces, all as demonstrated in actual cases of storm and traffic damage to the facilities.

e. Each electric utility shall keep records of interruptions of service and make an analysis of the records for the purpose of determining steps to be taken to prevent recurrence of such interruptions.

f. Each electric utility shall make reasonable efforts to reduce the risk of future interruptions by taking into account the age, condition, design, and performance of transmission and distribution facilities and providing adequate investment in the maintenance, repair, replacement, and upgrade of facilities and equipment.

20.17(4) Definitions. Terms and formulas when used in this rule are defined as follows:

"Customer" means (1) any person, firm, association, or corporation, (2) any agency of the federal, state, or local government, or (3) any legal entity responsible by law for payment of the electric service from the electric utility that has a separately metered electrical service point for which a bill is provided. Each meter equals one customer. Retail customers are end-use customers who purchase and ultimately consume electricity.

"Customer average interruption duration index" or *"CAIDI"* means the average interruption duration for those customers who experience interruptions during the year. It is calculated by dividing the annual sum of all customer interruption durations by the total number of customer interruptions.

$$\text{CAIDI} = \frac{\text{Sum of All Customer Interruption Durations}}{\text{Total Number of Customer Interruptions}}$$

"Distribution system" means that part of the electric system owned or operated by an electric utility and designed to operate at a nominal voltage of 25,000 volts or less.

"Electrical service point" means the point of connection between the electric utility's equipment and the customer's equipment.

"Electric utility" means investor-owned electric utilities owning, controlling, operating, or using transmission and distribution facilities and equipment subject to the commission's jurisdiction.

"GIS" means a geospatial information system. This is an information management framework that allows the integration of various data and geospatial information.

"Interrupting device" means a device capable of being reclosed whose purpose is to interrupt faults and restore service or disconnect loads. These devices can be manual, automatic, or motor-operated. Examples may include transmission breakers, feeder breakers, line reclosers, motor-operated switches, fuses, or other devices.

“Interruption” means a loss of service to one or more customers or other facilities and is the result of one or more component outages. The types of interruption include momentary event, sustained, and scheduled. The following interruption causes shall not be included in the calculation of the reliability indices:

1. Interruptions intentionally initiated pursuant to the provisions of an interruptible service tariff or contract and affecting only those customers taking electric service under such tariff or contract;
2. Interruptions due to nonpayment of a bill;
3. Interruptions due to tampering with service equipment;
4. Interruptions due to denied access to service equipment located on the affected customer’s private property;
5. Interruptions due to hazardous conditions located on the affected customer’s private property;
6. Interruptions due to a request by the affected customer;
7. Interruptions due to a request by a law enforcement agency, fire department, other governmental agency responsible for public welfare, or any agency or authority responsible for bulk power system security; or
8. Interruptions caused by the failure of a customer’s equipment; the operation of a customer’s equipment in a manner inconsistent with law, an approved tariff, rule, regulation, or an agreement between the customer and the electric utility; or the failure of a customer to take a required action that would have avoided the interruption, such as failing to notify the company of an increase in load when required to do so by a tariff or contract.

“Interruption duration” as used herein in regard to sustained outages means a period of time measured in one-minute increments that starts when an electric utility is notified or becomes aware of an interruption and ends when an electric utility restores electric service, as long as the duration is not less than five minutes long.

“Interruption, momentary” means single operation of an interrupting device that results in a voltage of zero. For example, two breaker or recloser operations equals two momentary interruptions. A momentary interruption is one in which power is restored automatically.

“Interruption, momentary event” means an interruption of electric service to one or more customers of duration limited to the period required to restore service by an interrupting device. Note: Such switching operations must be completed in a specified time not to exceed five minutes. This definition includes all reclosing operations that occur within five minutes of the first interruption. For example, if a recloser or breaker operates two, three, or four times and then holds, the event shall be considered one momentary event interruption.

“Interruption, scheduled” means an interruption of electric power that results when a transmission or distribution component is deliberately taken out of service at a selected time, usually for the purposes of construction, preventive maintenance, or repair. If it is possible to defer the interruption, the interruption is considered a scheduled interruption.

“Interruption, sustained” means any interruption not classified as a momentary event interruption. It is an interruption of electric service that is not automatically or instantaneously restored, with duration of greater than five minutes.

“Loss of service” means the loss of electrical power, or a complete loss of voltage, to one or more customers. This does not include any of the power quality issues such as sags, swells, impulses, or harmonics. Also see definition of “interruption.”

“Major event” will be declared whenever extensive physical damage to transmission and distribution facilities has occurred within an electric utility’s operating area due to unusually severe and abnormal weather or event and:

1. Wind speed exceeds 90 mph for the affected area,
2. One-half inch of ice is present and wind speed exceeds 40 mph for the affected area,
3. Ten percent of the affected area total customer count is incurring a loss of service for a length of time to exceed five hours, or
4. 20,000 customers in a metropolitan area are incurring a loss of service for a length of time to exceed five hours.

“*Metropolitan area*” means any community, or group of contiguous communities, with a population of 20,000 individuals or more.

“*Momentary average interruption frequency index*” or “*MAIFI*” means the average number of momentary electric service interruptions for each customer during the year. It is calculated by dividing the total number of customer momentary interruptions by the total number of customers served.

$$\text{MAIFI} = \frac{\text{Total Number of Customer Momentary Interruptions}}{\text{Total Number of Customers Served}}$$

“*OMS*” is a computerized outage management system.

“*Operating area*” means a geographical area defined by the electric utility that is a distinct area for administration, operation, or data collection with respect to the facilities serving, or the service provided within, the geographical area.

“*Outage*” means the state of a component when it is not available to perform its intended function due to some event directly associated with that component. An outage may or may not cause an interruption of service to customers, depending on system configuration.

“*Power quality*” means the characteristics of electric power received by the customer, with the exception of sustained interruptions and momentary event interruptions. Characteristics of electric power that detract from its quality include waveform irregularities and voltage variations, either prolonged or transient. Power quality problems shall include but not be limited to disturbances such as high or low voltage, voltage spikes and transients, flickers and voltage sags, surges and short-time overvoltages, as well as harmonics and noise.

“*Rural circuit*” means a circuit not defined as an urban circuit.

“*System average interruption duration index*” or “*SAIDI*” means the average sustained interruption duration per customer served during the year. It is calculated by dividing the sum of the customer sustained interruption durations by the total number of customers served during the year.

$$\text{SAIDI} = \frac{\text{Sum of All Customer Sustained Interruption Durations}}{\text{Total Number of Customers Served}}$$

“*System average interruption frequency index*” or “*SAIFI*” means the average number of sustained interruptions per customer during the year. It is calculated by dividing the total annual number of customer sustained interruptions by the total number of customers served during the year.

$$\text{SAIFI} = \frac{\text{Total Number of Customer Sustained Interruptions}}{\text{Total Number of Customers Served}}$$

“*Total number of customers served*” means the total number of customers served on the last day of the reporting period.

“*Urban circuit*” means a circuit where both 75 percent or more of its customers and 75 percent or more of its primary circuit miles are located within a metropolitan area.

20.17(5) Recordkeeping requirements.

a. Each electric utility shall maintain a GIS and an OMS sufficient to determine a history of sustained electric service interruptions experienced by each customer. The OMS shall have the ability to access data for each customer in order to determine a history of electric service interruptions. Data shall be sortable by each of, and in any combination with, the following factors:

- (1) State jurisdiction;
- (2) Operating area (if any);
- (3) Substation;
- (4) Circuit;
- (5) Number of interruptions in reporting period; and
- (6) Number of hours of interruptions in reporting period.

- b. Records on interruptions shall be sufficient to determine the following:
 - (1) Starting date and time the utility became aware of the interruption;
 - (2) Duration of the interruption;
 - (3) Date and time service was restored;
 - (4) Number of customers affected;
 - (5) Description of the cause of the interruption;
 - (6) Operating areas affected;
 - (7) Circuit number(s) of the distribution circuit(s) affected;
 - (8) Service account number or other unique identifier of each customer affected;
 - (9) Address of each affected customer location;
 - (10) Weather conditions at time of interruption;
 - (11) System component(s) involved (e.g., transmission line, substation, overhead primary main, underground primary main, transformer); and
 - (12) Whether the interruption was planned or unplanned.
- c. Each electric utility shall maintain as much information as feasible on momentary interruptions.
- d. Each electric utility shall keep information on cause codes, weather codes, isolating device codes, and equipment failed codes.
 - (1) The minimum interruption cause code set should include: animals, lightning, major event, scheduled, trees, overload, error, supply, equipment, other, unknown, and earthquake.
 - (2) The minimum interruption weather code set should include: wind, lightning, heat, ice/snow, rain, clear day, and tornado/hurricane.
 - (3) The minimum interruption isolating device set should include: breaker, recloser, fuse, sectionalizer, switch, and elbow.
 - (4) The minimum interruption equipment failed code set should include: cable, transformer, conductor, splice, lightning arrester, switches, cross arm, pole, insulator, connector, other, and unknown.
 - (5) Utilities may augment the code sets listed above to enhance tracking.
- e. An electric utility shall retain for seven years the records required by paragraphs 20.17(5) "a" through "d."
- f. Each electric utility shall record the date of installation of major facilities (poles, conductors, cable, and transformers) installed on or after April 1, 2003, and integrate that data into its GIS database.
- g. Each electric utility shall make its records of customer interruptions available to the commission as needed.

20.17(6) Notification of a major event. Notification of a major event as defined in subrule 20.17(4) shall comply with the requirements of rule 199—20.18(476,478).

20.17(7) Annual reliability and service quality report. Each electric utility shall submit to the commission on or before May 1 of each year an annual reliability report for the previous calendar year for the Iowa jurisdiction. The report shall include the following information:

- a. *Description of service area.* Urban and rural Iowa service territory customer count; Iowa operating area customer count, if applicable; and major communities served within each operating area.

- b. *System reliability performance.*

- (1) An overall assessment of the reliability performance, including the urban and rural SAIFI, SAIDI, and CAIDI reliability indices for the previous calendar year for the Iowa service territory and each defined Iowa operating area, if applicable. This assessment shall include outages at the substation, transmission, and generation levels of the system that directly result in sustained interruptions to customers on the distribution system. These indices shall be calculated twice, once with the data associated with major events and once without. This assessment should contain tabular and graphical presentations of the trend for each index as well as the trends of the major causes of interruptions.

- (2) The urban and rural SAIFI, SAIDI, and CAIDI reliability average indices for the previous five calendar years for the Iowa service territory and each defined Iowa operating area, if applicable. The reliability average indices shall include outages at the substation, transmission, and generation levels of the system that directly result in sustained interruptions to customers on the distribution system. Calculation of the five-year average shall start with data from the year covered by the first Annual

Reliability Report submittal so that by the fifth Annual Reliability Report submittal a complete five-year average shall be available. These indices shall be calculated twice, once with the data associated with major events and once without.

(3) The MAIFI reliability indices for the previous five calendar years for the Iowa service territory and each defined Iowa operating area for which momentary interruptions are tracked. The first annual report should specify which portions of the system are monitored for momentary interruptions, identify and describe the quality of data used, and be updated as needed in subsequent reports.

c. Reporting on customer outages.

(1) The reporting electric utility shall provide tables and graphical representations showing, in ascending order, the total number of customers that experienced set numbers of sustained interruptions during the year (i.e., the number of customers who experienced zero interruptions, the number of customers who experienced one interruption, two interruptions, three interruptions, and so on). The utility shall provide this for each of the following:

1. All Iowa customers, excluding major events.
2. All Iowa customers, including major events.

(2) The reporting electric utility shall provide tables and graphical representations showing, in ascending order, the total number of customers that experienced a set range of total annual sustained interruption duration during the year (i.e., the number of customers who experienced zero hours total duration, the number of customers who experienced greater than 0.0833 but less than 0.5 hour total duration, the number of customers who experienced greater than 0.5 but less than 1.0 hour total duration, and so on, reflecting half-hour increments of duration). The utility shall provide this for each of the following:

1. All Iowa customers, excluding major events.
2. All Iowa customers, including major events.

d. Major event summary. For each major event that occurred in the reporting period, the following information shall be provided:

- (1) A description of the area(s) impacted by each major event;
- (2) The total number of customers interrupted by each major event;
- (3) The total number of customer-minutes interrupted by each major event; and
- (4) Updated damage cost estimates to the electric utility's facilities.

e. Information on transmission and distribution facilities.

(1) Total circuit miles of electric distribution line in service at year's end, segregated by voltage level. Reasonable groupings of lines with similar voltage levels, such as but not limited to 12,000- and 13,000-volt three-phase facilities, are acceptable.

(2) Total circuit miles of electric transmission line in service at year's end, segregated by voltage level.

f. Plans and status report. A plan for service quality improvements, including costs, for the electric utility's transmission and distribution facilities that will ensure quality, safe, and reliable delivery of energy to customers.

g. Capital expenditure information. Reporting of capital expenditure information shall start with data from the year covered by the first Annual Reliability Report submittal so that by the fifth Annual Reliability Report submittal five years of data shall be available in each subsequent annual report.

(1) Each electric utility shall report on an annual basis the total of:

1. Capital investment in the electric utility's Iowa-based transmission and distribution infrastructure approved by its board of directors or other appropriate authority. If any amounts approved by the board of directors are designated for use in a recovery from a major event, those amounts shall be identified in addition to the total.

2. Capital investment expenditures in the electric utility's Iowa-based transmission and distribution infrastructure. If any expenditures were utilized in a recovery from a major event, those amounts shall be identified in addition to the total.

(2) Each electric utility shall report the same capital expenditure data from the past five years in the same fashion as in subparagraph 20.17(7) "g"(1).

h. Maintenance. Reporting of maintenance information shall start with data from the year covered by the first Annual Reliability Report submittal, so that by the fifth Annual Reliability Report submittal, five years of data shall be available in each subsequent annual report.

(1) Total maintenance budgets and expenditures for distribution, and for transmission, for each operating area, if applicable, and for the electric utility's entire Iowa system for the past five years. If any maintenance budgets and expenditures are designated for use in a recovery from a major event, or were used in a recovery from a major event, respectively, those amounts shall be identified in addition to the totals.

(2) Tree trimming.

1. The budget and expenditures described in subparagraph 20.17(7) "h"(1) shall be stated in such a way that the total annual tree trimming budget expenditures shall be identifiable for each operating area and for the electric utility's entire Iowa system for the past five years.

2. Total annual projected and actual miles of transmission line and of distribution line for which trees were trimmed for the reporting year for each operating area and for the electric utility's entire Iowa system for the reporting year, compared to the past five years. If the utility has utilized, or would prefer to utilize, an alternative method or methods of tracking physical tree trimming progress, it may propose the use of that method or methods to the commission in a request for waiver.

3. In the event the utility's actual tree trimming performance, based on how the utility tracks its tree trimming as described in numbered paragraph 20.17(7) "h"(2) "1," lags behind its planned trimming schedule by more than six months, the utility shall be required to file for the commission's approval additional tree trimming status reports on a quarterly basis. Such reports shall describe the steps the utility will take to remediate its tree trimming performance and backlog. The additional quarterly reports shall continue until the utility's backlog has been reduced to zero.

i. The Annual Reliability Report shall include the number of poles inspected, the number rejected, and the number replaced.

20.17(8) *Inquiries about electric service reliability.* A customer may request a report from an electric utility about the service reliability of the circuit supplying the customer's own meter. Within 20 working days of receipt of the request, the electric utility shall supply the report to the customer at a reasonable cost. The report should identify which interruptions (number and durations) are due to major events.

199—20.18(476,478) Notification of outages.

20.18(1) *Notification.* The notification requirements in this rule are for the timely collection of electric outage information that may be useful to emergency management agencies in providing for the welfare of individual Iowa citizens. Each electric utility shall notify the commission when it is projected that an outage may result in a loss of service for more than six hours and the outage meets one of the following criteria:

a. Loss of service for more than six hours to substantially all of a municipality, including the surrounding area served by the same utility. A utility may use loss of service to 75 percent or more of customers within a municipality, including the surrounding area served by the utility, to meet this criterion;

b. Loss of service for more than six hours to 20 percent of the customers in a utility's established zone or loss of service to more than 5,000 customers in a metropolitan area, whichever is less;

c. A major event as defined in subrule 20.17(4); or

d. Any other outage considered significant by the electric utility. This includes loss of service for more than six hours to significant public health and safety facilities known to the utility at the time of the notification, even when the outage does not meet the criteria in paragraphs 20.18(1) "a" and "b."

20.18(2) *Information required.*

a. Notification shall be provided regarding outages that meet the requirements of subrule 20.18(1) by notifying the commission duty officer by email at dutyofficer@iuc.iowa.gov or, in appropriate circumstances, by telephone at 515.745.2332. Notification shall be made at the earliest possible time

after it is determined the event may be reportable and should include the following information, as available:

- (1) The general nature or cause of the outage;
- (2) The area affected;
- (3) The approximate number of customers that have experienced a loss of electric service as a result of the outage;
- (4) The time when service is estimated to be restored; and
- (5) The name of the utility, the name and telephone number of the person making the report, and the name and telephone number of a contact person knowledgeable about the outage.

The notice should be supplemented as more complete or accurate information is available.

b. The utility shall provide to the commission updates of the estimated time when service will be restored to all customers able to receive service or of significant changed circumstances unless service is restored within one hour of the time initially estimated.

c. The utility shall notify the commission once service is fully restored to all customers after an outage meeting the requirements of subrule 20.18(1).

199—20.19(476) Transmission cost adjustment (TCA).

20.19(1) *Transmission cost adjustment.* Pursuant to Iowa Code section 476.6(8) “b,” public utilities may automatically adjust rates and charges to recover transmission-related costs incurred by or charged to the public utility consistent with a tariff or agreement that is subject to the jurisdiction of the FERC, provided that a schedule showing the automatic adjustment of rates and charges is first filed with and approved by the commission. Transmission cost adjustments shall be computed and tracked separately for each customer classification or grouping previously approved by the commission and shall use the same unit of measure as the utility’s tariffed rates. Changes in the customer classification and grouping on file are not automatic and require prior approval by the commission. If any eligible cost is recovered outside of the TCA, the cost shall not be recovered through the TCA until the cost is removed from its current recovery mechanism. If any eligible cost is recovered outside of the TCA, the cost shall not be recovered through the TCA until the cost is removed from base rates during a utility’s rate case. The TCA factor shall be included as a separate line item on the customer’s bill.

20.19(2) *TCA annual factor.* An annual TCA factor update shall be filed as a tariff (TF) docket at least 30 days prior to the beginning of the utility’s TCA year. The TCA update shall include information describing which eligible TCA costs are being recovered through the TCA and, if not recovered through the TCA, where eligible costs are being recovered. The annual TCA factors for each customer classification or grouping shall be based upon forecasted transmission costs allocated to Iowa retail customers, forecasted Iowa sales or demand, and allocation factors approved by the commission. The forecasted allocation factors shall be based on a three-year average of the actual allocation factors for each of the three previous calendar years. For customers billed by kWh, the factors shall be developed on a kWh basis. For customers billed by kW, the factors shall be developed on a kW basis. In addition, the following is required to be included with this filing:

a. A listing of all transmission costs that are incurred by or charged to the public utility and are consistent with a tariff or agreement that is subject to the jurisdiction of the FERC, detailing where each transmission cost is currently being recovered (e.g., base rates, TCA).

b. A time series chart of each transmission cost eligible for inclusion in the TCA for the previous three calendar years.

20.19(3) *Annual reconciliation.* Within four months after the effective date of annual TCA factors, a utility shall file an annual reconciliation based upon actual costs and revenues attributed to Iowa customers for the prior calendar year. The annual reconciliation shall be filed in the same TF docket identified for the annual filing required in subrule 20.19(2). The reconciliation shall include updated allocators for each customer classification or grouping based on actual load data from the prior calendar year. The actual costs for the prior calendar year shall be allocated to each customer class based upon the updated allocation factors. The utility shall compare the actual transmission costs allocated to each customer class with the actual revenue billed through the TCA by customer class net of the prior year’s

reconciliation dollar amount for each customer class. Any resulting overcollection or undercollection for each class shall be divided by the forecasted sales or demand for each customer class for the remainder of the TCA period. The resulting adjustments shall be added to the effective TCA factors that were approved in the TCA annual factor filing under subrule 20.19(2). The adjusted TCA factor for customers billed by kWh shall be developed on a kWh basis, and for customers billed on a kW basis, the adjusted TCA factor shall be developed on a kW basis.

20.19(4) *Other adjustments to the TCA factor.* A utility may propose other adjustments to the TCA factor throughout the 12-month TCA period to assist with accurate recovery of forecasted costs and revenues, subject to commission approval. Any midyear adjustments shall be filed in the same TF docket as the annual filing. If a utility proposes an adjustment to the TCA factor, other than the reconciliation required in subrule 20.19(3), the utility shall provide an explanation for the proposed adjustment and provide information to support the proposed adjustment. For any customer billed by kWh, the proposed adjustment shall be developed on a kWh basis. For any customer billed on a kW basis, the proposed adjustment shall be developed on a kW basis.

20.19(5) *Quarterly informational filings.* By the end of the month following the end of each calendar quarter, the utility shall file a report containing, at minimum, the current cumulative overcollection or undercollection balance, support for the overcollection or undercollection calculation, the total transmission cost for the current calendar year by category, and the supporting invoices and documentation for the most recent calendar quarter. The reports shall be filed in the same TF docket as the annual TCA filing.

20.19(6) *Semiannual transmission reports.* Each year at the beginning, and midpoint of a utility's TCA year, each utility shall file a report detailing the utility's transmission-related activities. These reports shall detail the utility's recent efforts to mitigate transmission costs and influence policy to the benefit of the utility and its ratepayers.

20.19(7) *Midcontinent Independent System Operator, Inc. (MISO) refunds.* Any utility utilizing a TCA mechanism that receives transmission-related refunds from MISO shall file a refund plan for commission approval, detailing how the utility will distribute the refund to customers. The refund plan must be filed once the amount and timing of the refund is known to the utility. The refund plan shall include an applicable interest rate for refund amounts held more than 30 days, the method of distributing the refund to customers, and the timing of distributing the refund to customers.

199—20.20(476) Electric vehicle charging service.

20.20(1) A commercial or public electric vehicle charging station is not a public utility under Iowa Code section 476.1 if the charging station receives all electric power from the electric utility in whose service area the charging station is located. If an electric vehicle charging station obtains electric power from a source other than the electric utility, the determination of whether the commercial or public electric vehicle charging station is a public utility shall be resolved by the commission.

20.20(2) A person, partnership, business association, or corporation, foreign or domestic, furnishing electricity to a commercial or public electric vehicle charging station shall comply with Iowa Code section 476.25 and, if applicable, with the terms and conditions of the public utility's tariffs or service rules.

20.20(3) A rate-regulated public utility shall not, through its filed tariff, prohibit electric vehicle charging or restrict the method of sale of electric vehicle charging at a commercial or public electric vehicle charging station.

20.20(4) Electric utilities and entities providing commercial or public electric vehicle charging service shall comply with all applicable statutes and regulations governing the provision of an electric vehicle charging service, including but not limited to all taxing requirements, and shall, if necessary, file all appropriate tariffs.

These rules are intended to implement Iowa Code sections 474.5, 476.1, 476.2, 476.6, 476.8, 476.20, 476.54, 476.66, 478.18, 478.19, and 478.20.

[Filed 5/22/25, effective 7/16/25]

[Published 6/11/25]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 6/11/25.

ARC 9353C

UTILITIES COMMISSION[199]

Adopted and Filed

Rulemaking related to distributed generation facilities

The Utilities Commission hereby rescinds Chapter 45, "Electric Interconnection of Distributed Generation Facilities," Iowa Administrative Code, and adopts a new chapter with the same title.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code sections 476.1 and 476.8.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code sections 476.1 and 476.8 and Section 210 of the Public Utility Regulatory Policies Act of 1978 as amended by the Energy Policy Act of 2005.

Purpose and Summary

The Commission commenced this rulemaking as part of its Executive Order 10 review. The rulemaking promulgates rules for utilities and distributed generation facilities seeking to operate in parallel with utilities. These rules only apply if the facilities are not subject to interconnection requirements of an affected system, the Federal Energy Regulatory Commission, the Midcontinent Independent System Operator, Inc.; the Southwest Power Pool; the Midwest Reliability Organization; or the SERC Reliability Corporation.

On May 12, 2025, the Commission issued an order adopting rulemaking. The order is available on the Commission's electronic filing system, efs.iowa.gov, under Docket No. RMU-2023-0045.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on January 22, 2025, as **ARC 8798C**. A public hearing was held on the following date(s):

- March 6, 2025
- March 20, 2025

ConnectDER and Tesla, Inc. (Tesla) provided comments regarding the inclusion of additional language to govern meter socket adapters. The Office of Consumer Advocate (OCA) provided responsive comments to the written comments filed by Interstate Power and Light Company (IPL) and the written comments filed by ConnectDER and Tesla. MidAmerican Energy Company attended the public hearings but did not make any specific comments.

ConnectDER and Tesla. provided written comments regarding meter socket adapters. IPL provided comments regarding suggested edits to multiple different subrules within the chapter, including to the witness testing fees charged in subrule 45.4(3) and to the evaluation criteria contained in paragraphs 45.8(1)"a" and 45.9(1)"a." OCA expressed support for ConnectDER and Tesla's written comments, as long as the adapters met relevant safety requirements. OCA also responded to IPL's written comments, agreeing in part and disagreeing in part.

At stakeholders' request, changes from the Notice have been made. The Commission added a new paragraph 45.8(2)"d" to address situations in which, after determining an interconnection request is complete, the utility determines additional information is necessary. The Commission removed the word

“primary” from paragraphs 45.9(1)“e” and “f” to increase clarity and added language in paragraph 45.9(6)“c” to provide for better internal consistency. Further, the Commission added language in paragraph 45.11(10)“a” to provide for better clarity.

Adoption of Rulemaking

This rulemaking was adopted by the Commission on May 12, 2025.

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa.

Jobs Impact

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

Waivers

No waiver provision is included in the amendments because the Commission has a general waiver provision in rule 199—1.3(17A,474,476) that provides procedures for requesting a waiver of the rules in Chapter 45.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee’s meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rulemaking will become effective on July 16, 2025.

The following rulemaking action is adopted:

ITEM 1. Rescind 199—Chapter 45 and adopt the following **new** chapter in lieu thereof:

CHAPTER 45

ELECTRIC INTERCONNECTION OF DISTRIBUTED GENERATION FACILITIES

199—45.1(476) Definitions. Terms defined in the Public Utility Regulatory Policies Act of 1978 (PURPA), 16 U.S.C. 2601 et seq., in effect as of July 16, 2025, will have the same meaning for purposes of these rules as the terms have under PURPA unless further defined in this chapter.

“*Adverse system impact*” means a negative effect that compromises the safety or reliability of the electric distribution system or materially affects the quality of electric service provided by the utility to other customers.

“*AEP facility*” means an AEP facility, as defined in 199—Chapter 15, used by an interconnection customer to generate electricity that operates in parallel with the electric distribution system. An AEP facility typically includes an electric generator and the interconnection equipment required to interconnect safely with the electric distribution system or local electric power system.

“*Affected system*” means an electric system not owned or operated by the utility reviewing the interconnection request that could suffer an adverse system impact from the proposed interconnection.

“*Applicant*” means a person (or entity) who has submitted an interconnection request to interconnect a distributed generation facility to a utility’s electric distribution system.

“*Area network*” means a type of electric distribution system served by multiple transformers interconnected in an electrical network circuit, generally used in large, densely populated metropolitan areas.

“Certificate of Completion” means the Certificate of Completion form that contains information about the interconnection equipment to be used, its installation, and local inspections.

“CFR” means the Code of Federal Regulations, which contains the general administrative rules adopted by federal departments and agencies, in effect as of July 16, 2025, unless a separate effective date is identified in a specific rule.

“Commissioning test” means a test applied to a distributed generation facility by the applicant after construction is completed to verify that the facility does not create adverse system impacts and performs to the submitted specifications. At a minimum, the scope of the commissioning tests performed will include the commissioning test specified in Institute of Electrical and Electronics Engineers Inc. (IEEE) Standard 1547, Section 11 “Test and Verification Requirements.”

“Distributed generation facility” means a qualifying facility, an AEP facility, or an energy storage facility.

“Distribution upgrade” means a required addition or modification to the electric distribution system to accommodate the interconnection of the distributed generation facility. Distribution upgrades do not include interconnection facilities.

“Electric distribution system” means the facilities and equipment owned and operated by the utility and used to transmit electricity to ultimate usage points, such as homes and industries, from interchanges with higher voltage transmission networks that transport bulk power over longer distances. The voltage levels at which electric distribution systems operate differ among areas but generally operate at less than 100 kilovolts of electricity. “Electric distribution system” has the same meaning as the term “Area EPS,” as defined in Section 3.1 of IEEE Standard 1547.

“Fault current” is the electrical current that flows through a circuit during an electrical fault condition. A fault condition occurs when one or more electrical conductors contact ground or each other. Types of faults include phase to ground, double-phase to ground, three-phase to ground, phase-to-phase, and three-phase. Often, a fault current is several times larger in magnitude than the current that normally flows through a circuit.

“IEEE Standard 1547” is the IEEE, 3 Park Avenue, New York, NY 10016-5997, Standard 1547 (2018), as amended on March 9, 2020, “Standard for Interconnection and Interoperability of Distributed Energy Resources and Associated Electric Power System Interfaces.”

“IEEE Standard 1547.1” is the IEEE Standard 1547.1 (2005) “Conformance Test Procedures for Equipment Interconnecting Distributed Resources with Electric Power Systems.”

“Interconnection equipment” means a group of components or an integrated system owned and operated by the interconnection customer that connects an electric generator with a local electric power system, as that term is defined in Section 3.1 of IEEE Standard 1547, or with the electric distribution system. Interconnection equipment is all interface equipment, including switchgear, protective devices, inverters, or other interface devices. Interconnection equipment may be installed as part of an integrated equipment package that includes a generator or other electric source.

“Interconnection facilities” means facilities and equipment required by the utility to accommodate the interconnection of a distributed generation facility. Collectively, interconnection facilities include all facilities and equipment between the distributed generation facility’s interconnection equipment and the point of interconnection, including any modifications, additions, or upgrades necessary to physically and electrically interconnect the distributed generation facility to the electric distribution system. Interconnection facilities are sole-use facilities and do not include distribution upgrades.

“Interconnection request” means an applicant’s request, in a form approved by the commission, for interconnection of a new distributed generation facility or to change the capacity or other operating characteristics of an existing distributed generation facility already interconnected with the electric distribution system.

“Interconnection study” is any study described in rule 199—45.11(476).

“Lab-certified” means a designation that the interconnection equipment meets the requirements set forth in rule 199—45.6(476).

“Line section” is that portion of an electric distribution system connected to an interconnection customer’s site, bounded by automatic sectionalizing devices or the end of the distribution line, or both.

“Local electric power system” means facilities that deliver electric power to a load that is contained entirely within a single premises or group of premises and has the same meaning as that term as defined in Section 3.1 of IEEE Standard 1547.

“Nameplate capacity” is the maximum rated output of a generator, prime mover, or other electric power production equipment under specific conditions designated by the manufacturer and is usually indicated on a nameplate physically attached to the power production equipment.

“Nationally recognized testing laboratory” or *“NRTL”* means a qualified private organization that meets the requirements of the Occupational Safety and Health Administration’s (OSHA’s) regulations. More information is contained in 29 CFR 1910.7 as amended through February 18, 2020. NRTLs perform independent safety testing and product certification.

“Parallel operation” or *“parallel”* means a distributed generation facility that is connected electrically to the electric distribution system for longer than 100 milliseconds continuously.

“Point of interconnection” has the same meaning as the term “point of common coupling” as defined in Section 3.1 of IEEE Standard 1547.

“Primary line” means an electric distribution system line operating at greater than 600 volts.

“Qualifying facility” means a cogeneration facility or a small power production facility that is a qualifying facility under 18 CFR Part 292, Subpart B, used by an interconnection customer to generate electricity that operates in parallel with the electric distribution system.

“Radial distribution circuit” means a circuit configuration in which independent feeders branch out radially from a common source of supply.

“Review order position” means, for each distribution circuit or line section, the order of a completed interconnection request relative to all other pending completed interconnection requests on that distribution circuit or line section. The review order position is established by the date that the utility receives the completed interconnection request.

“Scoping meeting” means a meeting between representatives of the applicant and utility conducted for the purpose of discussing interconnection issues and exchanging relevant information.

“Secondary line” means an electric distribution system line, or service line, operating at 600 volts or less.

“Shared transformer” means a transformer that supplies secondary voltage to more than one customer.

“Spot network” means a type of electric distribution system that uses two or more inter-tied transformers to supply an electrical network circuit and is generally used to supply power to a single customer or a small group of customers. “Spot network” has the same meaning as the term “spot network” as defined in Section 9 “DER on distribution secondary grid/area/street (grid) networks and spot networks” of IEEE Standard 1547.

“UL Standard 1741” means the standard titled “Inverters, Converters, Controllers, and Interconnection System Equipment for Use with Distributed Energy Resources,” January 28, 2010, edition, Underwriters Laboratories Inc., 333 Pfingsten Road, Northbrook, IL 60062-2096.

“Utility” means an electric utility that is subject to rate regulation by the Iowa utilities commission.

“Witness test” for lab-certified equipment means a verification either by an on-site observation or review of documents that the interconnection installation evaluation and the commissioning test required by IEEE Standard 1547, Section 11, have been adequately performed. For interconnection equipment that has not been lab-certified, the witness test also includes verification of the on-site design tests and production tests required by IEEE Standard 1547, Section 11. All verified tests are to be performed in accordance with the test procedures specified by IEEE Standard 1547.1.

199—45.2(476) Scope.

45.2(1) This chapter applies to utilities, and distributed generation facilities seeking to operate in parallel with utilities, provided the facilities are not subject to the interconnection requirements of an affected system, the Federal Energy Regulatory Commission (FERC), the Midcontinent Independent System Operator Inc. (MISO), the Southwest Power Pool (SPP), the Midwest Reliability Organization (MRO), or the SERC Reliability Corporation (SERC).

45.2(2) If the nameplate capacity of the facility is greater than 10 megavolt amps (MVA), the interconnection customer and the utility shall start with the Level 4 review process and agreements under rule 199—45.11(476) and modify the process and agreements as needed by mutual agreement. In addition, the interconnection customer and the utility shall start with the technical standards under rule 199—45.3(476) and modify the standards as needed by mutual agreement. If the interconnection customer and the utility cannot reach mutual agreement, the interconnection customer may seek resolution through the dispute process in rule 199—45.12(476).

199—45.3(476) Technical standards. The technical standard to be used in evaluating interconnection requests governed by this chapter is IEEE Standard 1547 unless otherwise noted.

45.3(1) Acceptable standards. The interconnection of distributed generation facilities and associated interconnection equipment to an electric utility system shall meet the applicable provisions of the publications listed below:

a. Standard for Interconnection and Interoperability of Distributed Energy Resources and Associated Electric Power System Interfaces, IEEE Standard 1547, in effect April 6, 2018. For guidance in applying IEEE Standard 1547, the utility may refer to:

(1) IEEE Recommended Practices and Requirements for Harmonic Control in Electrical Power Systems—IEEE Standard 519-2022, as approved May 13, 2022; and

(2) IEC/TR3 61000-3-7 Assessment of Emission Limits for Fluctuating Loads in MV and HV Power Systems, as published on March 4, 2024.

b. Iowa Electrical Safety Code, as defined in 199—Chapter 25.

c. National Electrical Code, ANSI/NFPA 70-2023, as amended through November 30, 2023.

45.3(2) Interconnection facilities.

a. A distributed generation facility placed in service after July 1, 2015, is required to have a disconnection device that is installed, owned, and maintained by the owner of the distributed generation facility and is easily visible and adjacent to an interconnection customer's electric meter at the facility. Disconnection devices are considered easily visible if the clearly identified container holding the disconnection device is within the line of sight of the meter, at a height of 30 inches to 72 inches above final grade. Disconnection devices are considered adjacent to the interconnection customer's electric meter: for a home or business, within 10 feet with nothing blocking access between the disconnection device and electric meter; or for large areas with multiple buildings that require electric service, within 30 feet with nothing blocking access between the disconnection device and electric meter. The disconnection device shall be labeled with a permanently attached sign with clearly visible letters that give procedures/directions for disconnecting the distributed generation facility.

(1) If an interconnection customer with distributed generation facilities installed prior to July 1, 2015, adds generation capacity to its existing system that does not require upgrades to the electric meter or electrical service, a disconnection device is not required, unless required by the electric utility's tariff. The customer must notify the electric utility before the generation capacity is added to the existing system.

(2) If an interconnection customer with distributed generation facilities installed prior to July 1, 2015, upgrades or changes its electric service, the new or modified electric service must meet all current utility electric service rule requirements.

b. For all distributed generation installations, the customer shall provide and place a permanent placard no more than ten feet away from the electric meter. The placard must be visible from the electric meter, clearly identify the presence and location of the disconnection device for the distributed generation facilities on the property; be made of material that is suitable for the environment; and be designed to last for the duration of the anticipated operating life of the distributed generation facility. If no disconnection device is present, the placard shall state "no disconnection device."

If the distributed generation facility is not installed near the electric meter, an additional placard must be placed at the electric meter to provide specific information regarding the distributed generation facility and the disconnection device.

c. The interconnection includes overcurrent devices on the facility to automatically disconnect the facility at all currents that exceed the full-load current rating of the facility.

d. Distributed generation facilities with a design capacity of 100 kW or less must be equipped with automatic disconnection upon loss of electric utility-supplied voltage.

e. Those facilities that produce a terminal voltage prior to the closure of the interconnection shall be provided with synchronism-check devices to prevent closure of the interconnection under conditions other than a reasonable degree of synchronization between the voltages on each side of the interconnection switch.

45.3(3) Access. If a disconnection device is required, the operator of the distributed generation facility, the utility, and emergency personnel shall have access to the disconnection device at all times. For distributed generation facilities installed prior to July 1, 2015, an interconnection customer may elect to provide the utility with access to a disconnection device that is contained in a building or area that may be unoccupied and locked or not otherwise accessible to the utility by installing a lockbox provided by the utility that allows ready access to the disconnection device. In consultation with the customer, the utility will determine the location of the lockbox, which will be accessible by the utility. The interconnection customer shall permit the utility to affix a placard in a location of the utility's choosing that provides instructions to utility operating personnel for accessing the disconnection device. If the utility needs to isolate the distributed generation facility, the utility shall not be held liable for any damages resulting from the actions necessary to isolate the generation facility.

45.3(4) Inspections and testing. The operator of the distributed generation facility shall adopt a program of inspection and testing of the generator and its appurtenances and the interconnection facilities in order to determine necessity for replacement and repair. Such a program includes all periodic tests and maintenance prescribed by the manufacturer. If the periodic testing of interconnection-related protective functions is not specified by the manufacturer, periodic testing will occur at least once every five years. All interconnection-related protective functions shall be periodically tested, and a system that depends upon a battery for trip power shall be checked and logged. The operator shall maintain test reports and shall make them available upon request by the electric utility. Representatives of the utility shall have access at all reasonable hours to the interconnection equipment specified in subrule 45.3(2) for inspection and testing with reasonable prior notice to the applicant.

45.3(5) Emergency disconnection. In the event that an electric utility or its customers experience problems of a type that could be caused by the presence of alternating currents or voltages with a frequency higher than 60 hertz, the utility shall be permitted to open and lock the interconnection switch pending a complete investigation of the problem. Where the utility believes the condition creates a hazard to the public or to property, the disconnection may be made without prior notice. However, the utility shall notify the operator of the distributed generation facility by written notice and, where possible, verbal notice as soon as practicable after the disconnections.

45.3(6) Notification. When the distributed generation facility is placed in service, owners of interconnected distributed generation facilities are required to notify local fire departments via U.S. mail of the location of distributed generation facilities and the associated disconnection device(s). The owner is required to provide any information related to the distributed generation facility as reasonably required by that local fire department, including but not limited to:

a. A site map showing property address; service point from utility company; distributed generation facility and disconnect location(s); location of rapid shutdown and battery disconnect(s), if applicable; property owner's or owner's representative's emergency contact information; utility company's emergency telephone number; and size of the distributed generation facility.

b. Information to access the disconnection device.

c. A statement from the owner verifying that the distributed generation facility was installed in accordance with the current state-adopted National Electrical Code.

45.3(7) Disconnections. If an interconnection customer fails to comply with this rule, the electric utility may require disconnection of the applicant's distributed generation facility until the facility complies with this rule. The disconnection process shall be specified in individual electric utility tariffs or in the interconnection agreement. If separate disconnection of only the distributed generation facility

is not feasible or safe, the customer's electric service may be disconnected as provided in 199—Chapter 20 or 27.

45.3(8) Reconections. If a customer's distributed generation facility or electric service is disconnected due to noncompliance with this rule, the customer shall be responsible for payment of any costs associated with reconnection once the facility is in compliance with the rules.

199—45.4(476) Interconnection requests.

45.4(1) Applicants seeking to interconnect a distributed generation facility shall submit an interconnection request to the utility that owns the electric distribution system to which interconnection is sought; identify in the application if the applicants are representing a group of customers that are located in the same vicinity and whether the application requires a group interconnection study; and use the commission-approved interconnection request forms and agreements that are provided on the commission's website, iuc.iowa.gov.

45.4(2) Preapplication request. Applicants may request a preapplication report from the utility using the following process:

a. The utility shall designate an employee or office from which information on the application process and on the affected system can be obtained through an informal request from the applicant presenting a proposed project for a specific site, which may include multiple proposed individual interconnections in close proximity and related to one project, such as a residential or commercial development proposing rooftop solar on each premises or a multiturbine wind project. The name, telephone number, and email address of such contact employee or office shall be made available on the utility's website. Electric system information provided to the applicant should include, to the extent such provision does not violate confidentiality provisions of prior agreements or critical infrastructure requirements, relevant, available system studies, interconnection studies, and other materials useful for gaining an understanding of an interconnection at a particular point on the utility's electric distribution system. The utility shall comply with reasonable requests for such information.

b. In addition to the information described in paragraph 45.4(2) "a," which may be provided in response to an informal request, an applicant may submit a formal written request form along with a nonrefundable fee of \$300 for a preapplication report on a proposed project at a specific site. The utility shall provide the preapplication data described in paragraph 45.4(2) "a" to the applicant within 20 business days of receipt of the completed request form and payment of the \$300 fee. The preapplication report produced by the utility is nonbinding, it does not confer any rights, and the applicant must still successfully apply to interconnect to the utility's system. The written preapplication report request form requires the inclusion of the following information to clearly and sufficiently identify the location of the proposed point of interconnection:

(1) Proposed distributed generation facility owner's contact information, including name, address, telephone number, and email address.

(2) Project location (street address with nearby cross streets and name of town).

(3) Meter number, pole number, or other equivalent information identifying the proposed point of interconnection, if available.

(4) Generator type (e.g., solar, wind, combined heat and power).

(5) Size (alternating current kW).

(6) Single or three-phase generator configuration.

(7) Stand-alone generator (whether or not there is on-site load, not including station service).

(8) Whether or not new service is requested. If there is existing service, include the customer account number, site minimum and maximum current or proposed electric loads in kW (if available), and specify if the load is expected to change.

c. Using the information provided in the preapplication report request form in paragraph 45.4(2) "b," the utility will identify the substation/area bus, bank, or circuit likely to serve the proposed point of interconnection. This selection by the utility does not necessarily indicate, after application of the screens or study or both, that this would be the circuit to which the distributed generation facility ultimately will be connected or that interconnection will occur. The applicant must request additional

preapplication reports if information about multiple points of interconnection is requested. Subject to paragraph 45.4(2)“d” and other confidentiality concerns identified by the utility, the preapplication report will include the following information:

- (1) Total capacity (in MW) of substation/area bus, bank, or circuit based on normal or operating ratings likely to serve the proposed point of interconnection.
- (2) Existing aggregate generation capacity (in MW) interconnected to a substation/area bus, bank or circuit (i.e., amount of generation online) likely to serve the proposed point of interconnection.
- (3) Aggregate queued generation capacity (in MW) for a substation/area bus, bank, or circuit (i.e., amount of generation in the queue) likely to serve the proposed point of interconnection.
- (4) Available capacity (in MW) of substation/area bus, bank, or circuit likely to serve the proposed point of interconnection (i.e., total capacity less the sum of existing aggregate generation capacity and aggregate queued generation capacity).
- (5) Substation nominal distribution voltage or transmission nominal voltage or both if applicable.
- (6) Nominal distribution circuit voltage at the proposed point of interconnection.
- (7) Approximate circuit distance between the proposed point of interconnection and the substation.
- (8) Actual or estimated peak load and minimum load data, including daytime minimum load and absolute minimum load, when applicable, for relevant line sections.
- (9) Number and rating of protective devices and number and type (standard, bi-directional) of voltage-regulating devices between the proposed point of interconnection and the substation/area and whether or not the substation has a load tap changer.
- (10) Number of phases available at the proposed point of interconnection. If it is a single phase, distance from the three-phase circuit.
- (11) Limiting conductor ratings from the proposed point of interconnection to the distribution substation.
- (12) Whether the point of interconnection is located on a spot network, grid network, or radial supply.
- (13) Based on the proposed point of interconnection, existing or known constraints, such as but not limited to electrical dependencies at that location, short-circuit interrupting capacity issues, power quality or stability issues on the circuit, capacity constraints, or secondary networks.

d. The preapplication report need only include existing data. A preapplication report request does not obligate the utility to conduct a study or other analysis of the proposed generator in the event that data is not readily available. If the utility cannot complete all or some of the preapplication report due to lack of available data, the utility shall provide the applicant with a preapplication report that includes the data that is available. The provision of information on “available capacity” pursuant to subparagraph 45.4(2)“c”(4) does not imply that an interconnection up to this level may be completed without impacts because there are many variables studied as part of the interconnection review process and data provided in the preapplication report may become outdated at the time of the submission of the complete interconnection request. Notwithstanding any of the provisions of this subrule, the utility shall, in good faith, include data in the preapplication report that represents the best available information at the time of reporting.

45.4(3) Utilities shall specify the fee by level that the applicant shall remit to process the interconnection request. The fee shall be specified in the interconnection request forms. The utilities shall not charge more than the fees as specified below:

- a. Level 1 - \$125 application fee and up to an additional \$125 if the utility performs a witness test as specified in subrule 45.5(10).
- b. Level 2 - \$250 application fee plus \$1 per kVA and up to an additional \$125 if the utility performs a witness test as specified in subrule 45.5(10).
- c. Level 3 - \$500 application fee plus \$2 per kVA.
- d. Level 4 - \$1,000 application fee plus \$2 per kVA.

45.4(4) Interconnection requests may be submitted electronically, if agreed to by the parties.

199—45.5(476) General requirements.

45.5(1) When an interconnection request for a distributed generation facility includes multiple energy production devices at a site for which the applicant seeks a single point of interconnection, the interconnection request shall be evaluated on the basis of the aggregate nameplate capacity of the multiple devices.

45.5(2) When an interconnection request is for an increase in capacity for an existing distributed generation facility, the interconnection request shall be evaluated on the basis of the new total nameplate capacity of the distributed generation facility.

45.5(3) The utility will provide a designated point of contact with contact information on the utility's website. The point of contact will direct applicant questions concerning interconnection request submissions and the interconnection request process to knowledgeable individuals within the utility.

45.5(4) The information that the utility makes available to potential applicants can include previously existing utility studies that help applicants understand whether it is feasible to interconnect a distributed generation facility at a particular point on the utility's electric distribution system. However, the utility is not required to provide the information to the extent that providing it violates security requirements or confidentiality agreements, or is contrary to state or federal law. In appropriate circumstances, the utility may require a confidentiality agreement prior to release of this information.

45.5(5) When an interconnection request is deemed complete by the utility, any modification that is not agreed to by the utility requires submission of a new interconnection request.

45.5(6) The applicant shall provide, upon utility request, proof of the applicant's legal right to control the site(s) that may be demonstrated through:

- a.* Ownership of, a leasehold interest in, or a right to develop a site for the purpose of constructing, the distributed generation facility;
- b.* An option to purchase or acquire a leasehold site for such purpose; or
- c.* Exclusivity or other business relationship between the interconnection customer and the entity having the right to sell, lease, or grant the interconnection customer the right to possess or occupy a site for such purpose.

45.5(7) To minimize the cost to interconnect multiple distributed generation facilities, the utility or the applicant may propose a single point of interconnection for multiple distributed generation facilities located at an interconnection customer site that is on contiguous property. If the applicant rejects the utility's proposal for a single point of interconnection, the applicant shall pay any additional cost to provide a separate point of interconnection for each distributed generation facility. If the utility, without written technical explanation, rejects the customer's proposal for a single point of interconnection, the utility shall pay any additional cost to provide separate points of interconnection for each distributed generation facility.

45.5(8) Any metering required for a distributed generation interconnection shall be installed, operated, and maintained in accordance with the utility's metering rules and inspection and testing practices defined in rule 199—20.6(476). Any such metering requirements shall be identified in the Level 1 Interconnection Request Application form and Distributed Generation Interconnection Agreement or the Levels 2 to 4 Distributed Generation Interconnection Request Agreement executed between the interconnection customer and the utility.

45.5(9) Utility requirements for monitoring and control of distributed generation facilities are permitted only when the nameplate capacity rating is greater than 1 MVA. Monitoring and control requirements shall be reasonable, consistent with the utility's published requirements, and clearly identified in the interconnection agreement between the interconnection customer and the utility. Transfer trip is not considered utility monitoring and control when required and installed to protect the electric distribution system or an affected system against adverse system impacts.

45.5(10) The utility may require a witness test after the distributed generation facility is constructed. The applicant shall provide the utility with at least 15 business days' notice of the planned commissioning test for the distributed generation facility. The applicant and utility will schedule the witness test at a mutually agreeable time. If the witness test results are not acceptable to the utility, the applicant shall be granted 30 business days to address and resolve any deficiencies. The time period for

addressing and resolving any deficiencies may be extended upon the mutual agreement of the utility and the applicant prior to the end of the 30 business days. An initial request for extension shall not be denied by the utility; subsequent requests may be denied. If the applicant fails to address and resolve the deficiencies to the utility's satisfaction, the interconnection request shall be deemed withdrawn. Even if the utility or an entity approved by the utility does not witness a commissioning test, the applicant remains obligated to satisfy the interconnection test specifications and requirements set forth in IEEE Standard 1547, Section 11. The applicant shall, if requested by the utility, provide a copy of all documentation in its possession regarding testing conducted pursuant to IEEE Standard 1547.1.

199—45.6(476) Lab-certified equipment. An interconnection request may be eligible for expedited interconnection review under rule 199—45.8(476), 199—45.9(476), or 199—45.10(476) (as described in rule 199—45.7(476)) if the distributed generation facility uses interconnection equipment that is lab-certified.

45.6(1) Interconnection equipment is deemed lab-certified if:

- a. The interconnection equipment has been successfully tested in accordance with IEEE Standard 1547.1 (as appropriate for lab testing) or complies with UL Standard 1741, as demonstrated by any NRTL recognized by OSHA to test and certify interconnection equipment;
- b. The interconnection equipment has been labeled and is publicly listed by the NRTL at the time of the interconnection application;
- c. The applicant's proposed use of the interconnection equipment falls within the use or uses for which the interconnection equipment was labeled and listed by the NRTL; and
- d. The generator, other electric sources, and interface components being utilized are compatible with the interconnection equipment and are consistent with the testing and listing specified by the NRTL for this type of interconnection equipment.

45.6(2) Lab-certified interconnection equipment does not require further design testing or production testing, as specified by IEEE Standard 1547, Section 11, or additional interconnection equipment modification to meet the requirements for expedited review; however, the applicant shall conduct all commissioning tests or periodic testing as specified by IEEE Standard 1547, Section 11. The utility may conduct additional witness tests, but no more frequently than annually.

199—45.7(476) Determining the review level. A utility shall determine whether an interconnection request should be processed under the Level 1, 2, 3, or 4 procedures by using the following screens.

45.7(1) Level 1 procedures are used to evaluate all interconnection requests to connect a distributed generation facility when:

- a. The applicant has filed a Level 1 application;
- b. The distributed generation facility has a nameplate capacity rating of 20 kVA or less;
- c. The distributed generation facility is inverter-based;
- d. The customer interconnection equipment proposed for the distributed generation facility is lab-certified; and
- e. The utility is not required to construct facilities to accommodate the distributed generation facility.

45.7(2) Level 2 procedures are used for evaluating interconnection requests when:

- a. The applicant has filed a Level 2 application;
- b. The nameplate capacity rating is 2 MVA or less for non-inverter-based systems. The Level 2 eligibility for inverter-based systems can be based on the following table.

Line Voltage	Level 2 Eligibility Regardless of Location	Level 2 Eligibility on a Mainline and < 2.5 Electrical Circuit Miles from Substation
< 5 kV	< 500 kVA	< 500 kVA
> 5 kV and < 15 kV	< 2 MVA	< 3 MVA

> 15 kV and < 30 kV	< 3 MVA	< 4 MVA
> 30 kV and < 69 kV	< 4 MVA	< 5 MVA

For purposes of this table, a mainline is the three-phase backbone of a circuit;

- c. The interconnection equipment proposed for the distributed generation facility is lab-certified;
- d. The proposed interconnection is to a radial distribution circuit or a spot network limited to serving one customer; and
- e. The utility is not required to construct facilities to accommodate the distributed generation facility, other than minor modifications provided for in subrule 45.9(6).

45.7(3) Level 3 review procedures are used for evaluating interconnection requests to area networks and radial distribution circuits where power will not be exported based on the following criteria.

a. For interconnection requests to the load side of an area network, the following criteria shall be satisfied to qualify for a Level 3 expedited review:

- (1) The applicant has filed a Level 3 application;
- (2) The nameplate capacity rating of the distributed generation facility is 50 kVA or less;
- (3) The proposed distributed generation facility uses a lab-certified, inverter-based equipment package;
- (4) The distributed generation facility will use reverse power relays or other protection functions that prevent the export of power into the area network;
- (5) The aggregate of all generation on the area network does not exceed the lower of 5 percent of an area network's maximum load or 50 kVA; and
- (6) The utility is not required to construct facilities to accommodate the distributed generation facility.

b. For interconnection requests to a radial distribution circuit, the following criteria shall be satisfied to qualify for a Level 3 expedited review:

- (1) The applicant has filed a Level 3 application;
- (2) The aggregated total of the nameplate capacity ratings of all of the generators on the circuit, including the proposed distributed generation facility, is 10 MVA or less;
- (3) The distributed generation facility will use reverse power relays or other protection functions that prevent power flow onto the electric distribution system;
- (4) The distributed generation facility is not served by a shared transformer; and
- (5) The utility is not required to construct facilities on its own system to accommodate the distributed generation facility.

45.7(4) Level 4 study review procedures are used for evaluating interconnection requests when:

- a. The applicant has filed a Level 4 application;
- b. The nameplate capacity rating of the small generation facility is 10 MVA or less; and
- c. Not all of the interconnection equipment or distributed generation facilities being used for the application are lab-certified.

199—45.8(476) Level 1 expedited review. A utility shall use the Level 1 interconnection review procedures for an interconnection request that meets the requirements specified in subrule 45.7(1). A utility will not impose additional requirements on Level 1 reviews that are not specifically authorized under this rule or rule 199—45.3(476) unless the applicant agrees.

45.8(1) The utility shall evaluate the potential for adverse system impacts using the following screens, which shall be satisfied:

a. For interconnection of a proposed distributed generation facility to a radial distribution circuit, the total distributed generation connected to the distribution circuit, including the proposed distributed generation facility, will not exceed 15 percent of the maximum load normally supplied by the distribution circuit.

b. For interconnection within a spot network, the distributed generation facility must use a minimum import relay or other protective scheme that will ensure that power imported from the utility to

the network will, during normal utility operations, remain above 1 percent of the network's maximum load over the past year, or will remain above a point reasonably set by the utility in good faith. At the utility's discretion, the requirement for minimum import relays or other protective schemes may be waived and alternative screening criteria may be applied.

c. When a proposed distributed generation facility is to be interconnected on a single-phase shared secondary line, the aggregate generation capacity on the shared secondary line, including the proposed distributed generation facility, does not exceed 20 kVA.

d. When a proposed distributed generation facility is single-phase and is to be interconnected on a center tap neutral of a 240-volt service, its addition will not create an imbalance between the two sides of the 240-volt service of more than 20 percent of the nameplate rating of the service transformer.

e. The utility is not required to construct facilities on its own system to accommodate the distributed generation facility's interconnection.

45.8(2) The Level 1 interconnection shall use the following procedures:

a. The applicant submits an interconnection request using the Level 1 Interconnection Request Application form and Distributed Generation Interconnection Agreement along with the Level 1 application fee.

b. Within seven business days after receipt of the interconnection request, the utility shall inform the applicant whether the interconnection request is complete. If the request is incomplete, the utility shall specify what information is missing and the applicant has ten business days after receiving notice from the utility to provide the missing information or the interconnection request shall be deemed withdrawn.

c. Within 15 business days after the utility notifies the applicant that its interconnection request is complete, the utility shall verify whether the distributed generation facility passes all the relevant Level 1 screens.

d. If, after determining that the interconnection request is complete, the utility determines that it needs additional information to evaluate the distributed generation facility's adverse system impact, the utility shall request this information. The utility may not restart the review process or alter the applicant's review order position because it requires the additional information. The utility can extend the time to finish its evaluation only to the extent of the delay required for receipt of the additional information. If the additional information is not provided by the applicant within 15 business days, the interconnection request shall be deemed withdrawn.

e. If the utility determines and demonstrates that a distributed generation facility does not pass all relevant Level 1 screens, the utility shall provide a letter to the applicant explaining the reasons that the facility did not pass the screens.

f. Otherwise, the utility shall approve the interconnection request and provide to the applicant a signed version of the standard Conditional Agreement to Interconnect Distributed Generation Facility in the Level 1 Interconnection Request Application form and Distributed Generation Interconnection Agreement subject to the following conditions:

(1) The distributed generation facility has been approved by local or municipal electric code officials with jurisdiction over the interconnection;

(2) The Certificate of Completion form has been returned to the utility. Completion of local inspections may be designated on inspection forms used by local inspecting authorities;

(3) The witness test has either been successfully completed or waived by the utility in accordance with Section (2)(c)(ii) of the Terms and Conditions for Interconnection in the Level 1 Interconnection Request Application form and Distributed Generation Interconnection Agreement; and

(4) The applicant has signed the standard Conditional Agreement to Interconnect Distributed Generation Facility in the Level 1 Interconnection Request Application form and Distributed Generation Interconnection Agreement. When an applicant does not sign the agreement within 30 business days after receipt of the agreement from the utility, the interconnection request is deemed withdrawn unless the applicant requests to have the deadline extended for no more than 15 business days. An initial request for extension shall not be denied by the utility, but subsequent requests may be denied.

g. If a distributed generation facility is not approved under a Level 1 review and the utility's reasons for denying Level 1 status are not subject to dispute, the applicant may submit a new interconnection request for consideration under Level 2, Level 3, or Level 4 procedures. The date of the completed Level 1 interconnection request shall be retained and used to determine the review order position for subsequent Level 2 to 4 applications, provided the applicant makes the request within 15 business days after being notified that the Level 1 interconnection request is denied.

199—45.9(476) Level 2 expedited review. A utility shall use the Level 2 review procedure for interconnection requests that meet the Level 2 criteria in subrule 45.7(2). A utility will not impose additional requirements for Level 2 reviews that are not specifically authorized under this rule or rule 199—45.3(476) or subrule 45.5(9) unless the applicant agrees.

45.9(1) The utility shall evaluate the potential for adverse system impacts using the following screens, which shall be satisfied:

a. For interconnection of a proposed distributed generation facility to a radial distribution circuit, the total distributed generation connected to the distribution circuit, including the proposed distributed generation facility, will not exceed 15 percent of the maximum load normally supplied by the distribution circuit.

b. For interconnection of a proposed distributed generation facility within a spot network, the proposed distributed generation facility must be inverter-based and use a minimum import relay or other protective scheme that will ensure that power imported from the utility to the network will, during normal utility operations, remain above 1 percent of the network's maximum load over the past year, or will remain above a point reasonably set by the utility in good faith. At the utility's discretion, the requirement for minimum import relays or other protective schemes may be waived and alternative screening criteria may be applied.

c. The proposed distributed generation facility, in aggregation with other generation on the distribution circuit, will not contribute more than 10 percent to the distribution circuit's maximum fault current at the point on the primary line nearest the point of interconnection.

d. Any proposed distributed generation facility, in aggregate with other generation on the distribution circuit, shall not cause any electric utility distribution devices to be exposed to fault currents exceeding 90 percent of the electric utility distribution devices' short-circuit interrupting capability. Interconnection of a non-inverter-based distributed generation facility will not occur under Level 2 if equipment on the utility's distribution circuit is already exposed to fault currents of between 90 and 100 percent of the utility's equipment short-circuit interrupting capability. However, if fault currents exceed 100 percent of the utility's equipment short-circuit interrupting capability even without the distributed generation being interconnected, the utility shall replace the equipment at its own expense, and interconnection may proceed under Level 2.

e. When a customer-generator facility is to be connected to 3-phase, 3-wire utility distribution lines, a 3-phase or single-phase generator shall be connected phase-to-phase.

f. When a customer-generator facility is to be connected to 3-phase, 4-wire utility distribution lines, a 3-phase or single-phase generator shall be connected line-to-neutral and shall be grounded.

g. When the proposed distributed generation facility is to be interconnected on a single-phase shared secondary line, the aggregate generation capacity on the shared secondary line, including the proposed distributed generation facility, will not exceed 20 kVA.

h. When a proposed distributed generation facility is single-phase and is to be interconnected on a center tap neutral of a 240-volt service, its addition will not create an imbalance between the two sides of the 240-volt service of more than 20 percent of the nameplate rating of the service transformer.

i. A distributed generation facility, in aggregate with other generation interconnected to the distribution side of a substation transformer feeding the circuit where the distributed generation facility proposes to interconnect, will not exceed 10 MVA in an area where there are transient stability limitations to generating units located in the general electrical vicinity, as publicly posted by the MRO, the SERC, the MISO or the SPP.

j. Except as permitted by additional review in subrule 45.9(6), the utility shall not be required to construct any facilities on its own system to accommodate the distributed generation facility's interconnection.

45.9(2) The Level 2 interconnection shall use the following procedures:

a. The applicant submits an interconnection request using the Levels 2 to 4 Interconnection Request Application form along with the Level 2 application fee.

b. Within ten business days after receiving the interconnection request, the utility shall inform the applicant as to whether the interconnection request is complete. If the request is incomplete, the utility shall specify what materials are missing and the applicant has ten business days to provide the missing information or the interconnection request shall be deemed withdrawn.

c. After an interconnection request is deemed complete, the utility shall assign a review order position based upon the date that the interconnection request is determined to be complete. The utility shall then inform the applicant of its review order position.

d. If, after determining that the interconnection request is complete, the utility determines that it needs additional information to evaluate the distributed generation facility's adverse system impact, it shall request this information. The utility will not restart the review process or alter the applicant's review order position because it requires the additional information. The utility can extend the time to finish its evaluation only to the extent of the delay required for receipt of the additional information. If the additional information is not provided by the applicant within 15 business days, the interconnection request shall be deemed withdrawn.

e. Within 20 business days after the utility notifies the applicant it has received a completed interconnection request, the utility shall:

(1) Evaluate the interconnection request using the Level 2 screening criteria; and

(2) Provide the applicant with the utility's evaluation, including a written technical explanation. If a utility does not have a record of receipt of the interconnection request and the applicant can demonstrate that the original interconnection request was delivered, the utility shall complete the evaluation of the interconnection request within 20 business days after applicant's demonstration.

45.9(3) When a utility determines that the interconnection request passes the Level 2 screening criteria, or the utility determines that the distributed generation facility can be interconnected safely and will not cause adverse system impacts, even if the facility fails one or more of the Level 2 screening criteria, the utility shall provide the applicant with the Levels 2 to 4 Distributed Generation Interconnection Agreement within three business days of the date the utility makes its determination.

45.9(4) Within 30 business days after the utility issues the Levels 2 to 4 Distributed Generation Interconnection Agreement, the applicant shall sign and return the agreement to the utility. If the applicant does not sign and return the agreement within 30 business days, the interconnection request shall be deemed withdrawn unless the applicant requests a 15-business-day extension in writing before the end of the 30-day period. The initial request for extension will not be denied by the utility. When the utility conducts an additional review under the provisions of subrule 45.9(6), the interconnection of the distributed generation facility shall proceed according to milestones agreed to by the parties in the Levels 2 to 4 Distributed Generation Interconnection Agreement.

45.9(5) The Levels 2 to 4 Distributed Generation Interconnection Agreement is not final until:

a. All requirements in the agreement are satisfied;

b. The distributed generation facility is approved by the electric code officials with jurisdiction over the interconnection;

c. The applicant provides the Certificate of Completion form to the utility. Completion of local inspections may be designated on inspection forms used by local inspecting authorities; and

d. The witness test has either been successfully completed or waived by the utility in accordance with Article 2.1.1 of the Levels 2 to 4 Distributed Generation Interconnection Agreement.

45.9(6) Supplemental review may be appropriate when a distributed generation facility fails to meet one or more of the Level 2 screens. The utility shall offer to perform a supplemental review to determine whether there are minor modifications to the distributed generation facility or electric distribution system that would enable the interconnection to be made safely without causing adverse

system impacts. To accept the offer of a supplemental review, the applicant shall agree in writing and submit a deposit for the estimated costs of the supplemental review in the amount of the utility's good-faith nonbinding estimate of the costs for such review, both within 15 business days of the offer. If the written agreement and deposit have not been received by the utility within that time frame, the interconnection request shall continue to be evaluated under the applicable study process unless it is withdrawn by the applicant.

a. The applicant may specify the order in which the utility will complete the screens described in paragraph 45.9(6) "d."

b. The applicant is responsible for the utility's actual costs for conducting the supplemental review. The applicant must pay any supplemental review costs that exceed the deposit within 20 business days of receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced costs, the utility will return such excess within 20 business days of the date of the invoice without interest.

c. If, after the applicant accepts the offer of a supplemental review, the utility determines that it needs additional information to evaluate the distributed generation facility's adverse system impact, the utility shall request this information. The utility may not restart the supplemental review process or alter the applicant's review order position because it requires the additional information. The utility can extend the time to finish its evaluation only to the extent of the delay required for receipt of the additional information. If the additional information is not provided by the applicant within 15 business days, the interconnection request shall be deemed withdrawn.

d. Within 30 business days following receipt of the deposit for a supplemental review, the utility shall:

- (1) Perform a supplemental review using the screens set forth below;
- (2) Notify the applicant in writing of the results; and
- (3) Provide copies of the analysis and data underlying the utility's determinations based on the screens.

e. Unless the applicant provided instructions on how to respond to the failure of any of the supplemental review screens identified below at the time the applicant accepted the offer of a supplemental review, the utility shall notify the applicant following the failure of any of the screens; or, if the utility is unable to perform the screen described in subparagraph 45.9(6) "d"(1) within 2 business days of making such determination, the utility shall obtain the applicant's permission to: (a) continue evaluating the proposed interconnection under this subparagraph; (b) terminate the supplemental review and continue evaluating the small generating facility; or (c) terminate the supplemental review upon withdrawal of the interconnection request by the applicant.

(1) Minimum Load Screen: Where 12 months of line section minimum load data (including onsite load but not station service load served by the proposed small generating facility) are available, can be calculated, can be estimated from existing data, or can be determined from a power flow model, the aggregate generating facility capacity on the line section must be less than 100 percent of the minimum load for all line sections bounded by automatic sectionalizing devices upstream of the proposed small generating facility. If minimum load data is not available, or cannot be calculated, estimated or determined, the utility shall include the reason(s) that it is unable to calculate, estimate or determine minimum load in its supplemental review results notification under paragraph 45.9(6) "c" above.

1. The type of generation used by the proposed small generating facility will be taken into account when calculating, estimating, or determining circuit or line section minimum load relevant for the application of screen. Solar photovoltaic (PV) generation systems with no battery storage use daytime minimum load (i.e., 10 a.m. to 4 p.m. for fixed panel systems and 8 a.m. to 6 p.m. for PV systems utilizing tracking systems), while all other types of generation use absolute minimum load.

2. When this screen is being applied to a small generating facility that serves some station service load, only the net injection into the utility's electric system will be considered as part of the aggregate generation.

3. Utility will not consider generating facility capacity known to be already reflected in the minimum load data as part of the aggregate generation for purposes of this screen.

(2) Voltage and Power Quality Screen: In aggregate with existing generation on the line section: (1) the voltage regulation on the line section can be maintained in compliance with relevant requirements under all system conditions; (2) the voltage fluctuation is within acceptable limits as defined by the IEEE Standard 1453-2022, as approved on June 16, 2022, or utility practice similar to IEEE Standard 1453; and (3) the harmonic levels meet IEEE Standard 519-2022, as approved on May 13, 2022, limits.

(3) Safety and Reliability Screen: The location of the proposed small generating facility and the aggregate generation capacity on the line section do not create impacts to safety or reliability that cannot be adequately addressed without application of the study process. The utility shall give due consideration to the following and other factors in determining potential impacts to safety and reliability in applying this screen.

1. Whether the line section has significant minimum load levels dominated by a small number of customers (e.g., several large commercial customers).

2. Whether the load along the line section is uniform or even.

3. Whether the proposed small generating facility is located in close proximity to the substation (i.e., less than 2.5 electrical circuit miles) and whether the line section from the substation to the point of interconnection is a mainline rated for normal and emergency ampacity.

4. Whether the proposed small generating facility incorporates a time delay function to prevent reconnection of the generator to the system until system voltage and frequency are within normal limits for a prescribed time.

5. Whether operational flexibility is reduced by the proposed small generating facility, such that transfer of the line section(s) of the small generating facility to a neighboring distribution circuit/substation may trigger overloads or voltage issues.

6. Whether the proposed small generating facility employs equipment or systems certified by a recognized standards organization to address technical issues, such as but not limited to islanding, reverse power flow, or voltage quality.

f. If the proposed interconnection passes the supplemental screens described in subparagraphs 45.9(6) “d”(1), (2), and (3), the interconnection request shall be approved and the utility will provide the applicant with an executable interconnection agreement within the time frames established in paragraphs 45.9(6) “f” and “g.” If the proposed interconnection fails any of the supplemental review screens and the applicant does not withdraw the applicant’s interconnection request, the applicant shall continue to be evaluated under the Level 4 study process consistent with rule 199—45.11(476).

g. If the proposed interconnection passes the supplemental screens described in subparagraphs 45.9(6) “d”(1), (2), and (3) and does not require construction of facilities by the utility on the utility’s own system, the interconnection agreement shall be provided within 10 business days after the notification of the supplemental review results.

h. If interconnection facilities or minor modifications to the utility’s system are required for the proposed interconnection to pass the supplemental screens described in subparagraphs 45.9(6) “d”(1), (2), and (3) and the applicant agrees to pay for the modifications to the utility’s electric system, the interconnection agreement, along with a nonbinding good-faith estimate for the interconnection facilities or minor modifications or both, shall be provided to the applicant within 15 business days after receiving written notification of the supplemental review results.

i. If the proposed interconnection would require more than interconnection facilities or minor modifications to the utility’s system to pass the supplemental screens described in subparagraphs 45.9(6) “d”(1), (2), and (3), the utility shall notify the applicant at the same time the utility notifies the applicant with the supplemental review results, that the interconnection request shall be evaluated under the Level 4 study process unless the applicant withdraws its interconnection request.

45.9(7) If the distributed generation facility is not approved under a Level 2 review, the utility shall provide the applicant with written notification explaining the utility’s reasons for denying the interconnection request. The applicant may submit a new interconnection request for consideration under a Level 4 interconnection review. The review order position assigned to the Level 2 interconnection request shall be retained, provided that the request is made by the applicant within 15 business days after notification that the current interconnection request is denied.

199—45.10(476) Level 3 expedited review. A utility shall use the Level 3 expedited review procedure for an interconnection request that meets the criteria in subrule 45.7(3) or 45.7(4). A utility will not impose additional requirements for Level 3 reviews not specifically authorized under this rule or rule 199—45.3(476) unless the applicant agrees.

45.10(1) A Level 3 interconnection shall utilize the following procedures:

a. The applicant submits an interconnection request using the Levels 2 to 4 Interconnection Request Application form along with the Level 3 application fee.

b. Within ten business days after receiving the interconnection request, the utility shall inform the applicant as to whether the interconnection request is complete. If the request is incomplete, the utility shall specify what materials are missing and the applicant has ten business days to provide the missing information, or the interconnection request shall be deemed withdrawn.

c. After an interconnection request is deemed complete, the utility shall assign a review order position to it based upon the date the interconnection request is determined to be complete. The utility shall then inform the applicant of its review order position.

d. If, after determining that the interconnection request is complete, the utility determines that the utility needs additional information to evaluate the distributed generation facility's adverse system impact, the utility shall request this information. The utility will not restart the review process or alter the applicant's review order position because the utility requires the additional information. The utility can extend the time to finish its evaluation only to the extent the delay is required for receipt of the additional information. If this additional information is not provided by the applicant within 15 business days, the interconnection request shall be deemed withdrawn.

e. Interconnection requests meeting the requirements set forth in paragraph 45.7(3) "a" for nonexporting distributed generation facilities interconnecting to an area network are presumed to be appropriate for interconnection. The utility shall process the interconnection requests using the following procedures:

(1) The utility shall evaluate the interconnection request under Level 2 interconnection review procedures as set forth in subrule 45.9(1) except that the utility has 25 business days to evaluate the interconnection request against the screens to determine whether interconnecting the distributed generation facility to the utility's area network has any potential adverse system impacts.

(2) If the Level 2 screens for area networks identify potential adverse system impacts, the utility may determine at its sole discretion that it is inappropriate for the distributed generation facility to interconnect to the area network under Level 3 review, and the interconnection request is denied. The applicant may submit a new interconnection request for consideration under Level 4 procedures at the review order position assigned to the Level 3 interconnection request, if the request is made within 15 business days after notification that the current application is denied.

f. For interconnection requests that meet the requirements of paragraph 45.7(3) "b" for nonexporting distributed generation facilities interconnecting to a radial distribution circuit, the utility shall evaluate the interconnection request under the Level 2 expedited review in subrule 45.9(1), except for the screen in paragraph 45.9(1) "a."

45.10(2) For a distributed generation facility that satisfies the criteria in paragraph 45.10(1) "e" or "f," the utility shall approve the interconnection request and provide the applicant with the Levels 2 to 4 Distributed Generation Interconnection Agreement within three business days of the date the utility makes its determination.

45.10(3) Within 30 business days after the utility issues the Levels 2 to 4 Distributed Generation Interconnection Agreement, the applicant will complete, sign, and return the agreement to the utility. If the applicant does not sign the agreement within 30 business days, the request shall be deemed withdrawn, unless the applicant requests a 15-business-day extension in writing before the end of the 30-day period. An initial request for extension will not be denied by the utility. After the agreement is signed by the parties, interconnection of the distributed generation facility shall proceed according to any milestones agreed to by the parties in the Levels 2 to 4 Distributed Generation Interconnection Agreement.

45.10(4) The Levels 2 to 4 Distributed Generation Interconnection Agreement is not final until:

- a. All requirements in the agreement are satisfied;
- b. The distributed generation facility is approved by the electric code officials with jurisdiction over the distributed generation facility;
- c. The applicant provides the Certificate of Completion form to the utility; and
- d. The witness test has either been successfully completed or waived by the utility in accordance with Article 2.1.1 of the Levels 2 to 4 Distributed Generation Interconnection Agreement.

45.10(5) If the distributed generation facility is not approved under a Level 3 review, the utility shall provide the applicant with written notification explaining the utility's reasons for denying the interconnection request. The applicant may submit a new interconnection request for consideration under a Level 4 interconnection review. The review order position assigned to the Level 3 interconnection request shall be retained, provided that the request is made within 15 business days after notification that the current interconnection request is denied.

199—45.11(476) Level 4 review. A utility shall use the following Level 4 study review procedures for an interconnection request that meets the criteria in subrule 45.7(4).

45.11(1) The applicant submits an interconnection request using the Levels 2 to 4 Interconnection Request Application form along with the Level 4 application fee.

45.11(2) Within ten business days after receipt of an interconnection request, the utility shall notify the applicant whether the request is complete. When the interconnection request is not complete, the utility shall provide the applicant with a written list detailing the information required to complete the interconnection request. The applicant has ten business days to provide the required information or the interconnection request is considered withdrawn. The parties may agree to extend the time for receipt of the additional information. The interconnection request is deemed complete when the required information has been provided by the applicant, or the parties have agreed that the applicant may provide additional information at a later time.

45.11(3) After an interconnection request is deemed complete, the utility shall assign a review order position to it based upon the date the interconnection request is determined to be complete. When assigning a review order position, a utility may consider whether there are any other interconnection projects on the same distribution circuit. If there are other interconnection projects on the same distribution circuit, the utility may consider them together. If a utility assigns a review order position based on the existence of interconnection projects on the same distribution circuit, the utility shall notify the applicant of that fact when the utility assigns the review order position. The review order position of an interconnection request is used to determine the cost responsibility for the facilities necessary to accommodate the interconnection. The utility shall notify the applicant as to the applicant's position in the review order. If the interconnection request is subsequently amended, the applicant shall receive a new review order position based on the date that the interconnection request was amended.

45.11(4) Level 4 study review procedures. After the interconnection request has been assigned to the review order, a Level 4 study review shall be conducted:

a. Waiver or combination of standard Level 4 study review procedures. By mutual agreement of the parties in writing, the scoping meeting, feasibility study, system impact study, or facilities study in paragraph 45.11(4) "b" may be waived or combined with other studies. Otherwise, the standard Level 4 study review procedures in paragraph 45.11(4) "b" shall apply.

b. Standard Level 4 study review procedures include:

(1) Scoping meeting. Unless waived or combined with other studies pursuant to paragraph 45.11(4) "a," a scoping meeting shall be held with the applicant on a mutually agreed-upon date and time, after the utility has notified the applicant that the Level 4 interconnection request is deemed complete, or after the applicant has requested that the applicant's interconnection request proceed under Level 4 review after failing the requirements of a Level 1, Level 2, or Level 3 review. The purpose of the meeting is to review the interconnection request, any existing studies relevant to the interconnection request, and the results of any Level 1, Level 2, or Level 3 screening criteria.

(2) Feasibility study. Unless waived or combined with other studies pursuant to paragraph 45.11(4) "a," an interconnection feasibility study (subrule 45.11(5)) shall be performed.

1. The utility shall provide the applicant a copy of the Interconnection Feasibility Study Agreement or a mutually agreed-upon alternative form, plus a description of the study and a nonbinding estimate of the cost to perform the study.

2. The utility shall provide the study agreement and information no later than ten business days after the following have occurred, as applicable:

- Receipt of a complete interconnection request; and
- The scoping meeting (if held).

3. If the applicant does not sign and return the study agreement with payment of the estimated costs of the study within 15 business days, the application shall be deemed withdrawn.

(3) System impact study. Unless waived or combined with other studies pursuant to paragraph 45.11(4) "a," an interconnection system impact study (subrule 45.11(6)) shall be performed.

1. The utility shall provide the applicant a copy of the Interconnection System Impact Study Agreement or a mutually agreed-upon alternative form, plus an outline of the scope of the study and a nonbinding estimate of the cost to perform the study.

2. The utility shall provide the study agreement and information no later than ten business days after the following have occurred, as applicable:

- Receipt of a complete interconnection request;
- The scoping meeting (if held); and
- Transmittal of the interconnection feasibility study (if performed).

3. If the applicant does not sign and return the study agreement with payment of the estimated costs of the study within 15 business days, the application shall be deemed withdrawn.

(4) Facilities study. Unless waived or combined with other studies pursuant to paragraph 45.11(4) "a," an interconnection facilities study (subrule 45.11(7)) shall be performed.

1. The utility shall provide the applicant a copy of the Interconnection Facilities Study Agreement or a mutually agreed-upon alternative form, plus an outline of the scope of the study and a nonbinding estimate of the cost to perform the study.

2. The utility shall provide the study agreement and information no later than ten business days after the following have occurred, as applicable:

- Receipt of a complete interconnection request;
- The scoping meeting (if held);
- Transmittal of the interconnection feasibility study (if performed); and
- Transmittal of the interconnection system impact study (if performed).

3. If the applicant does not sign and return the study agreement with payment of the estimated costs of the study within 15 business days, the application is deemed withdrawn.

45.11(5) Interconnection feasibility study.

a. Unless waived or combined with other studies by agreement of the parties pursuant to paragraph 45.11(4) "a," the interconnection feasibility study shall include any necessary analyses for the purpose of identifying potential adverse system impacts to the utility's electric system that would result from the interconnection from among the following:

(1) Initial identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;

(2) Initial identification of any thermal overload or voltage limit violations resulting from the interconnection; and

(3) Initial review of grounding requirements and system protection.

b. Before performing the study, the utility shall provide the applicant a description of the study and a nonbinding estimate of the cost to perform the study.

c. If an applicant requests that the interconnection feasibility study evaluate multiple potential points of interconnection, additional evaluations may be required that will be paid for by the applicant.

d. An interconnection system impact study is not required when the interconnection feasibility study concludes that there is no adverse system impact, or when the study identifies an adverse system impact, but the utility is able to identify a remedy without the need for an interconnection system impact study.

e. Either party can require that the Interconnection Feasibility Study Agreement be used. However, if both parties agree, an alternative form can be used.

45.11(6) Interconnection system impact study. An interconnection system impact study evaluates the impact of the proposed interconnection on both the safety and reliability of the utility's electric distribution system. The interconnection impact study identifies and details the system impacts that interconnecting the distributed generation facility to the utility's electric system has if there are no system modifications. The interconnection system impact study focuses on the potential or actual adverse system impacts identified in the interconnection feasibility study, including those that were identified in the scoping meeting. The interconnection system impact study shall consider all other distributed generation facilities that, on the date the interconnection system impact study is commenced, are directly interconnected with the utility's system, have a pending higher review order position to interconnect to the electric distribution system, or have signed an interconnection agreement. The utility shall coordinate with any affected system owners regarding potential impacts to affected systems in a timely manner and include the results of such studies along with the system impacts study.

a. Unless waived or combined with other studies by agreement of the parties pursuant to paragraph 45.11(4) "*a*," an interconnection system impact study shall be performed when either a potential adverse system impact is identified in the interconnection feasibility study, or an interconnection feasibility study has not been performed. Before performing the interconnection feasibility study, the utility shall provide the applicant an outline of the scope of the study and a nonbinding estimate of the cost to perform the study. The interconnection system impact study shall include any pertinent elements from among the following:

- (1) A load flow study;
- (2) Identification of affected systems and any subsequent affected system study;
- (3) An analysis of equipment interrupting ratings;
- (4) A protection coordination study;
- (5) Voltage drop and flicker studies;
- (6) Protection and set point coordination studies;
- (7) Grounding reviews; and
- (8) Impact on system operation.

b. An interconnection system impact study shall consider any necessary criteria from among the following:

- (1) A short-circuit analysis;
- (2) A stability analysis;
- (3) Alternatives for mitigating adverse system impacts on affected systems;
- (4) Voltage drop and flicker studies;
- (5) Protection and set point coordination studies;
- (6) Grounding reviews; and
- (7) Results from the affected system study.

c. The final interconnection system impact study shall provide the following:

- (1) The underlying assumptions of the study;
- (2) The results of the analyses;
- (3) A list of any potential impediments to providing the requested interconnection service;
- (4) Required distribution upgrades; and
- (5) A nonbinding estimate of cost and time to construct any required distribution upgrades.

d. Either party can require that the Interconnection System Impact Study Agreement be used. However, if both parties agree, an alternative form can be used.

45.11(7) Interconnection facilities study. Unless waived or combined with other studies by agreement of the parties pursuant to paragraph 45.11(4) "*a*," an interconnection facilities study shall be performed as follows:

a. Before performing the interconnection facilities study, the utility shall provide the applicant an outline of the scope of the study and a nonbinding estimate of the cost to perform the study.

b. The interconnection facilities study shall estimate the cost of the equipment, engineering, procurement and construction work, including overheads, needed to implement the conclusions of the interconnection feasibility study and the interconnection system impact study. The interconnection facilities study shall identify:

(1) The electrical switching configuration of the equipment, including transformer, switchgear, meters and other station equipment;

(2) The nature and estimated cost of the utility's interconnection facilities and distribution upgrades necessary to accomplish the interconnection; and

(3) An estimate for the time required to complete the construction and installation of the interconnection facilities and distribution upgrades.

c. The utility may agree to permit an applicant to arrange separately for a third party to design and construct the required interconnection facilities. In such a case, when the applicant agrees to separately arrange for design and construction, and to comply with security and confidentiality requirements, the utility shall make all relevant information and required specifications available to the applicant to permit the applicant to obtain an independent design and cost estimate for the facilities, which shall be built in accordance with the utility's specifications.

d. Upon completion of the interconnection facilities study, and after the applicant agrees to pay for the interconnection facilities and distribution upgrades identified in the interconnection facilities study, the utility shall provide the applicant with the Levels 2 to 4 Distributed Generation Interconnection Agreement within three business days of the date the utility makes its determination.

e. In the event that distribution upgrades are identified in the interconnection system impact study that shall be added only in the event that customers with higher review order positions not yet interconnected eventually complete and interconnect the customers' generation facilities, the applicant may elect to interconnect without paying the estimate for such upgrades at the time of the interconnection, provided that the applicant pays for such upgrades prior to commencement of construction of such upgrades to be completed by the time the customer with higher review order position is ready to interconnect. If the applicant does not pay for such upgrades at that time, the utility shall require the applicant to immediately disconnect the applicant's distributed generation facility to accommodate the customer with higher review order position.

f. Either party can require that the Interconnection Facilities Study Agreement be used. However, if both parties agree, an alternative form can be used.

45.11(8) When a utility determines, as a result of the studies conducted under a Level 4 review, that it is appropriate to interconnect the distributed generation facility, the utility shall provide the applicant with the Levels 2 to 4 Distributed Generation Interconnection Agreement. If the interconnection request is denied, the utility shall provide the applicant with a written explanation as to the utility's reasons for denying interconnection. If denied, the interconnection request does not retain its position in the review order.

45.11(9) Within 30 business days after receipt of the Levels 2 to 4 Distributed Generation Interconnection Agreement, the applicant shall provide all necessary information required of the applicant by the agreement, and the utility shall develop all other information required of the utility by the agreement. After completing the agreement with the additional information, the utility will transmit the completed agreement to the applicant. Within 30 business days after receipt of the completed agreement, the applicant shall sign and return the completed agreement to the utility. If the applicant does not sign and return the agreement within 30 business days after receipt, the interconnection request shall be deemed withdrawn, unless the applicant requests in writing to have the deadline extended by no more than 15 business days, prior to the expiration of the 30-business-day period. The initial request for extension will not be denied by the utility. If the applicant does not sign and return the agreement after the 15-business-day extension, the interconnection request shall be deemed withdrawn. If withdrawn, the interconnection request does not retain its position in the review order. When construction is required, the interconnection of the distributed generation facility shall proceed according to milestones agreed to by the parties in the Levels 2 to 4 Distributed Generation Interconnection Agreement.

45.11(10) The Levels 2 to 4 Distributed Generation Interconnection Agreement is not final until:

- a.* The requirements of the agreement, including the provision of all necessary documents, are satisfied;
- b.* The distributed generation facility is approved by electric code officials with jurisdiction over the interconnection;
- c.* The applicant provides the Certificate of Completion form to the utility. Completion of local inspections may be designated on inspection forms used by local inspecting authorities; and
- d.* The witness test has either been successfully completed or waived by the utility in accordance with Article 2.1.1 of the Levels 2 to 4 Distributed Generation Interconnection Agreement.

199—45.12(476) Disputes.

45.12(1) A party shall attempt to resolve all disputes regarding interconnection promptly and in a good-faith manner. A party shall provide prompt written notice of the existence of the dispute, including sufficient detail to identify the scope of the dispute, to the other party in order to attempt to resolve the dispute in a good-faith manner.

45.12(2) An informal meeting between the parties shall be held within ten business days after receipt of the written notice. Persons with decision-making authority from each party shall attend such meeting. In the event said dispute involves technical issues, persons with sufficient technical expertise and familiarity with the issue in dispute from each party shall also attend the informal meeting. If the parties agree, such a meeting may be conducted by teleconference.

45.12(3) Subsequent to the informal meeting referred to in subrule 45.12(2), a party may seek resolution of any disputes through the 199—Chapter 6 complaint procedures of the commission. Dispute resolution under these procedures will initially be conducted informally under rules 199—6.2(476) through 199—6.4(476) to reach resolution with minimal cost and delay. If any party is dissatisfied with the outcome of the informal process, the party may file a formal complaint with the commission under rule 199—6.5(476).

45.12(4) Pursuit of dispute resolution shall not affect an interconnection applicant with regard to consideration of an interconnection request or an interconnection applicant's position in the utility's interconnection review order.

199—45.13(476) Records and reports.

45.13(1) For each completed interconnection request received by the utility, the utility shall maintain records of the following for a minimum of three years:

- a.* The date the interconnection application was received as complete, the total AC nameplate capacity, and the fuel type of the distributed generation facility;
- b.* The level of review received (Level 1, Level 2, Level 3, or Level 4) and whether the project failed any initial screens, and if so and readily determinable, which screens; whether the facility received a supplemental review; and whether any impact or facility study was conducted;
- c.* Whether the interconnection was approved, denied, or withdrawn and the date of that action; and
- d.* Whether the facility is operational and, if so, the date the electric utility authorized the facility to begin operation.

45.13(2) Each utility shall file a report by May 1 of each year detailing the information required in subrule 45.13(1) for the previous calendar year.

45.13(3) Each utility shall retain copies of studies the utility performs to determine the feasibility of, system impacts of, or facilities required by the interconnection of any distributed generation facility. The utility shall provide the applicant copies of any studies performed in analyzing the applicant's interconnection request upon applicant request. However, a utility has no obligation to provide any future applicants any information regarding prior interconnection requests to the extent that providing the information would violate security requirements or confidentiality agreements, or is contrary to state or federal law. In appropriate circumstances, the utility may require a confidentiality agreement prior to release of this information.

These rules are intended to implement Iowa Code sections 476.1 and 476.8 and Section 211 of the Public Utilities Regulatory Policies Act of 1978 as amended by the Energy Policy Act of 2005.

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