

UTILITIES DIVISION[199]

Notice of Intended Action

Proposing rule making related to recordkeeping and cost allocations in nonutility activities and providing an opportunity for public comment

The Utilities Board hereby proposes to amend Chapter 33, “Nonutility Activities—Record Keeping and Cost Allocations,” Iowa Administrative Code.

Legal Authority for Rule Making

This rule making is proposed under the authority provided in Iowa Code section 476.2.

State or Federal Law Implemented

This rule making implements, in whole or in part, Iowa Code sections 476.72 and 476.78 to 476.80.

Purpose and Summary

The Board is conducting a comprehensive review of its administrative rules in accordance with Iowa Code section 17A.7(2). The Board initiated this rule making to identify and update provisions that are outdated, inconsistent, or incompatible with statutes and other rules. Prior to submission of the Notice of Intended Action, the Board shared a draft version of the Notice with stakeholders and invited comments. The Board considered the stakeholder comments in preparing the proposed amendments included in this Notice.

The Board issued an order on May 13, 2022, commencing this rule making. The order is available on the Board’s electronic filing system, efs.iowa.gov, under RMU-2021-0033.

Fiscal Impact

This rule making has no fiscal impact to the State of Iowa.

Jobs Impact

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

Waivers

No waiver provision is included in the proposed amendments because the Board 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 33.

Public Comment

Any interested person may submit written comments concerning this proposed rule making. Written comments in response to this rule making must be received by the Board no later than 4:30 p.m. on June 21, 2022. Comments should be directed to:

IT Support
Iowa Utilities Board
Phone: 515.725.7300
Email: ITSupport@iub.iowa.gov

Public Hearing

An oral presentation at which persons may present their views orally or in writing will be held as follows:

June 23, 2022
1:30 to 3:30 p.m.

Board Hearing Room
1375 East Court Avenue
Des Moines, Iowa

Persons who wish to make oral comments at the oral presentation may be asked to state their names for the record and to confine their remarks to the subject of this proposed rule making.

Any persons who intend to attend the oral presentation and have special requirements, such as those related to hearing or mobility impairments, should contact the Board and advise of specific needs.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rule making by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rule making 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 rule-making actions are proposed:

ITEM 1. Amend **199—Chapter 33**, title, as follows:

**NONUTILITY ACTIVITIES SERVICES—RECORD KEEPING RECORDKEEPING
AND COST ALLOCATIONS**

ITEM 2. Amend rule 199—33.1(476) as follows:

199—33.1(476) Applicability. This chapter applies to all rate-regulated ~~gas or electric~~ public utilities.

ITEM 3. Amend rule **199—33.2(476)**, definition of “Filing threshold,” as follows:

“*Filing threshold*” means that the summation of a an electric or gas utility's revenues recorded in FERC accounts 415 and 417 equals 3 percent of a utility's operating revenues recorded in FERC account 400, or the summation of a water utility's revenues from nonutility service equals 3 percent of the utility's operating revenues. The revenues in these accounts will be as recorded in the annual FERC Form 1 for electric and combination utilities and FERC Form 2 for gas utilities.

ITEM 4. Amend subrule 33.3(1) as follows:

33.3(1) Separate records. A rate-regulated ~~gas or electric~~ public utility receiving revenues for providing nonutility service shall keep and render to the board separate records on the nonutility service.

ITEM 5. Amend rule 199—33.5(476) as follows:

199—33.5(476) Cost allocation manuals. Every rate-regulated ~~gas or electric~~ public utility equaling or exceeding the filing threshold in any calendar year shall file with the board a cost allocation manual on or before September 1 of the following year. If the utility has not changed its cost allocation manual since the last filing ~~on September 1~~, the utility shall file a letter with the board to that effect. In the event the utility has made only minor changes to its manual to reflect new accounts or new affiliates or has modified language, the utility may file only the pages affected together with a cover letter explaining the pages being filed. A utility excused from filing a cost allocation manual for any of the foregoing reasons shall comply with the other requirements of this rule.

33.5(1) Contents of manuals. Each cost allocation manual must contain the following information:

a. *Nonutility activities services.* A list, the location, and description of all nonutility ~~activities as defined in Iowa Code section 476.72(3)~~ services.

b. and c. No change.

d. Allocation methodology. A description of the cost allocation methodology, including an overview, explanation, and justification of the details provided in response to paragraphs “*e*” 33.5(1) “*e*” through “*h*” below.

e. No change.

f. Accounts and records. A description of each account and record used by the utility for financial ~~record keeping~~ recordkeeping for nonutility services, including all subaccounts.

g. Allocation factors. A paragraph containing, for each allocation factor identified in compliance with paragraph “*e*,” 33.5(1) “*e*,” an explanation of how the allocation factor is calculated, a description of each study and analysis used in developing the allocation factor, and the frequency with which each allocation factor is recalculated.

h. to j. No change.

33.5(2) *Annual filing and ~~approval~~ acceptance of manuals.* The following procedure shall be used for the annual filing and approval of manuals.

a. No change.

b. Notice. At the time of the initial filing and whenever a manual is updated, each utility shall mail or deliver a written notice to consumer advocate, local trade associations, and customers who have notified the utility in writing of their interest in the cost allocation manual. Notice to customers may be provided by means agreed to between the public utility and the customer, such as a customer electing to receive electronic notice. The notice shall state that an objection may be filed with the board within 60 days of the filing of the manual with the board. The utility shall promptly provide copies of the manual upon request.

c. to e. No change.

33.5(3) and **33.5(4)** No change.

ITEM 6. Adopt the following new implementation sentence in **199—Chapter 33**:

These rules are intended to implement Iowa Code sections 476.72 through 476.83.