UTILITIES DIVISION[199]

Regulatory Analysis

Notice of Intended Action to be published: Iowa Administrative Code 199—Chapter 21
"Service Supplied by Water, Sanitary Sewage, and Storm Water Drainage Utilities"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 17A.3, 474.5, 476.1, 476.2, and 476.6(18)
State or federal law(s) implemented by the rulemaking: Iowa Code chapter 476

Public Hearing

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

April 30, 2024
2 to 4:30 p.m.

Board Hearing Room
1375 East Court Avenue
Des Moines, Iowa

Public Comment

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

IT Support
Des Moines, Iowa 50319
Phone: 515.725.7300
Email: ITsupport@iub.iowa.gov

Purpose and Summary

The purpose of this proposed rulemaking is to establish standards of service to the public by utilities providing water by piped distribution systems and utilities providing sanitary sewage or storm water drainage disposal by piped collection systems and to provide uniform practices by those utilities.

Analysis of Impact

1. Persons affected by the proposed rulemaking:

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

Water, sanitary sewage, and storm water drainage utilities will bear the costs of the proposed chapter.

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

Customers of water, sanitary sewage, and storm water drainage utilities will benefit from the proposed chapter.

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:

This is part of the everyday work of the Board, so there is no additional impact to the Board, economic or otherwise.

- Qualitative description of impact:

Chapter 21 provides the standards of service for utilities providing water or sanitary or storm water drainage disposal by piped distribution and collection, and the chapter is important for utilities and customers to understand the standards.

3. Costs to the State:

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

There are no additional costs to any agency other than the normal everyday costs of operation of the Board.

- 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:

Chapter 21 does not impose direct costs and does not provide material benefits; however, there may be indirect costs for filing information with the Board, including Internet access.

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

There are no less costly methods of addressing the purpose of this chapter.

6. Alternative methods considered by the agency:

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

Inaction was considered by the Board.

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

Inaction is not feasible due to a statutory mandate requiring the Board to adopt rules and policies.

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?

There is not a substantial impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 199—Chapter 21 and adopt the following **new** chapter in lieu thereof:

CHAPTER 21
SERVICE SUPPLIED BY WATER, SANITARY SEWAGE, AND STORM WATER DRAINAGE UTILITIES

DIVISION I
GENERAL PROVISIONS

199—21.1(476) Application of rules.

21.1(1) *Purpose.* These rules establish standards of service to the public by utilities providing water by piped distribution systems and utilities providing sanitary sewage or storm water drainage disposal by piped collection systems that are subject to the jurisdiction of the Iowa utilities board, and to provide standards for uniform practices by those utilities.

21.1(2) *Utility.* The term "utility" or "utilities," when not more specifically described, means a water, sanitary sewage, or storm water drainage public utility as defined in Iowa Code section 476.1(2)*"c"* and *"d."* The term does not include a county or an entity organized pursuant to Iowa Code chapter 28E, which is composed entirely of counties.

199—21.2(476) Records and reports for water, sanitary sewage, and storm water drainage utilities.

21.2(1) *Tariffs.* The utility shall maintain its tariff filing in a current status.

The rates and rules of all utilities subject to the rules in this chapter shall be filed with the board in accordance with these rules.

a. Form and identification.

(1) The tariff shall conform to the following requirements:

1. Be on 8½ × 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 "Iowa Utilities Board."

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.

- (C)—Change in regulation.
- (D)—Discontinued rate or regulation.
- (I)—Increase in rate or new treatment resulting in increased rate.
- (N)—New rate, treatment, or regulation.
- (R)—Reduction in rate or new treatment resulting in reduction in rate.
- (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:

- Company name.
- Type of utility tariff.
- The words "Filed with board."

8. All sheets except the title page will have the following information located at the upper right corner of the tariff sheet:

- Tariff part identification, if any.
- Tariff sheet number, original or revised.
- 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:

- The issued date.
- 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:

- An effective date field.
- Proposed effective date.

(2) The issued date is the date the tariff or the revised sheet content was filed by the utility in the board's electronic filing system.

(3) The effective date may be left blank by the utility and will be determined by the board.

b. *Content of tariffs.* A tariff filed with the board shall contain a table of contents; rates, including all rates of utilities for service with indication for each rate of the type of service and the class of customers to which each rate applies as approved by the board; prices per unit of service; number of units per billing period to which the prices apply; period of billing; minimum bill; method of measuring demands and consumptions, including method of calculating or estimating loads or minimums; and any special terms and conditions applicable. Any discount for prompt payment or penalty for late payment and the period during which the net amount may be paid will be specified and be in accordance with subrule 21.4(4).

21.2(2) *List of persons authorized to receive board inquiries.* Each utility shall file with the board in the annual report required by subrule "General information" of 199—Chapter 23 a list of names, titles, addresses, and telephone numbers of persons authorized to receive, act upon, and respond to communications from the board in connection with: (1) general management duties; (2) customer relations (complaints); (3) engineering operations; and (4) meter tests and repairs, if meters are used. Each utility is to file with the board a telephone contact number where the board can obtain current information 24 hours a day about interruptions of service from a knowledgeable person. The contact information required by this subrule will be kept current.

DIVISION II
WATER UTILITIES

199—21.3(476) General water service requirements.

21.3(1) *Water service.*

a. Metered measurement of water. All water sold by a utility shall be on the basis of metered measurement except that the utility may at its option provide flat rate or estimated service for the following:

(1) Temporary service where the water use can be readily estimated.

(2) Public and private fire protection service.

(3) Water used for street sprinkling and sewer flushing.

b. Separate metering for premises. Separate premises will be separately metered and billed. Submetering is not permitted.

21.3(2) *Temporary service.* When the utility renders temporary service to a customer, it may require that the customer bear all the costs of installing and removing the service in excess of any salvage realized.

21.3(3) *Water meter requirements.*

a. Water meter installation. Each water utility is to adopt a written standard method of meter installation, copies of which are available upon request. All meters will be set in place by the utility.

b. Records of water meters and associated metering devices. Each water utility shall maintain for each meter and associated metering device the following applicable data:

(1) Meter identification.

1. Manufacturer.
2. Meter type, catalog number, and serial number.
3. Meter capacity.
4. Registration unit of measurement (gallons or cubic feet).
5. Number of moving digits or dials on register.
6. Number of fixed zeros on register.
7. Pressure rating of the meter.

(2) Meter location history.

1. Dates of installation and removal from service.
2. Location of installations.
3. All customer names with readings and read out dates.

Remote register readings are to be maintained identical to readings of the meter register.

c. Registration devices for meters. Where remote meter reading is used, the customer will have a readable meter register at the meter.

d. Water meter readings.

(1) Water meter reading interval. Reading of all meters used for determining charges to customers will be scheduled at least quarterly. An effort will be made to read meters on corresponding days of each meter reading period. The meter reading date may be advanced or postponed no more than ten days without adjustment of the billing for the period.

(2) Customer water meter reading. The utility may permit the customer to supply the meter readings on a form supplied by the utility or, in the alternative, may permit the customer to supply the meter reading information by telephone, or electronically, provided a utility representative reads the meter at least once every 12 months and when there is a change of customer.

(3) Readings and estimates in unusual situations. When a customer is connected or disconnected, or the regular meter reading date is substantially revised causing a given billing period to be longer or shorter than usual, the bill will be prorated on a daily basis.

(4) Estimated bill. An estimated bill may be rendered in the event that access to a meter cannot be gained and a meter reading form left with the customer is not returned in time for the billing operation. Only in unusual cases will more than three consecutive estimated bills be rendered.

21.3(4) *Filing published meter and service installation rules.* A copy of the utility's current rules, if any, published or furnished by the utility for the use of engineers, architects, plumbing contractors, etc., covering meter and service installation will be filed with the board upon request.

21.3(5) *Extensions to customers.*

a. Definitions. The following definitions apply to the terms used in this subrule:

"Advances for construction costs" means cash payments or surety bonds or an equivalent surety made to the utility by an applicant for an extension, portions of which may be refunded depending on any subsequent connections made to the

extension. Cash payments, surety bonds, or equivalent sureties include a grossed-up amount for the income tax effect of such revenue.

"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 is deemed to be 30 days.

"Contribution in aid of construction" means a nonrefundable cash payment covering the costs of an extension that are in excess of utility-funded allowances. Cash payments will be grossed-up for the income tax effect of such revenue. The amount of tax is reduced by the present value of the tax benefits to be obtained by depreciating the property in determining the tax liability.

"Customer advance for construction record" means a separate record established and maintained by the utility, which includes by depositor:

1. The amount of advance for construction provided by the customer;
2. Whether the advance is by cash or surety bond or equivalent surety;
3. If by surety bond, all relevant information concerning the bond or equivalent surety;
4. The amount of refund, if any, to which the depositor is entitled;
5. The amount of refund, if any, that has been made to the customer;
6. The amount unrefunded; and
7. The construction project on which, or work order pursuant to which, the extension was installed.

"Estimated annual revenues" means an estimated calculation of annual revenue based upon the following factors, including but not limited to:

1. The size of the facility to be used by the customer;
2. The average annual amount of service required by the equipment; and
3. The average number of hours per day and days per year the equipment will be in use.

"Estimated construction costs" means an estimated calculation of construction costs using average costs in accordance with good engineering practices and based upon the following factors:

1. Amount of service required or desired by the customer requesting the extension;
2. Size, location, and characteristics of the extension, including all appurtenances; and
3. Whether the ground is frozen or whether other adverse conditions exist.

The average cost per foot is calculated utilizing the prior calendar year costs, to the extent such cost basis does not exceed the current costs using current construction cost methodologies, resources and material, and working conditions, divided by the total feet of extensions by size of pipe for the prior calendar year. In no event will estimated construction costs include costs associated with facilities built for the convenience of the utility.

"Extensions" means a distribution main extension.

"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. Terms and conditions. The utility shall extend service to new customers under the following terms and conditions:

(1) The utility will provide all water plant additions at its cost and expense without requiring an advance for construction or contribution in aid of construction from customers or developers except in those unusual circumstances where extensive plant additions are required before the customer can be served or where the customer will not attach within the agreed-upon attachment period after completion of construction. In such instances, the utility may require, no more than 30 days prior to commencement of construction, the customer or developer to advance funds that are subject to refund as additional customers are attached. A contract between the utility and the customer that requires an advance by the customer to make plant additions will be available for board inspection.

(2) Where the customer will attach within 30 days after completion of the distribution main extension, the following applies:

1. If the estimated construction cost to provide a distribution main extension is less than or equal to five times the estimated annual revenue calculated on the basis of similarly situated customers, the utility finances and makes the extension without requiring an advance for construction.

2. If the estimated construction cost to provide a distribution main extension is greater than five times the estimated annual revenue calculated on the basis of similarly situated customers, the applicant for such an extension contracts with

the utility and deposits no more than 30 days prior to commencement of construction an advance for construction equal to the estimated construction cost less five times the estimated annual revenue to be produced by the customer.

(3) Where the customer will not attach within the agreed-upon attachment period after completion of the distribution main extension, the customer requesting the extension contracts with the utility and deposits no more than 30 days prior to the commencement of construction an advance for construction equal to the estimated construction cost.

(4) Advance payments for plant additions or extensions are subject to refund for a ten-year period and may be made by cash, surety bond, or equivalent surety. In the event a surety bond or an equivalent surety is used, the bonded amount has added to it a surcharge equal to the annual interest rate paid by the utility on customer bill deposits times the bonded amount. The bond will be called by the utility at the end of one year or when the earned refunds are equal to the bonded amount, less the surcharge, whichever occurs first. If, upon termination of the surety bond, there are sufficient earned refunds to offset the amount of the surety bond, less the surcharge, the depositors provide the utility the amount of the surcharge. If, upon termination of the surety bond, there are not sufficient earned refunds to offset the full amount of the surety bond, less the surcharge, the depositors provide the utility a cash deposit equal to the amount of the surety bond, less refunds accumulated during the bonded period, plus the surcharge, or the depositor may pay the interest on the previous year's bond and rebond the balance due to the utility for a second or third one-year period. Upon receipt of such cash deposit, the utility releases the surety bond. The cash deposit, less the surcharge, will be subject to refund by the utility for the remainder of the ten-year period.

c. Refunds. The utility will refund to the depositor, for a period of ten years from the date of the original advance, a pro rata share for each service attachment to the distribution main extension. The pro rata refund will be computed in the following manner:

(1) If the combined total of five times the estimated annual revenue for the depositor and each customer who has attached to the distribution main extension exceeds the total estimated construction cost to provide the extension, the entire amount of the advance provided by the depositor will be refunded to the depositor.

(2) If the combined total of five times the estimated annual revenue for the depositor and each customer who has attached to the distribution main extension is less than the total estimated construction cost to provide the extension, the amount to be refunded to the depositor will equal five times the estimated annual revenue of the customer attaching to the extension.

(3) In no event will the total amount to be refunded to a depositor exceed the amount of the advance for construction made by the depositor. Any amounts subject to refund will be paid by the utility without interest. At the expiration of the above-described ten-year period, the customer advance for construction record will be closed and the remaining balance credited to the respective plant account.

d. Extensions not required. Utilities do not need to make extensions as described in this subrule unless the extension will be of a permanent nature.

e. More favorable methods permitted. A utility may make a contract with a customer in a different manner, if the contract provides a more favorable method of extension to the customer, so long as no discrimination is practiced among customers or depositors.

f. Connections to utility-owned equipment. An individual, partnership, or company may construct its own extension; however, it will meet, at a minimum, the applicable portions of the standards in rule 199—21.5(476) and such other reasonable standards as the utility may employ in constructing extensions, so long as the standards do not mandate a particular supplier. All connections to the utility-owned equipment or facilities are to be made by the utility at the applicant's expense. At the time of attachment to the utility-owned equipment or facilities, the applicant will transfer ownership of the extension to the utility and the utility will book the original cost of construction of the extension as an advance for construction, and make refunds to the applicant in accordance with paragraph 21.3(5)*"c."* The utility will be responsible for the operation and maintenance of the extension after attachment.

g. Reimbursement of extension construction cost. If the utility requires the applicant to construct the extension to meet service requirements greater than those necessary to serve the applicant's service needs, the utility shall reimburse the applicant for the difference in cost between the extension specifications required by the utility and the extension specifications necessary to meet the applicant's service needs.

21.3(6) *Water service connections.* The utility will supervise the installation and maintenance of that portion of the water service pipe from its main to and including the customer's meter. A curb stop will be installed at a convenient place between the property line and the curb, and all services will include a curb stop and curb box or meter vault. In installations where meters are installed in meter vaults incorporating a built-in valve and are installed between the property line and curb, no separate curb stop and curb box are required.

21.3(7) *Location of meters.* Meters may be installed outside or inside as mutually agreed upon by the customer and the utility.

a. Outside meters. Meters installed out-of-doors are to be readily accessible for maintenance and reading, and so far as practicable, the location should be mutually acceptable to the customer and the utility. The meter is to be installed so as to be unaffected by climatic conditions and reasonably secure from injury.

b. Inside meters. Meters installed inside the customer's building are to be located as near as possible to the point where the service pipe enters the building and at a point reasonably secure from injury and readily accessible for reading and testing. In cases of multiple buildings, such as two-family dwellings or apartment buildings, the meter(s) will be located within the premises served or in a common location accessible to the customers and the utility.

199—21.4(476) Customer relations for water service.

21.4(1) *Customer information.*

a. Each utility shall:

(1) 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 rates and rules relating to the service of the utility are available for public inspection.

(2) Maintain up-to-date maps, plans, or records of its entire water system.

(3) Upon request, assist the customer or prospective customers in selecting the most economic rate schedule available for the proposed type of service.

(4) Upon request, inform the customer as to the method of reading meters and the method of computing the customer's bill.

(5) Notify customers affected by a change in rates or rate classification as directed in the board's rules.

b. Inquiries for information or complaints to a utility are to be resolved promptly and courteously. Employees who receive customer telephone calls and office visits are to 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 will provide identification to the customer, which will enable the customer to reach that employee again if needed.

c. Each utility will 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 utility will also include the following statement: "If (utility name) does not resolve your complaint, you may request assistance from the Iowa Utilities Board by calling (877)565-4450, by writing to 1375 E. Court Ave., Des Moines, IA 50319-0069, or by email to customer@iub.iowa.gov." This information will be provided no less than annually.

d. 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.

21.4(2) *Customer deposits.*

a. Deposit required. Each utility may require from any customer or prospective customer a deposit intended to guarantee payment of bills for service.

b. Amount of deposit. The total deposit will not be less than $5 nor more in amount than the maximum estimated charge for service for 90 days or as may reasonably be required by the utility in cases involving service for short periods or special occasions.

c. New or additional deposit. 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 is to 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 utility does not need to provide written notice of a deposit required as a prerequisite for commencing initial service.

d. Customer's deposit receipt. The utility will issue a receipt of deposit to each customer from whom a deposit is received.

e. Interest on customer deposits. Interest will be paid by the 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 for prior periods will be computed at the rate specified by the rule in effect for the period in question. Interest will 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 is the most recent date the account is treated as uncollectible.

f. Deposit refund. The deposit shall be refunded after 12 consecutive months of prompt payment unless the utility has evidence to indicate that the deposit is necessary to ensure payment of bills for service. In any event, the deposit will be refunded upon termination of the customer's service.

g. Unclaimed deposits. The utility will 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 will 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 556.13.

21.4(3) *Customer bill forms.* The utility will bill each customer as promptly as possible following the reading of the customer's meter. Each bill, including the customer's receipt, shows:

a. The date and the reading of the meter at the beginning and at the end of the period or the period for which the bill is rendered.

b. The number of units metered, when applicable.

c. Identification of the applicable rates.

d. The gross and net amount of the bill.

e. The late payment charge and the latest date on which the bill may be paid without incurring a penalty.

f. A distinct marking to identify an estimated bill, when applicable.

21.4(4) *Bill payment terms.* The bill is considered rendered to the customer when deposited in the U.S. mail with postage prepaid. If delivery is by other than U.S. mail, the bill is considered rendered when delivered to the last-known address of the party responsible for payment. The customer will have a minimum of 20 days between the rendering of a bill and the date by which the account becomes delinquent.

a. Late payment charge. A utility's late payment charge will not exceed 1.5 percent per month of the past due amount.

b. Charge forgiveness. Each account will be granted at least one complete forgiveness of a late payment charge each calendar year. The utility's rules will 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.

21.4(5) *Customer records.* The utility retains customer billing records for the length of time necessary to permit the utility to comply with subrule 21.4(6), but not less than three years.

21.4(6) *Adjustment of bills.* Bills that are incorrect due to meter or billing errors are to be adjusted as follows:

a. Fast meters. Whenever a meter in service is tested and found to have overregistered more than 2 percent, the utility shall adjust the customer's bill for the excess amount paid. The estimated amount of overcharge is to be based on the period the error first developed or occurred. If that period cannot be definitely determined, it will be assumed that the overregistration existed for a period equal to one-half the time since the meter was last tested, or one-half the time since the meter was installed unless otherwise ordered by the board. If the recalculated bill indicates that more than $5 is due an existing customer, the full amount of the calculated difference between the amount paid and the recalculated amount is to be refunded to the customer. If a refund is due a person no longer a customer of the utility, a notice will be mailed to the last-known address.

b. Nonregistering meters. Whenever a meter in service is found not to register, the utility may render an estimated bill.

c. Slow meters. Whenever a meter is found to be more than 2 percent slow, the utility may bill the customer for the amount the test indicates the customer has been undercharged for the period of inaccuracy, or a period as estimated in paragraph 21.4(6)*"a"* unless otherwise ordered by the board.

d. 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 time period for which the utility is required to adjust, refund, or credit the customer's bill cannot exceed five years unless otherwise ordered by the board.

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 metering installation, or other similar reasons, the tariff may provide for billing the amount of the undercharge to the customer. The time period for which the utility may adjust for the undercharge need not exceed five years unless otherwise ordered by the board. The maximum bill will not exceed the

billing 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 board.

21.4(7) *Refusal or disconnection of service.* Service may be refused or discontinued only for the reasons listed in paragraphs 21.4(7)*"a"* through *"f"* below. Unless otherwise stated, the customer is permitted at least 12 days, excluding Sundays and legal holidays, following mailing of notice of disconnect in which to take necessary action before service is discontinued. When a person is refused service, the utility shall notify the person promptly of the reason for the refusal to serve and of the person's right to file a complaint about the utility's decision with the board.

a. Without notice in the event of an emergency.

b. Without notice in the event of tampering with the equipment furnished and owned by the utility or obtaining water by fraudulent means.

c. For violation of or noncompliance with the utility's rules on file with the board.

d. For failure of the customer to permit the utility reasonable access to its equipment.

e. For nonpayment of bill, provided that the utility has: (1) made a reasonable attempt to effect collection; (2) given the customer written notice that the customer has at least 12 days, excluding Sundays and legal holidays, in which to make settlement of the account; and (3) given the customer the written statement of the customer's rights and responsibilities to avoid a shutoff, as required by subrule 21.4(8). In the event there is dispute concerning a bill, 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 discontinuance of service for nonpayment of the disputed bill for up to 45 days after the rendering of the bill. The 45 days will be extended by up to 60 days if requested of the utility by the board in the event the customer files a written complaint with the board.

f. For failure to pay a debt owed to a city utility, city enterprise, combined city utility, or combined city enterprise for wastewater service or services of sewer systems, storm water drainage systems, or sewage treatment. Disconnection of water service pursuant to this paragraph will only be allowed if the governing body of a city utility, city enterprise, combined city utility, or combined city enterprise has entered into a written agreement with the utility that includes provisions:

(1) Requiring that a notice of disconnection of water service for failure to pay a debt owed to the city utility, city enterprise, combined city utility, or combined city enterprise for wastewater service or services of sewer systems, storm water drainage systems, or sewage treatment be made by the utility and allow the customer 12 days, excluding Sundays and legal holidays, after the mailing of the notice to take necessary action to satisfy the debt.

(2) Providing for prompt notice from the city utility, city enterprise, combined city utility, or combined city enterprise to the utility that the debt for wastewater service or services of sewer systems, storm water drainage systems, or sewage treatment has been satisfied and providing that, once notified of the payment of the debt, the utility shall reconnect water service to the customer as provided for in the utility's tariff.

(3) Requiring the city utility, city enterprise, combined city utility, or combined city enterprise, prior to contacting the utility for disconnection of water service to a customer, to have completed the disconnection notification procedures established in the tariffs or ordinances of the city utility, city enterprise, combined city utility, or combined city enterprise.

(4) Providing that the customer may be charged a fee for disconnection and reconnection of water service by the utility for failure of the customer to pay a debt owed to the city utility, city enterprise, combined city utility, or combined city enterprise for wastewater service or services of sewer systems, storm water drainage systems, or sewage treatment, that the fee be no greater than the rates or charges established for reconnection and disconnection of water service in the utility's tariffs approved by the board, and that recovery of lost revenue by the utility as a result of disconnection of water service pursuant to this paragraph is not authorized under these rules.

21.4(8) *Statement of customer rights and responsibilities.* In addition to providing the written notice of disconnect required by subrule 21.4(7), a utility, prior to refusing water service due to nonpayment of a bill, will provide the customer a written statement of rights and responsibilities to avoid shutoff. Any utility that does not use the standard form set forth below will electronically submit its proposed form to the board for approval. A utility that is preparing to disconnect water service due to nonpayment of a bill for sanitary sewage disposal service or storm water drainage service will replace the words "water service" in the form below with the words "sanitary sewage disposal service" or "storm water drainage service" as appropriate. The utility shall provide the customer with the written statement of customer rights and responsibilities at the same time it provides the customer the written notice of disconnect.

CUSTOMER RIGHTS AND RESPONSIBILITIES TO AVOID SHUTOFF OF WATER SERVICE FOR NONPAYMENT

1. What can I do if I receive a notice from the utility that says my water service will be shut off because I have a past due bill?

a. Pay the bill in full; or

b. 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 #2 below).

2. 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 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 Board for assistance in resolving the dispute. (See #6 below.)

3. When can the utility shut off my utility service because I have not paid my bill?

The utility will not shut off your service for up to 45 days from the rendering of the bill 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. The 45 days will be extended by up to 60 days if requested of the utility by the Utilities Board in the event you file a written complaint with the Utilities Board.

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

You must be given a written notice at least 12 days before the utility service can be shut off for nonpayment. The 12-day period does not include Sundays and legal holidays.

5. If service is shut off, when will it be turned back on?

a. The utility will turn your service back on promptly if you pay the whole amount you owe or, in the event that you dispute a portion of the bill, you pay the portion of the bill that is not under dispute (see #2 above).

b. The utility may charge you a fee to turn your service back on. Those fees may be higher in the evening or on weekends, so you may ask that your service be turned on during normal utility business hours.

6. 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 Board toll-free at 877-565-4450. You may also write the Iowa Utilities Board at 1375 E. Court Ave., Des Moines, IA 50319-0069, or by email at customer@iub.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.

21.4(9) *Reconnection and charges.* In all cases of discontinuance of service where the cause of discontinuance has been corrected, the utility will promptly restore service to the customer. The utility may make a reasonable charge applied uniformly for reconnection of service.

21.4(10) *Insufficient reasons for denying service.* The following do not constitute sufficient cause for refusal of service to a present or prospective customer:

a. Delinquency in payment for service by a previous occupant of the premises to be served.

b. Failure to pay the bill of another customer as guarantor thereof.

c. Failure to pay for a different type or class of utility service, except sanitary sewage disposal service or storm water drainage service. Disconnection of water service pursuant to the provisions of paragraph 21.4(7)*"f"* is not considered a different type or class of public utility service for purposes of subrule 21.4(10).

d. Delinquency in payment for service arising more than ten years prior, as measured from the most recent of the last date of service, the physical disconnection of service, or the last payment or promise of payment made by the customer.

21.4(11) *Customer complaints.* A "complaint" means any objection to the charge, facilities, or quality of service of a utility.

a. Each utility investigates promptly and thoroughly and keeps a record of all complaints received from its customers that will enable it to review its procedures and actions. The record is to show the name and address of the complainant, the date and nature of the complaint, and its disposition and the date resolved.

b. All complaints caused by a major service interruption are to be summarized in a single report.

c. A record of the original complaint is to be kept for a period of three years after final settlement of the complaint.

199—21.5(476) Engineering practice for water service.

21.5(1) *Requirement of good engineering practice.* The design and construction of the utility's plant and distribution system will conform to good standard engineering practice.

21.5(2) *Inspection.* Each utility will adopt and follow a program of inspection of its plant and distribution system in order to determine the necessity for replacement and repair. The frequency of the various inspections will be based on the utility's experience and accepted good practice.

199—21.6(476) Meter testing for water service.

21.6(1) *Periodic and routine tests.* Each utility shall adopt schedules approved by the board for periodic and routine tests and repair of the utility's meters.

21.6(2) *Meter test facilities and equipment.* Each utility furnishing metered service will provide the necessary standard facilities, instruments, and other equipment for testing its meters, or contract for test of its meters by another utility or agency equipped to test meters subject to approval by the board.

21.6(3) *Accuracy requirements.* All meters shall be in good mechanical condition and accurate to the following standards:

a. *Test flow limits.* For determination of minimum test flow and normal test flow limits, the utility will use as a guide the appropriate standard specifications of the American Water Works Association for the various types of meters.

b. *Accuracy limits.* A meter will not be placed in service if it registers less than 95 percent of the volume passed through it at the minimum test flow, or overregisters or underregisters more than 1.5 percent at the intermediate or maximum limit.

21.6(4) *Initial test and storage of meters.* Every meter will be tested prior to its installation either by the manufacturer, the utility, or an organization equipped for meter testing.

If a meter is not stored as recommended by the manufacturer, the meter will be tested immediately before installation.

21.6(5) *As found tests.* To determine the average meter error in accordance with these rules for periodic or complaint tests, meters will be tested in the condition as found in the customer's service. Tests will be made at intermediate and maximum rates of flow, and the meter error will be the algebraic average of the errors of the two tests.

21.6(6) *Request tests.* A utility will test any meter upon written request of a customer; however, the utility will test any meter upon written request no more than once every 18 months. The customer will be given the opportunity to be present at the request tests.

21.6(7) *Board-ordered tests.* The board shall order tests of meters as follows:

a. *Application.* Upon written application to the board by a customer or a utility, a test will be made of the customer's meter as soon as practicable.

b. *Guarantee.* The application will be sent by certified or registered mail and accompanied by a certified check or money order made payable to the utility in the amount indicated below:

(1) Capacity of 80 gallons per minute or less. $24

(2) Capacity over 80 gallons, up to 120 gallons per minute. $26

(3) Capacity of over 120 gallons per minute. $30

c. *Conduct of test.* On receipt of a request from a customer, the board will forward the deposit to the utility and notify the utility of the requirement for the test. The utility will not knowingly remove or adjust the meter until tested. The utility will furnish all instruments, load devices, and other facilities necessary for the test and will perform the test and furnish verification of the accuracy of test instruments used.

d. *Test results.* If the tested meter is found to overregister to an extent requiring a refund under the provisions of paragraph 21.4(6)*"a,"* the amount paid to the utility will be returned to the customer by the utility.

e. *Notification.* The utility will notify the customer in advance of the date and time of the board-ordered test.

f. *Utility report.* The utility will make a written report of the results of the test and send the report to the customer and board.

21.6(8) *Sealing of meters.* Upon completion of adjustment and test of any water meter, the utility will place a suitable register seal on the meter in a manner that adjustment or registration of the meter cannot be changed without breaking the seal.

21.6(9) *Record of meter tests.* Meter test records shall include:

a. The date and reason for the test.

b. The meter reading prior to any test.

c. The accuracy as found at each of the flow rates required by paragraph 21.6(3)*"a."*

d. The accuracy as left at each of the flow rates required by paragraph 21.6(3)*"a."*

e. Statement of any repairs.

f. If the meter test is made using a standard meter, the utility will retain all data taken at the time of the test sufficient to permit the convenient checking of the test method, calculations, and traceability to the National Bureau of Standards' volumetric standardization.

The test records of each meter will be retained for two consecutive periodic tests or at least for two years. A record of the test made at the time of the meter's retirement, if any, will be retained for a minimum of three years.

199—21.7(476) Standards of quality of water service.

21.7(1) *Water pressures.* Under normal conditions of water usage, the pressure at a customer's service line will be no less than 35 pounds per square inch gauge (PSIG) and no more than 125 PSIG.

At regular intervals, a utility shall make a survey of pressures in its water system. The survey will be of sufficient magnitude to indicate the quality of service being rendered at representative points on its system. The survey will be conducted during periods of high usage at or near the maximum usage during the year. The pressure charts for these surveys will show the date and time of beginning and end of the test and the test location. Records of these pressure surveys will be made available to the board upon request.

21.7(2) *Interruption of water service.*

a. A utility shall make a reasonable effort to prevent interruptions of water service. When an emergency interruption occurs, the utility will reestablish service with the shortest possible delay consistent with the safety of its customers and the general public. If an emergency interruption affects fire protection service, the utility will immediately notify the fire chief or other responsible local official.

b. When a utility finds it necessary to schedule an interruption of water service, it will make a reasonable effort to notify all customers to be affected by the interruption, including the time and anticipated duration of the interruption. Interruptions will be scheduled at hours that create the least inconvenience to the customer.

c. A utility will retain records of interruptions for a period of at least five years.

21.7(3) *Water supply shortage.* The utility will attempt to furnish a continuous and adequate supply of water to its customers and to avoid any shortage or interruption of water delivery.

a. If a utility finds that it is necessary to restrict the use of water due to a shortage, it will equitably apportion its available water supply among its customers. The utility will notify its customers and the board of the following:

(1) The reason for the restriction.

(2) The nature and extent of the restriction.

(3) The effective date of the restriction.

(4) The probable date of termination of the restriction.

b. The water use restriction will only take effect if approved by the board, except in cases of emergency.

199—21.8(476) Applications for water costs for fire protection services.

21.8(1) *Definition.* For purposes of this rule, "water costs for fire protection service" means all or a part of the utility's costs of fire hydrants and other improvements, maintenance, and operations for the purpose of providing adequate water production, storage, and distribution for public fire protection, as reflected in the utility's current tariff for public fire protection water service.

21.8(2) *Utility requirements.* A utility that provides public fire protection water service to a city preparing an application pursuant to subrule 21.8(3) will provide the city all necessary information and affidavits to enable the city to meet its application filing requirements.

21.8(3) *Application contents.* Any city filing an application with the board requesting inclusion of all or a part of the water costs for fire protection service in a utility's rates or charges to customers covered by the city's fire protection service will submit, at the time the application is filed, the following information with supporting testimony:

a. A statement showing (1) the proposed method of allocating costs to affected customers, and (2) both the proposed per-customer rate increase and the average percentage increase by customer class, based on the utility's current tariff, if the costs for fire protection water service are included in rates charged to affected customers;

b. Copies of all bills rendered to the city by the utility for public fire protection water service during the preceding 24-month period;

c. The current number of utility customers served within the city's corporate limits, by customer class, with an affidavit from the utility verifying the information;

d. A map illustrating both (1) the city's corporate limits, and (2) the portion of the utility's customer service area within the city's corporate limits, with an affidavit from the utility verifying the customer service area; and

e. An affidavit from the utility showing that the notice required by Iowa Code section 476.6(14)*"c"* and subrule 21.8(4) has been provided and paid for by the applicant and mailed by the utility to all affected customers.

21.8(4) *Customer notification.*

a. Prior approval. The city will file with the board for its approval, not less than 30 days before providing notification to affected customers, a copy of the proposed notice.

b. Necessary content of notification. The notice will advise affected customers of the proposed increase in rates and charges, the proposed effective date of the increase, and the percentage increase by customer class. The notice will advise customers that the city is requesting the increase and that customers have the right to file with the board a written objection to the proposed increase and to request a public hearing. The notice also will include a written explanation of the reason for the increase.

c. Notice of deficiencies. Within 30 days of the filing of the proposed notice, the city will be notified either of the approval of the notice or of any deficiencies in the notice and the corrective measures required for approval.

d. Distribution. The city shall provide to the utility, for mailing, a sufficient number of copies of the approved notice and direct the utility either to (1) include the notice with the utility's next regularly scheduled mailing to the affected customers, or (2) make a separate mailing of the notice to affected customers within 30 days of receiving from the city the requisite number of copies of the notice. The city will pay all expenses incurred by the utility in providing notice to affected customers. The utility may require payment prior to the mailing.

e. Delivery. The written notice to affected customers will be mailed or delivered by the utility not more than 90 days before the application is filed and no later than the date the application is filed.

21.8(5) *Procedure.*

a. Docketing. Within 30 days of the applicant filing the application with the board, the board will either approve the application or docket the case as a formal proceeding and establish a procedural schedule.

b. Decision. The board will render its decision within six months of the date of the application. If the application is approved, the board will order the utility providing the water service to the city to file tariffs implementing the board's decision. The utility will include annually a bill insert explaining to customers that the customers are being charged for water-related fire protection costs. The city will pay all costs incurred by the utility to file and implement the required tariff.

199—21.9(476) Incident reports regarding water service.

21.9(1) *Notification.* A water utility shall notify the board about any incident involving:

a. The occurrence of a waterborne illness;

b. The issuance of a boil water advisory;

c. A contamination event;

d. A low-pressure event (less than 20 psi) that negatively affects the quality of water service;

e. A flood event affecting the utility's plant or distribution system; or

f. A cyberattack affecting the well-being of the utility, its customers, or the environment.

21.9(2) *Information required.* The utility shall notify the board immediately, or as soon as practical, of any reportable incident by emailing the duty officer at dutyofficer@iub.iowa.gov or, when email is not available, by calling the board duty officer at 515.745.2332. The person sending the email will leave the telephone number of 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. The number of services interrupted.

f. A summary of the significant information available to the utility regarding the likely cause of the incident and the estimated extent of damage.

21.9(3) *Normal service restored.* The utility will notify the board when the incident has ended and normal water service has been restored.

199—21.10(476) Separate books for acquired water service assets. A utility acquiring the whole or any substantial part of a water system with a fair market value of $500,000 or more from a non-rate-regulated entity described in Iowa Code section 476.1(3) will maintain separate books and records for the acquired system until the utility's next general rate case unless otherwise ordered by the board.

DIVISION III
SANITARY SEWAGE UTILITIES

199—21.11(476) General sanitary sewage disposal service requirements.

21.11(1) *Sanitary sewage disposal service.*

a. Metered measurement of sanitary sewage. All sanitary sewage disposal service sold by a utility shall be on the basis of metered measurement, except that the utility may at its option, pursuant to board-approved tariffs, provide flat-rate or estimated service for the following:

(1) Temporary service; or

(2) The disposal at the sewage treatment plant of delivered sewage where the amount of sewage can be readily estimated.

b. Sanitary sewage meter requirements. Sanitary sewage disposal service provided by a utility may be based upon the amount of water used by the customer as measured pursuant to rule 199—21.3(476) or separately metered in substantial conformity with the requirements of rule 199—21.3(476). The method of measuring sanitary sewage disposal service will be filed in the utility's tariff and approved by the board. A proposed tariff that includes provisions for separate sanitary sewage meters will describe the circumstances under which separate meters will be used.

c. Customer classes. In establishing customer classes, the utility may consider the characteristics of the sewage generated by that customer class and the existence of any industrial pretreatment agreements. Customer classes are established pursuant to board-approved tariffs.

21.11(2) *Temporary service.* When the utility renders temporary service to a customer, it may require that the customer bear all of the costs of installing and removing the service in excess of any salvage realized pursuant to board-approved tariffs.

21.11(3) *Sewage meter requirements.*

a. Sewage meter installation. Each sanitary sewage utility is to adopt a written standard method or a method preapproved by the board for meter installation, copies of which are available upon request. All meters will be set in place by the utility.

b. Records of sewage meters and associated metering devices. Each sanitary sewage utility shall maintain for each meter and associated metering device the following applicable data:

(1) Meter identification.

1. Manufacturer.
2. Meter type, catalog number, and serial number.
3. Meter capacity.
4. Registration unit of measurement (gallons or cubic feet).
5. Number of moving digits or dials on register.
6. Number of fixed zeros on register.
7. Pressure rating of the meter.

(2) Meter location history.

1. Dates of installation and removal from service.
2. Location of installation.
3. All customer names with readings and read out dates.

Remote register readings are to be maintained identical to readings of the meter register.

c. Registration devices for meters. Where remote meter reading is used, the customer will have a readable meter register at the meter.

d. Sewage meter readings.

(1) Sewage meter reading interval. Reading of all meters used for determining charges to customers will be scheduled at least quarterly. An effort will be made to read meters on corresponding days of each meter reading period. The meter reading date may be advanced or postponed no more than ten days without adjustment of the billing for the period.

(2) Customer sewage meter reading. The utility may permit the customer to supply the meter readings on a form supplied by the utility or, in the alternative, may permit the customer to supply the meter reading information by telephone, or electronically, provided a utility representative reads the meter at least once every 12 months and when there is a change of customer.

(3) Readings and estimates in unusual situations. When a customer is connected or disconnected, or the regular meter reading date is substantially revised causing a given billing period to be longer or shorter than usual, such bills will be prorated on a daily basis.

(4) Estimated bill. An estimated bill may be rendered in the event that access to a meter cannot be gained and a meter reading form left with the customer is not returned in time for the billing operation. Only in unusual cases will more than three consecutive estimated bills be rendered.

21.11(4) *Filing published meter and service installation rules.* A copy of the utility's current rules, if any, published or furnished by the utility for the use of engineers, architects, plumbing contractors, etc., covering meter and service installation will be filed with the board upon request.

21.11(5) *Extensions to customers.*

a. Definitions. The following definitions apply to the terms used in this subrule:

"Advances for construction costs" means cash payments or surety bonds or an equivalent surety made to the utility by an applicant for an extension, portions of which may be refunded depending on any subsequent connections made to the extension. Cash payments, surety bonds, or equivalent sureties include a grossed-up amount for the income tax effect of such revenue.

"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 is deemed to be 30 days.

"Contribution in aid of construction" means a nonrefundable cash payment covering the costs of an extension that are in excess of utility-funded allowances. Cash payments will be grossed-up for the income tax effect of such revenue. The amount of tax is reduced by the present value of the tax benefits to be obtained by depreciating the property in determining the tax liability.

"Customer advance for construction record" means a separate record established and maintained by the utility, which includes by depositor:

1. The amount of advance for construction provided by the customer;
2. Whether the advance is by cash or surety bond or equivalent surety;
3. If by surety bond, all relevant information concerning the bond or equivalent surety;
4. The amount of refund, if any, to which the depositor is entitled;
5. The amount of refund, if any, which has been made to the customer;
6. The amount unrefunded; and
7. The construction project on which or work order pursuant to which the extension was installed.

"Estimated annual revenues" means an estimated calculation of annual revenue based upon the following factors, including but not limited to:

1. The size of the facility to be used by the customer;
2. The size and type of equipment to be used by the customer;
3. The average annual amount of service required by the equipment; and
4. The average number of hours per day and days per year the equipment will be in use.

"Estimated construction cost" means an estimated calculation of construction costs using average costs in accordance with good engineering practices and based upon the following factors:

1. Amount of service required or desired by the customer requesting the extension;
2. Size, location and characteristics of the extension, including all appurtenances; and
3. Whether the ground is frozen or whether other adverse conditions exist.

The average cost per foot is calculated utilizing the prior calendar year costs, to the extent such cost basis does not exceed the current costs using current construction cost methodologies, resources and material, and working conditions, divided by the total feet of extensions by size of pipe for the prior calendar year. In no event will estimated construction costs include costs associated with facilities built for the convenience of the utility.

"Extensions" means a sanitary sewer main extension.

"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. Terms and conditions. The utility shall extend service to new customers under the following terms and conditions:

(1) The utility will provide all sewage treatment plant additions at its cost and expense without requiring an advance for construction or contribution in aid of construction from customers or developers except in those unusual circumstances where extensive plant additions are required before the customer can be served or where the customer will not attach within the agreed-upon attachment period after completion of construction. In such instances, the utility may require, no more than 30 days prior to commencement of construction, the customer or developer to advance funds that are subject to refund as additional customers are attached. A contract between the utility and the customer that requires an advance by the customer to make plant additions will be available for board inspection.

(2) Where the customer will attach within 30 days after completion of the sewer main extension, the following applies:

1. If the estimated construction cost to provide a sewer main extension is less than or equal to five times the estimated annual revenue calculated on the basis of similarly situated customers, the utility will finance and make the extension without requiring an advance for construction.

2. If the estimated construction cost to provide a sewer main extension is greater than five times the estimated annual revenue calculated on the basis of similarly situated customers, the applicant for such an extension contracts with the utility and deposits no more than 30 days prior to commencement of construction an advance for construction equal to the estimated construction cost less five times the estimated annual revenue to be produced by the customer.

(3) Where the customer will not attach within the agreed-upon attachment period after completion of the sewer main extension, the customer requesting the extension contracts with the utility and deposits no more than 30 days prior to the commencement of construction an advance for construction equal to the estimated construction cost.

(4) Advance payments for plant additions or extensions are subject to refund for a ten-year period and may be made by cash, surety bond, or equivalent surety. In the event a surety bond or an equivalent surety is used, the bonded amount has added to it a surcharge equal to the annual interest rate paid by the utility on customer bill deposits times the bonded amount. The bond will be called by the utility at the end of one year or when the earned refunds are equal to the bonded amount, less the surcharge, whichever occurs first. If, upon termination of the surety bond, there are sufficient earned refunds to offset the amount of the surety bond, less the surcharge, the depositors provide the utility the amount of the surcharge. If, upon termination of the surety bond, there are not sufficient earned refunds to offset the full amount of the surety bond, less the surcharge, the depositors will provide the utility a cash deposit equal to the amount of the surety bond, less refunds accumulated during the bonded period, plus the surcharge, or the depositor may pay the interest on the previous year's bond and rebond the balance due to the utility for a second or third one-year period. Upon receipt of such cash deposit, the utility releases the surety bond. The cash deposit, less the surcharge, will be subject to refund by the utility for the remainder of the ten-year period.

c. Refunds. The utility will refund to the depositor for a period of ten years from the date of the original advance, a pro rata share for each service attachment to the sewer main extension. The pro rata refund will be computed in the following manner:

(1) If the combined total of five times the estimated annual revenue for the depositor and each customer who has attached to the sewer main extension exceeds the total estimated construction cost to provide the extension, the entire amount of the advance provided by the depositor will be refunded to the depositor.

(2) If the combined total of five times the estimated annual revenue for the depositor and each customer who has attached to the sewer main extension is less than the total estimated construction cost to provide the extension, the amount to be refunded to the depositor will equal five times the estimated annual revenue of the customer attaching to the extension.

(3) In no event will the total amount to be refunded to a depositor exceed the amount of the advance for construction made by the depositor. Any amounts subject to refund will be paid by the utility without interest. At the expiration of the above-described ten-year period, the customer advance for construction record will be closed and the remaining balance be credited to the respective plant account.

d. Extensions not required. Utilities do not need to make extensions as described in subrule 21.11(5) unless the extension will be of a permanent nature.

e. More favorable methods permitted. A utility may make a contract with a customer in a different manner, if the contract provides a more favorable method of extension to the customer, so long as no discrimination is practiced among customers or depositors.

f. Connections to utility-owned equipment. An individual, partnership, or company may construct its own extension; however, it will meet, at a minimum, the applicable portions of the standards in rule 199—21.13(476) and such other reasonable standards as the utility may employ in constructing extensions, so long as the standards do not mandate a particular supplier. All connections to the utility-owned equipment or facilities are to be made by the utility at the applicant's expense. At the time of attachment to the utility-owned equipment or facilities, the applicant will transfer ownership of the extension to the utility and the utility will book the original cost of construction of the extension as an advance for construction, and make refunds to the applicant in accordance with paragraph 21.11(5)*"c."* The utility will be responsible for the operation and maintenance of the extension after attachment.

g. Reimbursement of extension construction cost. If the utility requires the applicant to construct the extension to meet service requirements greater than those necessary to serve the applicant's service needs, the utility shall reimburse the applicant for the difference in cost between the extension specifications required by the utility and the extension specifications necessary to meet the applicant's service needs.

21.11(6) *Sanitary sewer service connections.* The utility will supervise the installation and maintenance of that portion of the sanitary sewer service line from the main to and including the customer's meter or, if the customer does not have a separate meter for sanitary sewage disposal service, to the point where the sanitary sewage line exits the customer's residence or building.

21.11(7) *Location of meters.* Meters may be installed outside or inside as mutually agreed upon by the customer and utility.

a. Outside meters. Meters installed out-of-doors are to be readily accessible for maintenance and reading, and, so far as practicable, the location should be mutually acceptable to the customer and the utility. The meter is to be installed so as to be unaffected by climatic conditions and reasonably secure from injury.

b. Inside meters. Meters installed inside the customer's building are to be located as near as possible to the point where the service pipe enters the building and at a point reasonably secure from injury and readily accessible for reading and testing. In cases of multiple buildings, such as two-family dwellings or apartment buildings, the meter(s) will be located within the premises served or in a common location accessible to the customers and the utility.

199—21.12(476) Customer relations for sanitary sewage disposal service.

21.12(1) *Customer information.*

a. Each utility shall:

(1) 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 rates and rules relating to the service of the utility are available for public inspection.

(2) Maintain up-to-date maps, plans, or records of its entire system.

(3) Upon request, assist the customer or prospective customers in selecting the most economic rate schedule available for the proposed type of service.

(4) Upon request, inform the customer as to the method of reading meters and the method of computing the customer's bill.

(5) Notify customers affected by a change in rates or rate classification as directed in the board's rules.

b. Inquiries for information or complaints to a utility are to be resolved promptly and courteously. Employees who receive customer telephone calls and office visits are to 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 will provide identification to the customer, which will enable the customer to reach that employee again if needed.

c. 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 utility will also include the following statement: "If (utility name) does not resolve your complaint, you may request assistance from the Iowa Utilities Board by calling 877-565-4450; by writing to 1375 E. Court Ave., Des Moines, IA 50319-0069; or by email to customer@iub.iowa.gov."

d. Any utility that does not use the standard form contained herein will file its proposed form 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.

21.12(2) *Customer deposits.*

a. Deposit required. Each utility may require from any customer or prospective customer a deposit intended to guarantee payment of bills for service.

b. Amount of deposit. The total deposit will not be less than $5 nor more in amount than the maximum estimated charge for service for 90 days or as may reasonably be required by the utility in cases involving service for short periods or special occasions.

c. New or additional deposit. 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 is to 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 utility does not need to provide written notice of a deposit required as a prerequisite for commencing initial service.

d. Customer's deposit receipt. The utility will issue a receipt of deposit to each customer from whom a deposit is received.

e. Interest on customer deposits. Interest will be paid by the 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 for prior periods will be computed at the rate specified by the rule in effect for the period in question. Interest will 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 is the most recent date the account is treated as uncollectible.

f. Deposit refund. The deposit shall be refunded after 12 consecutive months of prompt payment unless the utility has evidence to indicate that the deposit is necessary to ensure payment of bills for service. In any event, the deposit will be refunded upon termination of the customer's service.

g. Unclaimed deposits. The utility will 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 will 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 556.13.

21.12(3) *Customer bill forms.* The utility will bill each customer as promptly as possible following the reading of the customer's meter. Each bill, including the customer's receipt, shows:

a. The date and the reading of the meter at the beginning and at the end of the period or the period for which the bill is rendered.

b. The number of units metered, when applicable.

c. Identification of the applicable rates.

d. The gross and net amounts of the bill.

e. The late payment charge and the latest date on which the bill may be paid without incurring a penalty.

f. A distinct marking to identify an estimated bill, when applicable.

21.12(4) *Bill payment terms.* The bill is considered rendered to the customer when deposited in the U.S. mail with postage prepaid. If delivery is by other than U.S. mail, the bill is considered rendered when delivered to the last-known address of the party responsible for payment. The customer will have a minimum of 20 days between the rendering of a bill and the date by which the account becomes delinquent.

a. Late payment charge. A utility's late payment charge will not exceed 1.5 percent per month of the past due amount.

b. Charge forgiveness. Each account will be granted at least one complete forgiveness of a late payment charge each calendar year. The utility's rules will 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.

21.12(5) *Customer records.* The utility retains customer billing records for the length of time necessary to permit the utility to comply with subrule 21.12(6), but not less than three years.

21.12(6) *Adjustment of bills.* Bills that are incorrect due to meter or billing errors are to be adjusted as follows:

a. Fast meters. Whenever a meter in service is tested and found to have overregistered more than 2 percent, the utility shall adjust the customer's bill for the excess amount paid. The estimated amount of overcharge is to be based on the period the error first developed or occurred. If that period cannot be definitely determined, it will be assumed that the overregistration existed for a period equal to one-half the time since the meter was last tested, or one-half the time since the meter was installed unless otherwise ordered by the board. If the recalculated bill indicates that more than $5 is due an

existing customer, the full amount of the calculated difference between the amount paid and the recalculated amount is to be refunded to the customer. If a refund is due a person no longer a customer of the utility, a notice will be mailed to the last-known address.

b. Nonregistering meters. Whenever a meter in service is found not to register, the utility may render an estimated bill.

c. Slow meters. Whenever a meter is found to be more than 2 percent slow, the utility may bill the customer for the amount the test indicates the customer has been undercharged for the period of inaccuracy, or a period as estimated in paragraph 21.12(6)*"a"* unless otherwise ordered by the board.

d. 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 time period for which the utility is required to adjust, refund, or credit the customer's bill cannot exceed five years unless otherwise ordered by the board.

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 metering installation, or other similar reasons, the tariff may provide for billing the amount of the undercharge to the customer. The time period for which the utility may adjust for the undercharge need not exceed five years unless otherwise ordered by the board. The maximum bill will not exceed the billing 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 board.

21.12(7) *Refusal of service.* Service may be refused only for the reasons listed in paragraphs 21.12(7)*"a"* through *"e"* below. Unless otherwise stated, the customer is permitted at least 12 days, excluding Sundays and legal holidays, following mailing of notice of refusal in which to take necessary action before service is refused. When a person is refused service, the utility shall notify the person promptly of the reason for the refusal to serve and of the person's right to file a complaint about the utility's decision with the board. Refusal of service shall be pursuant to tariffs approved by the board.

a. Without notice in the event of an emergency.

b. Without notice in the event of tampering with the equipment furnished and owned by the utility or obtaining service by fraudulent means.

c. For violation of or noncompliance with the utility's rules on file with the board.

d. For failure of the customer to permit the utility reasonable access to its equipment.

e. For nonpayment of bill.

21.12(8) *Method of refusing service.* A utility may refuse sanitary sewage disposal service to a residential customer by disconnecting water service or by arranging for the disconnection of water service pursuant to an agreement with the entity providing water service. Except in the event of an emergency or with prior written authorization from the board, a utility shall not refuse sanitary sewage disposal service to a residential customer by physically disconnecting the customer's sanitary sewage service connection.

21.12(9) *Reconnection and charges.* In all cases of discontinuance of sanitary sewage disposal service where the cause of discontinuance has been corrected, the utility will promptly restore service to the customer. The utility may make a reasonable charge applied uniformly for reconnection of service.

21.12(10) *Insufficient reasons for denying service.* The following does not constitute sufficient cause for refusal of service to a present or prospective customer:

a. Delinquency in payment for service by a previous occupant of the premises to be served.

b. Failure to pay the bill of another customer as guarantor thereof.

c. Failure to pay for a different type or class of utility service.

d. Delinquency in payment for service arising more than ten years prior, as measured from the most recent of the last date of service, the physical disconnection of service, or the last payment or promise of payment made by the customer.

21.12(11) *Customer complaints.* A "complaint" means any objection to the charge, facilities, or quality of service of a utility.

a. Each utility will investigate promptly and thoroughly and keep a record of all complaints received from its customers that will enable the utility to review its procedures and actions. The record is to show the name and address of the complainant, the date and nature of the complaint, and the complaint's disposition and the date resolved.

b. All complaints caused by a major service interruption are to be summarized in a single report.

c. A record of the original complaint is to be kept for a period of three years after final settlement of the complaint.

199—21.13(476) Engineering practice for sanitary sewage disposal service.

21.13(1) *Requirement of good engineering practice.* The design and construction of the utility's plant and collection system will conform to good standard engineering practice.

21.13(2) *Inspection.* Each utility adopts and follows a program of inspection of its plant and collection system in order to determine the necessity for replacement and repair. The frequency of the various inspections is to be based on the utility's experience and accepted good practice.

199—21.14(476) Meter testing for sanitary sewage disposal service. If a utility uses separate meters to measure the volume of sewage disposal, the separate meters will be tested in substantial conformity with the requirements of rule 199—21.6(476).

199—21.15(476) Standards of quality of sanitary sewage disposal service.

21.15(1) *Operation and maintenance.* The utility shall maintain and operate any sewage treatment facility with adequate capacity and equipment to convey all sewage to the plant and to treat the sewage to the quality required by all applicable laws and regulations.

21.15(2) *Design and construction.* The design and construction of the utility's collection system, treatment facility, and all additions and modifications are to conform to the requirements prescribed by law.

21.15(3) *Reasonable efforts to prevent.* The utility will make reasonable efforts to eliminate or prevent the entry of surface water or groundwater into its sanitary sewage system or the unlawful release of untreated sanitary sewage. The utility may request assistance from any appropriate state, county, or municipal authorities, but such a request does not relieve the utility of its responsibility to make reasonable efforts to eliminate or prevent the entry of surface water or groundwater and to contain sewage. The utility will notify the board when it requests assistance from other state or local agencies.

21.15(4) *Bypass and upset.* The utility will comply with the bypass and upset provisions of rule 567—63.6(455B).

21.15(5) *Interruption of sanitary sewage disposal service.*

a. A utility shall make a reasonable effort to prevent interruptions of sanitary sewage service. When an emergency interruption occurs, the utility is to reestablish service with the shortest possible delay consistent with the safety of its customers and the general public.

b. When a utility finds it necessary to schedule an interruption of service, the utility shall make a reasonable effort to notify all customers to be affected by the interruption. The notice is to include the time and anticipated duration of the interruption. Interruptions are to be scheduled at hours that create the least inconvenience to the customer. The utility shall notify the board when sanitary sewage service is interrupted. Except for emergencies, a utility is not to interrupt sanitary sewage disposal service unless water service has been disconnected at least 24 hours prior.

c. A utility shall retain records of interruptions for a period of at least five years.

21.15(6) *Separate class.* Sanitary sewage service is considered a separate class of service for ratemaking purposes.

199—21.16(476) Incident reports regarding sanitary sewage disposal service.

21.16(1) *Notification.* A sanitary sewage utility shall notify the board about any incident involving:

a. An unlawful or uncontained release of sewage into the environment;

b. A flood event affecting the utility's plant or collection system;

c. A cyberattack affecting the well-being of the utility, its customers, or the environment; or

d. Any event that causes serious adverse impact on the health of people or the environment or interrupts service to the customer.

21.16(2) *Information required.* The utility shall notify the board immediately, or as soon as practical, of any reportable incident by emailing the duty officer at dutyofficer@iub.iowa.gov or, when email is not available, by calling the board duty officer at 515.745.2332. The person sending the email will leave the telephone number of 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. The number of services interrupted.

f. A summary of the significant information available to the utility regarding the likely cause of the incident and the estimated extent of damage.

21.16(3) *Normal service restored.* The utility will notify the board when the incident has ended and normal sanitary sewage service has been restored.

199—21.17(476) Separate books for acquired sanitary sewage disposal service assets. A utility acquiring the whole or any substantial part of a sanitary sewage system with a fair market value of $500,000 or more from a non-rate-regulated entity described in Iowa Code section 476.1(3) will maintain separate books and records for the acquired system until the utility's next general rate case unless otherwise ordered by the board.

DIVISION IV
STORM WATER DRAINAGE UTILITIES

199—21.18(476) Standards of quality of storm water drainage service.

21.18(1) *Design and maintenance.* Systems for storm water drainage by piped collection shall be designed and maintained in conformance with good engineering practices. Such systems will be designed and maintained so as to minimize flooding and ponding outside of areas designed to retain storm water and to reasonably provide for the drainage of normally anticipated rainfall events.

21.18(2) *Inspection.* Storm water drainage systems shall be inspected on a routine basis to identify and correct the blockage or obstruction of intake structures. The frequency of such inspections is to be based upon the utility's experience and be pursuant to tariffs approved by the board.

21.18(3) *Connections.* Utilities providing piped storm water drainage control the installation and maintenance of the piped connection up to and including all storm water intakes. Connections are to be adequate to receive all storm water drainage from properties upgradient of the storm water drainage connection unless other upgradient connections are provided. Connections are to be pursuant to tariffs approved by the board.

21.18(4) *Rates.* Rates for storm water drainage service provided by a utility may be based upon the acreage drained, or by some other method pursuant to tariffs approved by the board.

21.18(5) *Separate class.* Storm water drainage service is considered a separate class of service for ratemaking purposes.

199—21.19(476) Customer relations for storm water drainage service.

21.19(1) *Customer information.*

a. Each utility shall:

(1) 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 rates and rules relating to the service of the utility are available for public inspection.

(2) Maintain up-to-date maps, plans, or records of its entire storm water drainage system.

(3) Upon request, assist the customer or prospective customers in selecting the most economic rate schedule available for the proposed type of service.

(4) Upon request, inform the customer as to the method of computing the customer's bill.

(5) Notify customers affected by a change in rates or rate classification as directed in the board rules of practice and procedures.

b. Inquiries for information or complaints to a utility are to be resolved promptly and courteously. Employees who receive customer telephone calls and office visits are to 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 will provide identification to the customer, which will enable the customer to reach that employee again if needed.

c. 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 utility will also include the following statement: "If (utility name) does not resolve your complaint, you may request assistance from the Iowa Utilities Board by calling 877-565-4450; by writing to 1375 E. Court Ave., Des Moines, IA 50319-0069; or by email to customer@iub.iowa.gov." This information will be provided no less than annually.

d. Any utility that does not use the standard form contained herein will file its proposed form 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.

21.19(2) *Customer deposits.*

a. Deposit required. Each utility may require from any customer or prospective customer a deposit intended to guarantee payment of bills for service.

b. Amount of deposit. The total deposit shall not be less than $5 nor more in amount than the maximum estimated charge for service for 90 days or as may reasonably be required by the utility in cases involving service for short periods or special occasions.

c. New or additional deposit. 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 is to 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 utility does not need to provide written notice of a deposit required as a prerequisite for commencing initial service.

d. Customer's deposit receipt. The utility will issue a receipt of deposit to each customer from whom a deposit is received.

e. Interest on customer deposits. Interest will be paid by the utility to each customer required to make a deposit. Utilities are to compute interest on customer deposits at 7.5 percent per annum, compounded annually. Interest for prior periods will be computed at the rate specified by the rule in effect for the period in question. 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 is the most recent date the account is treated as uncollectible.

f. Deposit refund. The deposit shall be refunded after 12 consecutive months of prompt payment unless the utility has evidence to indicate that the deposit is necessary to ensure payment of bills for service. In any event, the deposit will be refunded upon termination of the customer's service.

g. Unclaimed deposits. The utility will 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 will 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 556.13.

199—21.20(476) Incident reports regarding storm water drainage service.

21.20(1) *Notification.* A utility shall notify the board about any incident involving:

a. A non-storm water discharge from the storm water drainage system;

b. A flood event affecting the storm water drainage system;

c. A cyberattack affecting the well-being of the utility, its customers, or the environment; or

d. Any event that causes serious adverse impact on the health of people or the environment or interrupts service to the customer.

21.20(2) *Information required.* The utility shall notify the board immediately, or as soon as practical, of any reportable incident by emailing the duty officer at dutyofficer@iub.iowa.gov or, when email is not available, by calling the board duty officer at 515.745.2332. The person sending the email will leave the telephone number of 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. The number of services interrupted.

f. A summary of the significant information available to the utility regarding the likely cause of the incident and the estimated extent of damage.

21.20(3) *Normal service restored.* The utility will notify the board when the incident has ended and normal storm water drainage service has been restored.

199—21.21(476) Separate books for acquired storm water drainage service assets. A utility acquiring the whole or any substantial part of a storm water drainage system with a fair market value of $500,000 or more from a non-rate-regulated entity described in Iowa Code section 476.1(3) will maintain separate books and records for the acquired system until the utility's next general rate case unless otherwise ordered by the board.

These rules are intended to implement Iowa Code sections 17A.3, 474.5, 476.1, 476.2, 476.6(18), and 476.8.