UTILITIES COMMISSION[199]

Former Commerce Commission[250] renamed Utilities Division[199]
under the "umbrella" of Commerce Department[181] by 1986 Iowa Acts, Senate File 2175, section 740.

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CHAPTER 1
ORGANIZATION AND OPERATION

[Prior to 10/8/86, Commerce Commission[250]]

199—1.1(17A,474) Purpose. This chapter describes the organization and operation of the Iowa utilities commission (hereinafter referred to as commission).
[**ARC 8325C**, IAB 10/30/24, effective 12/4/24]

199—1.2(17A,474) Scope of rules. These rules apply to all matters before the commission.
[**ARC 8325C**, IAB 10/30/24, effective 12/4/24]

199—1.3(17A,474,476) Waivers.

1.3(1) In response to a request, the commission may grant a waiver from a rule adopted by the commission, in whole or in part, as applied to a specific set of circumstances, if the commission finds, based on clear and convincing evidence, that the waiver request meets the requirements of Iowa Code section 17A.9A(2).

1.3(2) The commission may condition the grant of the waiver on such reasonable conditions as appropriate to achieve the objectives of the particular rule in question. The commission may at any time cancel a waiver upon appropriate notice and opportunity for hearing.
[**ARC 8325C**, IAB 10/30/24, effective 12/4/24]

199—1.4(17A,474) Duties of the commission. The commission regulates the services and rates of certain electric, gas, telephone, water, sanitary sewer, and storm water drainage utilities pursuant to Iowa Code chapter 476. The commission also has jurisdiction over certification of electric power generators pursuant to Iowa Code chapter 476A, franchises for cable and video service providers pursuant to Iowa Code chapter 477A, dual party relay service pursuant to Iowa Code chapter 477C, construction and safety of electric transmission lines pursuant to Iowa Code chapter 478, and the construction and operation of pipelines and underground storage pursuant to Iowa Code chapters 479 and 479B.
[**ARC 8325C**, IAB 10/30/24, effective 12/4/24]

199—1.5(17A,474) Organization. The commission consists of the three-member commission, the technical and administrative staff, and the general counsel. The three-member commission is the policymaking body, and the chair serves as the administrator of the commission. As administrator, the chair is responsible for all administrative functions and decisions.
[**ARC 8325C**, IAB 10/30/24, effective 12/4/24]

199—1.6(17A,474) Matters applicable to all proceedings.

1.6(1) *Communications.* All communications to the commission, other than those filed through the commission's electronic filing system, may be addressed to the Iowa Utilities Commission, 1375 East Court Avenue, Des Moines, Iowa 50319-0069, unless otherwise specifically directed. Unless otherwise specifically provided, all communications and documents are officially filed upon receipt and acceptance at the office of the commission.

1.6(2) *Office hours.* Office hours are 8 a.m. to 4:30 p.m. Monday through Friday. Offices are closed on Saturdays and Sundays and on official state holidays designated in accordance with state law.
[**ARC 8325C**, IAB 10/30/24, effective 12/4/24]

199—1.7(22) Public information and inspection of records.

1.7(1) *Public information.* Any interested person may examine all public records of the commission by written request or in person at the commission offices. Public records may be examined at the commission office only during regular business hours, 8 a.m. to 4:30 p.m. Monday through Friday, excluding legal holidays. Public records in docketed matters may be examined at any time using the commission's electronic filing system. Unless otherwise provided by law, all public records, other than confidential records, maintained by the commission will be made available for public inspection.

1.7(2) *Definitions.*

"Confidential records" means records not available for public inspection under state law.

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

"Public records" means records of or belonging to the commission that are necessary to the discharge of its duties.

1.7(3) *Records not routinely available for public inspection.* The following records are not routinely available for public inspection:

a. Material exempted from disclosure under Iowa's open records law. Certain public records are confidential under the open records law and cannot be released unless otherwise ordered by a court, by the commission as lawful custodian of the records, or by another person duly authorized to release such information pursuant to Iowa Code section 22.7. A person may request permission to inspect particular records withheld from inspection under this paragraph. If the request is granted, the commission shall withhold the material from public inspection for 14 days to allow the party that submitted the material an opportunity to seek injunctive relief.

b. Tax records. The commission is required to withhold tax records from public inspection pursuant to Iowa Code section 422.20.

c. Materials exempted pursuant to requests deemed granted by the commission. Requests to withhold from public inspection the materials and information listed in the subparagraphs below are deemed granted by the commission pursuant to Iowa Code section 22.7(3) or 22.7(6), or both sections, provided that the confidential portions of the filings are identified as confidential and filed as provided in 199—Chapter 14, and an attorney for the company or corporate officer avers that the material or information satisfies the requirements in Iowa Code section 22.7(3) or 22.7(6), or both sections. The material or information filed pursuant to this paragraph will be deemed confidential upon the filer's receipt of a notice of electronic filing without further review or acknowledgement by the commission, and the material or information will be withheld from public inspection subject to the provisions of subparagraph 1.7(6)*"b"*(3).

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(2) Reservation charges for portfolio gas supply contracts.

(3) Terms and prices for all hedging activity, including financial hedges and weather-related information.

(4) Sales data by individual natural gas customer.

(5) Natural gas purchase volumes by individual receipt point, by pipeline.

(6) Specific gas costs included in interstate pipeline contracts and contracted volume quantities, invoices, commodity contracts, and individual commodity purchases and invoices.

(7) Design day forecasting model reserve margin calculations for natural gas service.

(8) Negotiated purchase prices for electric power, fuel, and transportation.

(9) Electric customer-specific information.

(10) Power supply bills in support of energy adjustment clause filings.

(11) Network improvement and maintenance plans and related extensions and progress reports filed with the commission pursuant to 199—Chapter 39.

(12) Wireless coverage area maps depicting signal strength filed with the commission pursuant to 199—Chapter 39.

(13) Revenue recovery amounts and loop or line count data filed with the commission pursuant to 199—Chapter 39.

(14) Financial reports and loop or line count data included in rate floor data filed with the commission pursuant to 199—Chapter 39.

(15) Loop or line count data included in rate floor data updates filed with the commission pursuant to 199—Chapter 39.

(16) The financial records filed by applicants for certificates of convenience and necessity to provide competitive local exchange service.

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

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

(19) Information filed in a particular docket that is of the same type, nature, and scope as information for which the commission previously granted confidentiality in that same docket.

1.7(4) *Requests that materials or information submitted to the commission be withheld from public inspection.* Any person submitting information or materials to the commission may submit a request that part or all of the information or materials not be made available for public inspection pursuant to the following requirements. Persons filing material in the commission's electronic filing system shall redact protected information as defined in Iowa Rules of Electronic Procedure 16.602 and 16.603.

a. Marked pages. Each page of the materials to which the request applies shall be marked confidential.

b. Content of request. The request shall contain a statement of the legal basis for withholding the materials from inspection and the supporting facts. The facts shall be supported by an affidavit from a corporate officer or employee (or an individual, if not a business entity) with personal knowledge of the specific facts.

c. Compliance. If a request complies with the requirements of paragraphs 1.7(4)*"a"* and *"b,"* the materials will be temporarily withheld from public inspection. The commission will examine the information to determine whether the information should be afforded confidentiality. If the request is granted, the ruling will be placed in a public file in lieu of the materials withheld from public inspection. If no objection to the request for confidential treatment is filed within 20 days, the commission may defer consideration of the request until a public records request is made for the material or information, and the material or information shall be withheld from public inspection subject to the provisions of subparagraph 1.7(6)*"b"*(3).

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

1.7(5) *Procedures for the physical inspection of commission records that are routinely available for public inspection.* The records in question will be reasonably described by the person requesting them to permit their location by staff personnel. Members of the public will not be given access to the area in which records are kept and will not be permitted to search the files. Advance requests to have records available on a certain date may be made by telephone or by correspondence.

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

b. Written request. Written requests should list the telephone number (if any) of the person making the request and, for each document requested, should set out all available information that would assist in identifying and locating the document. The request should also set out the maximum search fee the person making the request is prepared to pay. If the maximum search fee is reached before all of the requested documents have been located and copied, the requesting person will be notified. When the requesting person requests that the commission mail copies of the materials, postage and handling expenses should also be included.

c. Procedure for written request. The records will be produced for inspection at the earliest possible date following a request. Records should be inspected within seven days after notice is given that the records have been located and are available for inspection. After seven days, the records will be returned to storage and additional charges may be imposed for having to produce them again.

d. Copies. Copies of public records may be made in the commission's records and information center.

1.7(6) *Procedures for the inspection of commission records that are not routinely available for public inspection.* Any person may request access to records that are not routinely available for public inspection. The following procedures shall apply:

a. Content of request. The request shall include a description of the records requested.

b. Procedure. The commission may take action on the request as follows:

(1) Deny the request with an explanatory statement, if the commission is prohibited from disclosing the records or has determined the requested material is confidential.

(2) Redact any part of the document that the commission is prohibited from disclosing and disclose the remainder.

(3) Notify the interested persons, and withhold the materials from public inspection for 14 days to allow the party who submitted the materials an opportunity to seek injunctive relief.

1.7(7) *Procedures by which the filer of a confidential record may have a copy released to a named third party.* The filer of a confidential record may request in writing that a confidential record be released to a named third party.

1.7(8) *Advice and assistance.* Individuals who have questions regarding the procedures contained in these rules may contact the commission at the following address: Iowa Utilities Commission, 1375 East Court Avenue, Des Moines, Iowa 50319-0069.

1.7(9) *Data processing system.* As required by Iowa Code section 22.11(1)*"g,"* the commission does not currently have a data processing system that matches, collates, or permits the comparison of personally identifiable information in one record system with personally identifiable information on another record system.

[**ARC 8325C**, IAB 10/30/24, effective 12/4/24]

These rules are intended to implement Iowa Code sections 17A.3, 474.1, 474.5, 474.10, 476.1, and 476.2.

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CHAPTER 2
FORMS

[Prior to 10/8/86, Commerce Commission[250]]

Rescinded **ARC 7755C**, IAB 4/3/24, effective 5/8/24

CHAPTER 3
RULEMAKING

[Prior to 10/8/86, Commerce Commission[250]]

199—3.1(17A,474,476) Purpose and scope.

3.1(1) *Scope.* These rules govern the practice and procedure in all rulemaking proceedings of the commission.

3.1(2) *Rules of construction.* If any provision of a rule or the application of a rule to any person or circumstance is itself or through its enabling statute held invalid, the invalidity does not affect other provisions or applications of the rule that can be given effect without the invalid provision or application, and to this end, the provisions of the rule are severable.

[**ARC 7748C**, IAB 4/3/24, effective 5/8/24; Editorial change: IAC Supplement 7/24/24]

199—3.2(17A,474,476) Initial stakeholder input. In addition to seeking information by other methods, the commission may solicit comments from the public on the subject matter of possible rulemaking by issuing an order through its electronic filing system or by causing notice of the subject matter to be published in the Iowa Administrative Bulletin, indicating where, when, and how persons may comment.

[**ARC 7748C**, IAB 4/3/24, effective 5/8/24; Editorial change: IAC Supplement 7/24/24]

199—3.3(17A,474,476) Petition for adoption of rules.

3.3(1) *Petitions.* Any interested person may petition the commission for the adoption, amendment, or repeal of a rule pursuant to Iowa Code section 17A.7.

3.3(2) *Stakeholder comments.* Other interested persons may file written comments containing data, views, or arguments concerning the petition within 20 days of the filing of the petition. Reply comments may be filed within 27 days of the filing of the petition. The commission may allow additional time for filing comments and reply comments at its discretion.

[**ARC 7748C**, IAB 4/3/24, effective 5/8/24; Editorial change: IAC Supplement 7/24/24]

199—3.4(17A,474,476) Commencement of proceedings. Rulemaking proceedings are commenced upon written order of the commission.

[**ARC 7748C**, IAB 4/3/24, effective 5/8/24; Editorial change: IAC Supplement 7/24/24]

199—3.5(17A,474,476) Rulemaking oral presentation.

3.5(1) *Requests.* If an oral presentation is not scheduled by the commission, any interested person may file a request for an oral presentation.

3.5(2) *Written appearance.* Any interested person may participate in rulemaking oral presentations in person or by counsel.

3.5(3) *Oral presentations.* Participants in rulemaking oral presentations may submit exhibits and present oral statements of position, which may include data, views, comments, or arguments concerning the proposed adoption, amendment, or repeal of the rule. Oral statements are not made under oath and are not subject to cross-examination.

3.5(4) *Comments and limitations.* The commission may, in its discretion, permit reply comments and request the filing of written comments subsequent to the adjournment of the oral presentation. The commission may limit the time of any oral presentation and the length of any written presentation.

[**ARC 7748C**, IAB 4/3/24, effective 5/8/24; Editorial change: IAC Supplement 7/24/24]

199—3.6(17A,474) Review of rules. To facilitate the five-year review provisions of Iowa Code section 17A.7(1), the commission will review a portion of its chapters each fiscal year over each five-year period under the following schedule:

3.6(1) In fiscal year 2018 and every fifth year thereafter, the commission will review Chapters 1 through 9 of its rules.

3.6(2) In fiscal year 2019 and every fifth year thereafter, the commission will review Chapters 10 through 18 of its rules.

3.6(3) In fiscal year 2020 and every fifth year thereafter, the commission will review Chapters 19 through 27 of its rules.

3.6(4) In fiscal year 2021 and every fifth year thereafter, the commission will review Chapters 28 through 36 of its rules.

3.6(5) In fiscal year 2022 and every fifth year thereafter, the commission will review Chapters 37 through 45 of its rules.

3.6(6) If the commission adopts additional chapters in its rules, such chapters will be reviewed every fifth fiscal year from the fiscal year in which they are made effective.

[**ARC 7748C**, IAB 4/3/24, effective 5/8/24; Editorial change: IAC Supplement 7/24/24]

These rules are intended to implement Iowa Code sections 17A.4 through 17A.7, 474.5, and 476.2.

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CHAPTER 4
DECLARATORY ORDERS

[Prior to 10/8/86, see Commerce Commission[250]]

199—4.1(17A) Petition for declaratory order. Any person may file a petition with the Iowa utilities commission for a declaratory order as to the applicability to specified circumstances of a statute, rule, or order within the primary jurisdiction of the commission. The petition shall conform with this chapter and with Iowa Code section 17A.9. A petition shall be dated and signed by the petitioner, include the petitioner's appropriate contact information, and include all of the following information (a sample form of a petition for a declaratory order is available on the commission's website at iuc.iowa.gov):

4.1(1) The question or questions that petitioner wishes the board to determine, stated clearly and concisely;

4.1(2) A clear and concise statement of all relevant facts on which the ruling is requested, including the petitioner's interest in the issue;

4.1(3) A citation to and the relevant language of the statutes, rules, policies, decisions, or orders that are applicable or whose applicability is in question and any other relevant law;

4.1(4) The petitioner's proposed answers to the questions raised and a summary of the reasons urged by the petitioner in support of those answers, including a statement of the legal support for the petitioner's position;

4.1(5) A statement indicating whether the petitioner is currently a party to another proceeding involving the questions at issue and whether, to the petitioner's knowledge, those questions have been decided by, are pending determination by, or are under investigation by any governmental entity;

4.1(6) The names and addresses of other persons, or a description of any class of persons, known by the petitioner to be affected by or interested in the questions presented in the petition; and

4.1(7) A statement indicating whether the petitioner requests a meeting as provided for by rule 199—4.5(17A).

[**ARC 7749C**, IAB 4/3/24, effective 5/8/24; Editorial change: IAC Supplement 7/24/24]

199—4.2(17A) Intervention. A person having an interest in the subject matter of a petition for a declaratory order may file with the commission a petition for intervention pursuant to the "Intervention" rule contained in 199—Chapter 7 within 20 days of the filing of a petition for a declaratory order. The commission may at its discretion entertain a late-filed petition for intervention. A petition for intervention in a proceeding on a petition for declaratory order shall be dated, be signed by the prospective intervenor with that person's appropriate contact information, include the information set forth in the "Intervention" rule contained in 199—Chapter 7, and include all of the following:

4.2(1) The answers urged by the intervenor to the question or questions presented and a summary of the reasons urged in support of those answers, including a statement of the legal support for the intervenor's position;

4.2(2) A statement indicating whether the intervenor is currently a party to another proceeding involving the questions at issue and whether, to the intervenor's knowledge, those questions have been decided by, are pending determination by, or are under investigation by any government entity;

4.2(3) The names and addresses of other persons, or a description of any class of persons, known by the intervenor to be affected by or interested in the questions presented in the petition; and

4.2(4) Whether the intervenor consents to be bound by the determination of the matters presented in the declaratory order proceeding.

[**ARC 7749C**, IAB 4/3/24, effective 5/8/24; Editorial change: IAC Supplement 7/24/24]

199—4.3(17A) Briefs. The petitioner or any intervenor may file a brief in support of that party's position, and the commission may order additional briefing.

[**ARC 7749C**, IAB 4/3/24, effective 5/8/24; Editorial change: IAC Supplement 7/24/24]

199—4.4(17A) Service and filing of petitions. At the same time a petition for a declaratory order is filed, the petitioner shall serve the petition, in accordance with the "Service of documents" subrule in 199—Chapter 7 and the "Electronic service" rule in 199—Chapter 14, upon any person who, based upon a

reasonable investigation, would be a necessary party to the proceeding under applicable substantive law. The petitioner is to file with the commission a list of all persons served.
[**ARC 7749C**, IAB 4/3/24, effective 5/8/24; Editorial change: IAC Supplement 7/24/24]

199—4.5(17A) Informal meeting. Upon request by petitioner, the commission will schedule an informal meeting between the petitioner, all intervenors, and the commission, a member of the commission, or a designated member of the staff of the commission to discuss the questions identified in the petition. The commission may solicit comments from any person on the questions raised.
[**ARC 7749C**, IAB 4/3/24, effective 5/8/24; Editorial change: IAC Supplement 7/24/24]

199—4.6(17A) Refusal to issue order.

4.6(1) *Grounds.* The commission will not issue a declaratory order that would substantially prejudice the rights of a person who would be a necessary party and who does not consent in writing to determination of the matter in a declaratory order proceeding. The commission may refuse to issue a declaratory order on some or all of the questions raised for any of the following reasons:

a. The petitioner requests that the commission determines whether a statute is unconstitutional on its face.

b. The petition does not contain facts sufficient to demonstrate that the petitioner will be aggrieved or adversely affected by the failure of the commission to issue an order.

c. The commission does not have jurisdiction over the questions presented in the petition.

d. The questions presented by the petition are also presented in a current rulemaking, contested case, or other agency or judicial proceeding that may definitively resolve them.

e. The questions presented by the petition would more properly be resolved in a different type of proceeding or by another body with jurisdiction over the matter.

f. The facts or questions presented in the petition are unclear, overbroad, insufficient, or otherwise inappropriate as a basis upon which to issue an order.

g. There is no need to issue an order because the questions raised in the petition have been settled due to a change in circumstances.

h. The petition is not based upon facts calculated to aid in the planning of future conduct but is, instead, based solely upon prior conduct in an effort to establish the effect of that conduct or to challenge an agency decision already made.

i. The petition requests a declaratory order that would necessarily determine the legal rights, duties, or responsibilities of other persons who have not joined in the petition, intervened separately, or filed a similar petition and whose position on the questions presented may fairly be presumed to be adverse to that of the petitioner.

4.6(2) *Content and effect of refusal.*

a. The commission's refusal to issue a declaratory order will include a statement of the specific grounds for the refusal and constitutes final commission action on the petition.

b. Refusal to issue a declaratory order pursuant to this rule does not preclude the filing of a new petition that seeks to remedy the grounds for the refusal to issue an order.
[**ARC 7749C**, IAB 4/3/24, effective 5/8/24; Editorial change: IAC Supplement 7/24/24]

199—4.7(17A) Effect of a declaratory order.

4.7(1) The issuance of a declaratory order constitutes final agency action on the petition. A declaratory order is binding on the commission, on the petitioner, on any intervenors who consent to be bound, and on any persons who would be necessary parties, who are served pursuant to rule 199—4.4(17A), and who consent to be bound, in cases in which the relevant facts and the law involved are substantially indistinguishable from those on which the order was based. As to all other persons, a declaratory order serves only as precedent and is not binding on the commission.

4.7(2) A declaratory order is effective upon the date of issuance.
[**ARC 7749C**, IAB 4/3/24, effective 5/8/24; Editorial change: IAC Supplement 7/24/24]

These rules are intended to implement Iowa Code sections 17A.3(1)*"b,"*17A.9 and 476.2.

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CHAPTER 5
PROCEDURE FOR DETERMINING THE COMPETITIVENESS OF A COMMUNICATIONS SERVICE OR FACILITY

[Prior to 10/8/86, Commerce Commission[250]]

Rescinded **ARC 7629C**, IAB 2/7/24, effective 3/13/24

CHAPTER 6
COMPLAINT PROCEDURES

[Previously ch 1, renumbered 10/20/75 Supp.]
[Prior to 10/8/86, Commerce Commission[250]]

199—6.1(476) General inquiries. Any person may seek assistance from the Iowa utilities commission by appearing in person at the commission's office at 1375 East Court Avenue, Des Moines, Iowa 50319-0069; by mailing an inquiry to the commission's office; by placing a telephone call to the commission's customer service bureau at 515.725.7300 or toll-free at 877.565.4450; by sending an inquiry by email to customer@iuc.iowa.gov; or by contacting the agency through any other means. If the inquiry is not resolved after commission staff has obtained additional information, the person making the inquiry may escalate the inquiry to a written complaint by requesting an informal investigation pursuant to rule 199—6.2(476) and Iowa Code section 476.3.

[**ARC 7635C**, IAB 2/21/24, effective 3/27/24; Editorial change: IAC Supplement 7/24/24]

199—6.2(476) Informal complaint procedures. Any person may submit a written complaint to the commission requesting a determination of the reasonableness of rates, charges, schedules, service, regulations, or anything done or not done by a public utility for those services or rates subject to regulation by the commission. "Person" as used in this chapter shall have the same definition as defined in Iowa Code section 4.1(20).

6.2(1) *Information to be filed.* The written complaint should include the following information:

a. The name of the utility involved, any utility personnel known or believed to be familiar with the facts stated in the complaint, and the location of the office of the utility where the complaint was originally made and processed.

b. The name of the complainant. If the complaint is being made on behalf of a person other than the complainant, an affidavit from the person upon whose behalf the complaint is being made, attesting to the accuracy of the complaint, should be included. A complaint filed by an organization on behalf of its members shall include an affidavit signed by an attorney for, or an officer of, the organization.

c. The address, or addresses, of the premises where the service, billing problems, or other actions occurred. If the complainant resides at a different address, the complaint shall also state where a response to the complaint is to be mailed. The complainant shall provide a telephone number and, if available, an email address where the complainant can be reached.

d. The nature of the complaint, and efforts made to resolve the matter. Bills, correspondence, or other relevant documents should be included if the documents will aid the commission's understanding of the utility's action or practice about which the complaint is made. If known, references to statutes or rules believed to govern the outcome of the complaint should be included. Also, a description of the efforts made by the complainant to resolve the complaint with the utility should be included. The complainant should contact the utility to attempt to resolve the complaint prior to submitting a complaint to the commission.

e. A proposal for resolving the complaint. The proposal should refer to any known statutes, commission orders, or rules that support the resolution proposed by the complainant.

6.2(2) *Request for additional information.* If commission staff determines that additional information is needed prior to forwarding the complaint to the utility, the complainant will be notified that specified additional information is needed. If the requested additional information is not provided within ten days, the complaint may be dismissed. Dismissal of the complaint on this basis does not prevent the complainant from filing in the future a complaint that includes the requested information.

[**ARC 7635C**, IAB 2/21/24, effective 3/27/24; Editorial change: IAC Supplement 7/24/24]

199—6.3(476) Processing the informal complaint. When the commission receives a written complaint that includes the necessary information outlined in rule 199—6.2(476), commission staff shall initiate the informal complaint process by opening an investigation into the complaint and assigning the informal complaint a file number.

6.3(1) Within ten days after receipt of the written complaint, or of any additional information requested, commission staff shall forward to the public utility and the consumer advocate the complaint and any additional information provided by the complainant.

6.3(2) The utility shall respond to the complaint within 20 days of receipt and send a copy of its response to the complainant and the consumer advocate. Prior to the date the response is due, the utility may request an extension of time to respond to the complaint. Within five days, commission staff shall notify the utility, the complainant, and the consumer advocate whether the request for an extension is granted and of the length of the extension.

6.3(3) The utility shall specifically address each allegation made by the complainant and provide any supporting facts, statutes, rules, commission orders, or tariff provisions supporting its response. The utility shall include copies of all related letters, records, or other documents not supplied by the complainant, and all records concerning the complainant that are not confidential or privileged. In cases involving confidential or privileged records, the response shall advise of the records' existence.

[**ARC 7635C**, IAB 2/21/24, effective 3/27/24; Editorial change: IAC Supplement 7/24/24]

199—6.4(476) Proposed resolution of an informal complaint.

6.4(1) After the utility's response is received, commission staff may request additional information deemed necessary to complete the investigation and resolve the complaint. When all necessary information has been received and the investigation is complete, commission staff shall, within 30 days, send a letter with a proposed resolution of the complaint to the complainant, the utility, and the consumer advocate. Staff shall notify the complainant, the utility, and consumer advocate when the investigation is complete and the 30-day time period to issue a proposed resolution commences.

6.4(2) In the proposed resolution, commission staff shall inform the parties of their right to request formal proceedings. The complainant, utility, and consumer advocate have 14 days after the date the proposed resolution is issued to file a request for a formal proceeding. If no party files a request for formal proceeding within 14 days pursuant to subrule 6.5(1), the proposed resolution is binding.

6.4(3) After the proposed resolution is issued, the complainant, utility, or consumer advocate may request in writing within 14 days that commission staff reopen the investigation regarding the complaint to consider additional information, changed circumstances, or other relevant information not provided in the initial investigation. Within five days of receiving the request, commission staff shall send a response to the request to reopen the investigation, either advising the parties that the investigation will be reopened and a second proposed resolution will be issued or denying the request. If the request to reopen the investigation is denied, the complainant, utility, or consumer advocate has 14 days from the issuance of the denial to request that the commission open a formal complaint proceeding pursuant to subrule 6.5(1).

[**ARC 7635C**, IAB 2/21/24, effective 3/27/24; Editorial change: IAC Supplement 7/24/24]

199—6.5(476) Initiating formal complaint proceedings.

6.5(1) *Request for formal proceeding based upon a proposed resolution.* If the consumer advocate, complainant, or public utility does not agree with the proposed resolution, a request for a formal complaint proceeding may be made in writing within 14 days of the issuance of the proposed resolution. The request for a formal proceeding shall be considered as filed on the date of the United States Postal Service postmark, the date of email, the date of filing in the commission's electronic filing system, or the date of in-person delivery to the commission's customer service bureau. The request shall include the file number of the informal complaint. The request shall explain why the proposed resolution should be modified or rejected and shall propose an alternate resolution. All parties to the informal complaint shall be provided copies of the request for a formal proceeding. Any other party to the informal complaint investigation may submit a response to the request for a formal proceeding within ten days of the date the request was submitted to the commission.

6.5(2) *Request for formal complaint proceeding.* Upon receipt of a request for a formal complaint proceeding, the commission shall issue an order either granting or denying the request.

[**ARC 7635C**, IAB 2/21/24, effective 3/27/24; Editorial change: IAC Supplement 7/24/24]

199—6.6(476) Applicable procedures. When the complaint is docketed as a formal proceeding, the procedures set forth in 199—Chapter 7 will apply.

[**ARC 7635C**, IAB 2/21/24, effective 3/27/24]

199—6.7(476) Record. The written complaint and all information obtained during the informal investigation shall be uploaded into the electronic filing system formal complaint docket and be made part of the record in the formal complaint proceeding. The information from the informal complaint investigation shall be redacted pursuant to requirements in 199—Chapter 7.
[**ARC 7635C**, IAB 2/21/24, effective 3/27/24]

199—6.8(476) Special procedures for complaints alleging unauthorized changes in telecommunications services. Notwithstanding the deregulation of a communications service or facility pursuant to Iowa Code section 476.1D, complaints alleging an unauthorized change in telecommunications service (more information is contained in the "Unauthorized changes in telecommunications service" rule in 199—Chapter 22) will be processed pursuant to this chapter with the following additional or substituted procedures:

6.8(1) Upon receipt of the complaint and with the customer's acknowledgment, a copy of the complaint or a notification of receipt of a telephone or other oral complaint will be forwarded to the executing service provider and the preferred service provider as a request for a change in the customer's service to the customer's preferred service provider, unless the service has already been changed to the preferred service provider.

6.8(2) The complaint or notification of receipt of a telephone or other oral complaint will also be forwarded to the alleged unauthorized service provider. That entity shall file a response to the complaint within 20 days of the date the complaint or notification of receipt of a telephone or other oral complaint was forwarded. The response must include proof of verification of the customer's authorization for a change in service or a statement that the unauthorized service provider does not have such proof of verification.

6.8(3) If the alleged unauthorized service provider includes with its response alleged proof of verification of the customer's authorization for a change in service, the response will be forwarded to the customer. The customer will have ten days to challenge the verification or otherwise reply to the service provider's response.

6.8(4) As a part of the informal complaint proceedings, commission staff may issue a proposed resolution to determine the potential liability, including assessment of damages, for unauthorized changes in service among the customer, the previous service provider, the executing service provider, and the submitting service provider, and any other interested person. In all cases, the proposed resolution shall allocate responsibility among the interested persons on the basis of their relative responsibility for the events that are the subject matter of the complaint. For purposes of this rule and in the absence of unusual circumstances, the term "damages" means charges directly relating to the telecommunications services provided to the customer that have appeared or may appear on the customer's bill. The term "damages" does not include incidental, consequential, or punitive damages.

6.8(5) If the complainant, the service provider, consumer advocate, or any other interested person directly affected by the proposed decision is dissatisfied with the proposed resolution, a request for formal complaint proceedings may be filed. A request for formal complaint proceedings will be processed by the commission pursuant to rule 199—6.5(476) et seq.

If no request for formal complaint proceedings is received by the commission within 14 days after issuance of the proposed resolution, the proposed resolution will be deemed binding upon all persons notified of the informal proceedings and affected by the proposed resolution. Notwithstanding the binding nature of any proposed resolution as to the affected persons, the commission may at any time and on its own motion initiate formal proceedings that may alter the allocation of liability.

6.8(6) No entity may commence any actions to rebill, directly bill, or otherwise collect any disputed charges for a change in service until after commission action on the complaint is final. If final commission action finds that the change in service was unauthorized and determines the customer should pay some amount less than the billed amount, the service provider is prohibited from rebilling or taking any other steps whatsoever to collect the difference between the allowed charges and the original charges.
[**ARC 7635C**, IAB 2/21/24, effective 3/27/24; Editorial change: IAC Supplement 7/24/24]

These rules are intended to implement Iowa Code sections 476.2, 476.3, 476.103 and 546.7.

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[1] Effective date of chapter 6 delayed 70 days by administrative rules review committee

CHAPTER 7
PRACTICE AND PROCEDURE

[Previously ch 15, renumbered 10/20/75 Supp.]
[Prior to 10/8/86, Commerce Commission[250]]

199—7.1(17A,474,476) Scope and applicability.

7.1(1) This chapter applies to contested case proceedings, investigations, and other proceedings conducted by the commission or a presiding officer, unless the proceedings have specific procedures established in commission rules. If there are no other applicable procedural rules, this chapter applies to other types of agency action, unless the commission or presiding officer orders otherwise. The rules in this chapter regarding the content and format of pleadings, testimony, workpapers, and other supporting documents apply to both paper filings and electronic filings made pursuant to 199—Chapter 14. The rules in this chapter regarding filing, service, and the necessary number of copies apply to paper filings. The filing and service of electronically filed documents are governed by 199—Chapter 14. The commission has established additional procedural requirements in other chapters as described in subrules 7.1(2) through 7.1(5).

7.1(2) Additional rules applicable only to rate cases, tariff filings, and rate regulation election by rural electric cooperatives are contained in 199—Chapter 26.

7.1(3) Notice of inquiry dockets and investigations. The commission may issue a notice of inquiry or open an investigation and establish a docket through which the inquiry or investigation can be processed. The procedural rules in this chapter apply to these dockets, unless otherwise ordered by the commission or presiding officer.

7.1(4) Reorganizations. Procedural rules applicable to reorganizations are included in rule 199—32.9(476). In the event the requirements in rule 199—32.9(476) conflict with the requirements in this chapter, the requirements in rule 199—32.9(476) are controlling.

7.1(5) Discontinuance of service incident to utility property transfer. This subrule does not apply to telecommunications service providers registered with the commission pursuant to Iowa Code section 476.95A.

a. Scope. This rule applies to discontinuance of utility service pursuant to Iowa Code section 476.20(1), which includes the termination or transfer of the right and duty to provide utility service to a community or part of a community incident to the transfer, by sale or otherwise, except a stock transfer incident to corporate reorganization.

b. Application. An application for permission to discontinue service should include a summary of the relevant facts and the grounds upon which the application should be granted. When the discontinuance of service is incident to the transfer of utility property, a joint application will be filed by the transferor utility and the transferee.

c. Approval. Within 30 days after an application is filed, the commission will approve the application or docket the application for further investigation.

d. Contested cases. Contested cases under paragraph 7.1(5)*"c"* will be completed within four months after the date of docketing.

e. Criteria. The application will be granted if the commission finds the utility service is no longer necessary or if the commission finds the transferee is ready, willing, and able to provide comparable utility service.

7.1(6) The purpose of these rules is to facilitate the transaction of business before the commission and to promote the just resolution of controversies. Consistent with this purpose, the application of any of these rules, unless otherwise prescribed by law, may be waived by the commission or presiding officer pursuant to rule 199—1.3(17A,474,476).

7.1(7) Procedural orders.

a. Authority to issue procedural orders in all proceedings, including contested case proceedings, investigations, and all other dockets and matters before the commission when a majority of the commission is not available due to emergency, or for the efficient and reasonable conduct of proceedings, is granted to a single commission member. If no member of the commission is available to issue a procedural order due to emergency, or for the efficient and reasonable conduct of proceedings, the procedural order may be issued

by a presiding officer designated by the commission. If a presiding officer is not available to issue a procedural order due to an emergency, or for the efficient and reasonable conduct of proceedings, a procedural order may be issued by the general counsel of the commission.

b. Procedural orders under this subrule will be issued only upon the showing of good cause and when the prejudice to a nonmoving party is not great. The procedural order under this subrule will state that it is issued pursuant to the delegation authority established in subrule 7.1(7) and that the procedural order so issued is subject to review by the commission upon its own motion or upon motion by any party or other interested person.

[**ARC 8430C**, IAB 12/11/24, effective 1/15/25]

199—7.2(17A,476) Definitions. Except where otherwise specifically defined by law:

"Commission" means the Iowa utilities commission or a majority thereof.

"Complainants" means persons who complain to the commission of any act or thing done or omitted to be done in violation, or claimed to be in violation, of any provision of Iowa Code chapters 476 through 476C, 477, 477A, and 477C through 479B or of any order or rule of the commission.

"Consumer advocate" means the office of consumer advocate, a division of the Iowa department of justice, referred to in Iowa Code chapter 475A.

"Contested case" means a proceeding defined by Iowa Code section 17A.2(5) and includes any matter defined as a no factual dispute contested case under Iowa Code section 17A.10A.

"Data request" means a discovery procedure in which the requesting party asks another person for specified information or requests the production of documents.

"Expedited proceeding" means a proceeding before the commission in which a statutory or other provision of law directs the commission to render a decision in the proceeding in six months or less.

"Filed" means accepted for filing by the commission as defined in rule 199—14.3(17A,476).

"Intervenor" means any person who, upon written petition, is permitted to intervene as a party in a specific proceeding before the commission.

"Issuance" means the date on which an order is uploaded into the commission's electronic filing system.

"Party" means each person named or admitted as a party in a proceeding before the commission.

"Person" means the same as defined in Iowa Code section 4.1(20) and includes individuals and all forms of legal entities.

"Petitioner" or *"applicant"* means any party who, by written petition, application, or other filing, applies for or seeks relief from the commission.

"Presiding officer" means one commission member or another person designated by the commission with the authority to preside over a particular proceeding or matter before the commission.

"Proposed decision" means the presiding officer's recommended findings of fact, conclusions of law, decision, and order in a proceeding that has been assigned by the commission to the presiding officer.

"Service" means service as prescribed in 199—Chapter 14.

[**ARC 8430C**, IAB 12/11/24, effective 1/15/25]

199—7.3(17A,476) Presiding officers. Presiding officers may be designated by the commission to preside over contested cases or other proceedings and conduct hearings and have the following authority, unless otherwise ordered by the commission:

1. To regulate the course of hearings;
2. To administer oaths and affirmations;
3. To rule upon the admissibility of evidence and offers of proof;
4. To take or cause depositions to be taken;
5. To dispose of procedural matters, discovery disputes, motions to dismiss, and other motions that may involve final determination of proceedings, subject to review by the commission on its own motion or upon application by any party;
6. To certify any question to the commission, in the discretion of the presiding officer or upon direction of the commission;
7. To permit and schedule the filing of written briefs;

8. To hold appropriate conferences before, during, or after hearings;

9. To render a proposed decision and order in a contested case proceeding, or other proceeding, subject to review by the commission on its own motion or upon appeal by any party; and

10. To take any other action necessary or appropriate to the discharge of duties vested in the presiding officer, consistent with law and with the rules and orders of the commission.

[**ARC 8430C**, IAB 12/11/24, effective 1/15/25]

199—7.4(17A,474,476) General information.

7.4(1) *Orders.* All orders will be issued and uploaded into the commission's electronic filing system. Orders are effective upon acceptance into the electronic filing system, unless otherwise provided in the order. Orders and other filings in dockets may be viewed in the specific docket accessed through the commission's electronic filing system.

7.4(2) *Communications.*

a. Electronic communications. Unless otherwise specifically provided, all electronic communications and documents are officially filed when they are accepted for filing as defined in rule 199—14.3(17A,476). The electronic service provisions in the "electronic service" rule in 199—Chapter 14 apply.

b. Paper filings. Paper filings may only be made with commission approval, except for filings made pursuant to the exceptions in rule 199—14.4(17A,476).

7.4(3) *Reference to docket number.* The applicable docket number(s) should be included on the first page of all filings.

7.4(4) *Defective filings.* Only submissions that conform to the requirements of the applicable rule, statute, or order of the commission or presiding officer will be accepted for filing, and submissions that fail to substantially conform with the applicable requirements will be considered defective and may be rejected unless waiver of the relevant requirement has been granted by the commission or presiding officer prior to filing. The commission or presiding officer may reject a filing even though commission employees have file-stamped or otherwise acknowledged receipt of the filing.

7.4(5) *Service of documents.*

a. Method of service.

(1) Paper service. Paper service of filings is only necessary on those parties, or persons, whom the commission has approved to receive paper service. All filings served by paper are to be filed electronically pursuant to the "electronic service" rule in 199—Chapter 14 in the appropriate docket in the electronic filing system, include a certificate of service, and be served on the consumer advocate.

(2) Electronic service. The commission's rule regarding electronic service is the "electronic service" rule in 199—Chapter 14.

(3) Service of documents containing confidential information. Parties may condition the service of unredacted documents containing confidential information on the execution of a confidentiality agreement. If the parties are unable to agree on a confidentiality agreement, they may ask the commission or presiding officer to issue an appropriate order.

b. Date of service.

(1) Paper service. Unless otherwise ordered by the commission or presiding officer, the date of service is the day when the document served is deposited in the United States mail or overnight delivery, is delivered in person, or otherwise as the parties may agree. Although service is effective, the document is not deemed filed with the commission until it is received by the commission.

(2) The commission's rule regarding electronic service is the "electronic service" rule in 199—Chapter 14.

c. Service upon attorneys. When a party has appeared by attorney, service upon the attorney is deemed proper service upon the party.

7.4(6) *Appearance.* Each party to a proceeding is to file a written appearance in the docket that identifies one person upon whom the commission may electronically serve all orders, correspondence, or other documents. If a party has previously designated a person to be served on the party's behalf in all matters, filing the appearance will not change this designation, unless the party directs that the designated person be changed in the appearance. If a person files an application, petition, or other initial pleading, or an answer or other responsive pleading on behalf of a party, containing the person's contact information,

the filing of a separate appearance is not necessary. The appearance may be filed with the party's initial filing in the proceeding or may be filed after the proceeding has been docketed.

7.4(7) *Representation by attorney.*

a. Any party to a proceeding before the commission or a presiding officer may appear and be heard through a licensed attorney. If the attorney is not licensed by the state of Iowa, the attorney is to apply for admission pro hac vice pursuant to and abide by the provisions of Iowa Court Rule 31.14.

b. A corporation or association may appear and present evidence by an officer or employee. However, only licensed attorneys may represent a party before the commission or a presiding officer in any matter involving the exercise of legal skill or knowledge, except with the consent of the commission or presiding officer. All persons appearing in proceedings before the commission or a presiding officer shall conform to the standard of ethical conduct applicable to attorneys appearing before the courts of Iowa.

7.4(8) *Expedited proceedings.*

a. If a person claims that a provision of law imposes an obligation on the commission to render a decision in a contested case in six months or less, the person will include the phrase "expedited proceedings" in the caption of the first pleading filed by the person in the proceeding and set the basis for the claim in the body of the pleading. If the phrase is not so included in the caption, the commission or presiding officer may find and order that the proceeding did not commence for time calculation purposes until the date on which the first pleading containing the "expedited proceedings" phrase is filed or such other date that the commission or presiding officer finds is just and reasonable under the circumstances.

b. Shortened time limits applicable to expedited proceedings are contained in rules 199—7.9(17A,476) (pleadings and answers), 199—7.12(17A,476) (motions), 199—7.13(17A,476) (intervention), 199—7.15(17A,476) (discovery), and 199—7.26(17A,476) (appeals from proposed decisions). An additional service requirement applicable to expedited proceedings is contained in subrule 7.4(5) (service of documents).

c. A party may file a motion that proceedings be expedited even though such treatment is not mandated by statute or other provision of law. Such voluntary expedited treatment may be granted at the commission's or presiding officer's discretion in appropriate circumstances considering the needs of the parties and the interests of justice. In these voluntary expedited proceedings, the commission or presiding officer may shorten the filing dates or other procedures established in this chapter. The shortened time limits and additional service requirement applicable to expedited proceedings established in this chapter and listed in subrule 7.4(8) do not apply to voluntary expedited proceedings under this paragraph unless ordered by the commission or presiding officer. If a party requests an expedited proceeding pursuant to this paragraph, the party will include "Expedited Proceedings" in the title.

[**ARC 8430C**, IAB 12/11/24, effective 1/15/25]

199—7.5(17A,476) Time requirements.

7.5(1) Time is computed as provided in Iowa Code section 4.1(34).

7.5(2) In response to a request or on its own motion, for good cause, the commission or presiding officer may extend or shorten the time to take any action, except as precluded by statute.

[**ARC 8430C**, IAB 12/11/24, effective 1/15/25]

199—7.6(17A,476) Electronic proceedings. The commission or presiding officer may hold proceedings by telephone conference call or other electronic means, such as a webinar service, in which all parties have an opportunity to participate. The commission or presiding officer will determine the location of the parties and witnesses for electronic proceedings. The convenience of the witnesses or parties, as well as the nature of the case, will be considered when locations are determined.

[**ARC 8430C**, IAB 12/11/24, effective 1/15/25]

199—7.7(17A,476) Electronic information. Filing of electronic information shall comply with the commission's rules on electronic filing in 199—Chapter 14 and the commission's published standards for electronic information, available on the commission's website at iuc.iowa.gov or from the commission's customer service center.

[**ARC 8430C**, IAB 12/11/24, effective 1/15/25]

199—7.8(17A,476) Delivery of notice of hearing. When the commission or presiding officer issues an order containing a notice of hearing, delivery of the order will be by electronic notice through the electronic filing system, and to those persons who have been approved to receive paper documents, unless otherwise ordered.

[**ARC 8430C**, IAB 12/11/24, effective 1/15/25]

199—7.9(17A,476) Pleadings and answers.

7.9(1) *Pleadings.* Pleadings may be filed pursuant to statute, rule, or order or filed to initiate a docket.

7.9(2) *Answers.*

a. Unless otherwise ordered by the commission or presiding officer, answers to complaints, petitions, applications, or other pleadings shall be filed with the commission within 20 days after the day on which the pleading being answered was filed in the commission's electronic filing system and served upon the respondent or other party. However, when a provision of law requires that the commission issue a decision in the case in six months or less, the answer shall be filed with the commission within ten days of service of the pleading being answered unless otherwise ordered by the commission or presiding officer.

b. An answer will specifically admit, deny, or otherwise answer all material allegations of the pleadings and also briefly set forth the affirmative grounds relied upon to support each answer.

c. Any party who deems the complaint, petition, application, or other pleading insufficient to show a breach of legal duty or grounds for relief may move to dismiss instead of, or in addition to, answering.

d. A party may apply for a more definitive and detailed statement instead of, or in addition to, answering, if appropriate.

7.9(3) *Amendments to pleadings.* Amendments to pleadings may be allowed upon proper motion at any time during the pendency of the proceeding upon such terms as are just and reasonable.

[**ARC 8430C**, IAB 12/11/24, effective 1/15/25]

199—7.10(17A,476) Prefiled testimony and exhibits.

7.10(1) The commission or presiding officer may order the parties to file prefiled testimony and exhibits prior to the hearing. The use of prefiled testimony is the standard method for providing testimony in contested cases and other proceedings.

7.10(2) Prefiled testimony contains all statements that a witness intends to give under oath at the hearing, set forth in question and answer form. If possible, each line should be separately numbered. When a witness who has submitted prefiled testimony takes the stand, the witness does not ordinarily repeat the written testimony or give new testimony. Instead, the witness is cross-examined by the other parties concerning the statements already made in writing. However, the witness may be permitted to correct or update prefiled testimony on the stand and, in appropriate circumstances and with the approval of the commission or presiding officer, may give a summary of the prefiled testimony. If the witness has more than three substantive corrections to make to the prefiled testimony or exhibits, then the corrected testimony or exhibits shall be filed in the appropriate docket in the commission's electronic filing system at least three days prior to the hearing. The prefiled testimony and any exhibits are to be marked and identified in conformance with the commission's approved naming convention provided on the commission's electronic filing system website or as directed in a commission order.

7.10(3) Prefiled testimony and exhibits are to be accompanied by an affidavit in substantially the following form: "I, [person's name], being first duly sworn on oath, state that I am the same [person's name] identified in the testimony being filed with this affidavit, that I have caused the testimony [and exhibits] to be prepared and am familiar with its contents, and that the testimony [and exhibits] is true and correct to the best of my knowledge and belief as of the date of this affidavit."

7.10(4) Prefiled testimony, exhibits, and supporting documents shall be filed in the commission's electronic filing system in conformance with this rule and the following:

a. All supporting workpapers.

(1) The commission's standards for electronic information, which are available on the commission's website or from the commission's customer service center, govern the filing of electronic workpapers in native electronic formats.

(2) Workpapers' underlying analyses and data presented in exhibits should be explicitly referenced within the exhibit, including the name and other identifiers (e.g., cell coordinates) for electronic workpapers and volume, tab, and page numbers for other workpapers.

(3) The source of any number used in a workpaper that was not generated by that workpaper will be identified.

b. The derivation or source of all numbers used in either testimony or exhibits that were not generated by workpapers.

c. Copies of any specific studies or financial literature relied upon or complete citations for them if publicly available.

d. Electronic copies, in native electronic format, of all computer-generated exhibits that comply with the commission's standards for electronic information, which are available on the commission's website or from the commission's customer service center.

7.10(5) The commission's standards for electronic information, which are available on the commission's website or from the commission's customer service center, and the electronic filing rules in 199—Chapter 14 govern the filing of prefiled testimony and exhibits.

7.10(6) If a party has filed part or all of its prefiled testimony and exhibits as confidential and then later withdraws the claim of confidentiality for part or all of the testimony and exhibits, or if the commission denies the request to hold the testimony and exhibits confidential, the party shall refile the testimony and exhibits with the information made public.

[**ARC 8430C**, IAB 12/11/24, effective 1/15/25]

199—7.11(17A,476) Documentary evidence in books and materials. When documentary evidence being offered is contained in a book, report, or other document, the offering party will file only the material, relevant portions in an exhibit.

[**ARC 8430C**, IAB 12/11/24, effective 1/15/25]

199—7.12(17A,476) Motions. Motions, unless made during hearing, are to be in writing, state the grounds for relief, and state the relief or order sought. Motions based on matters that do not appear of record may be supported by affidavit or other evidence. The filing of motions is governed by 199—Chapter 14. Any party may file a written response to a motion no later than 14 days from the date the motion is filed, unless the time period is extended or shortened by the commission or presiding officer. When a provision of law directs the commission to issue a decision in the case in six months or less, a party filing a written response is to do so within seven days from the date the motion is filed, unless otherwise ordered by the commission or presiding officer. Failure to file a timely response may be deemed a waiver of objection to the motion. Requirements regarding motions related to discovery are contained in rule 199—7.15(17A,476).

[**ARC 8430C**, IAB 12/11/24, effective 1/15/25]

199—7.13(17A,476) Intervention.

7.13(1) Petition. Unless otherwise ordered by the commission or presiding officer, a request to intervene in a proceeding shall be by petition to intervene filed no later than 20 days following the order setting a procedural schedule. However, when a provision of law directs the commission to issue a decision in the case in six months or less, the petition to intervene is to be filed no later than ten days following the order setting a procedural schedule, unless otherwise ordered by the commission or presiding officer.

7.13(2) Response. Any party may file a response within seven days of service of the petition to intervene unless the time period is extended or shortened by the commission or presiding officer.

7.13(3) Grounds for intervention. Any person having an interest in the subject matter of a proceeding may be permitted to intervene at the discretion of the commission or presiding officer. In determining whether to grant intervention, the commission or presiding officer will consider:

a. The prospective intervenor's interest in the subject matter of the proceeding;

b. The effect of a decision that may be rendered upon the prospective intervenor's interest;

c. The extent to which the prospective intervenor's interest will be represented by other parties;

d. The availability of other means by which the prospective intervenor's interest may be protected;

e. The extent to which the prospective intervenor's participation may reasonably be expected to assist in the development of a sound record through presentation of relevant evidence and argument; and

f. Any other relevant factors.

7.13(4) In determining the extent to which the prospective intervenor's interest will be represented by other parties, the consumer advocate's role of representing the public interest will not be interpreted as representing every potential interest in a proceeding.

7.13(5) The commission or presiding officer may limit a person's intervention to particular issues or to a particular stage of the proceeding, or may otherwise condition the intervenor's participation in the proceeding. Leave to intervene is generally granted by the commission or presiding officer to any person with a cognizable interest in the proceeding.

7.13(6) When two or more intervenors have substantially the same interest, the commission or presiding officer, in the commission's or presiding officer's discretion, may order consolidation of petitions and briefs and limit the number of attorneys allowed to participate actively in the proceedings to avoid a duplication of effort.

7.13(7) A person granted leave to intervene is a party to the proceeding. However, unless the commission or presiding officer rules otherwise for good cause shown, an intervenor is bound by any agreement, arrangement, or order previously made or issued in the case.

[**ARC 8430C**, IAB 12/11/24, effective 1/15/25]

199—7.14(17A,476) Consolidation and severance.

7.14(1) *Consolidation.* The commission or presiding officer may consolidate in one docket any or all matters at issue in two or more dockets. When deciding whether to consolidate, the commission or presiding officer may consider:

a. Whether the matters at issue involve common parties or common questions of fact or law;

b. Whether consolidation is likely to expedite or simplify consideration of the issues involved;

c. Whether consolidation would adversely affect the substantial rights of any of the parties to the proceedings; and

d. Any other relevant factors.

7.14(2) *Severance.* The commission or presiding officer may order any contested case or portions thereof severed for good cause.

[**ARC 8430C**, IAB 12/11/24, effective 1/15/25]

199—7.15(17A,476) Discovery.

7.15(1) Discovery procedures applicable in civil actions are available to parties in contested cases.

7.15(2) Unless otherwise ordered by the commission or presiding officer or agreed to by the parties, data requests or interrogatories served by any party shall either be responded to or objected to, with concisely stated grounds for relief, within seven business days of receipt. When a provision of law directs the commission to issue a decision in the case in six months or less, this time is reduced to five days. Data requests or interrogatories served on a day the commission is closed or after 4:30 p.m. central time on a day the commission is open are considered served on the next business day.

7.15(3) Unless otherwise ordered by the commission or presiding officer, time periods for compliance with all forms of discovery other than those stated in subrule 7.15(2) are the same as those provided in the Iowa Rules of Civil Procedure.

7.15(4) A party shall make a good faith effort to resolve a discovery dispute by personally speaking with or attempting to speak with the opposing party before filing a discovery motion with the commission. A motion relating to discovery must set forth the date and time the moving party spoke with or attempted to speak with the opposing party in a good faith attempt to resolve the dispute.

[**ARC 8430C**, IAB 12/11/24, effective 1/15/25]

199—7.16(17A,476) Subpoenas.

7.16(1) *Issuance.*

a. An agency subpoena will be issued to a party on a written request that includes the name, address, and telephone number of the requesting party. In the absence of good cause for permitting later action, a request for a subpoena will be filed at least seven days before the scheduled hearing.

b. Except to the extent otherwise provided by law, parties are responsible for service of their own subpoenas and payment of witness fees and mileage expenses. Subpoenas cannot be served electronically through the electronic filing system.

7.16(2) *Motion to quash or modify.* Upon motion, the commission or presiding officer may quash or modify a subpoena for any lawful reason.

[**ARC 8430C**, IAB 12/11/24, effective 1/15/25]

199—7.17(17A,476) Prehearing or scheduling conference. The commission or presiding officer may schedule a prehearing conference, scheduling conference, or other informal conference at the commission's or presiding officer's discretion or at the request of any party for any appropriate purpose. Any agreement reached at the conference will be made a part of the record in the manner directed by the commission or presiding officer.

[**ARC 8430C**, IAB 12/11/24, effective 1/15/25]

199—7.18(17A,476) Settlements. Parties to a contested case may propose to settle all or some of the issues in the case. The commission or presiding officer will not approve settlements, whether contested or uncontested, unless the settlement is reasonable in light of the whole record, consistent with law, and in the public interest. Commission adoption of a settlement constitutes the final decision of the commission on issues addressed in the settlement.

7.18(1) *Proposal of settlements.* Two or more parties may by written motion propose settlements for adoption by the commission or presiding officer. The motion will contain sufficient information to advise the commission or presiding officer and parties not expressly joining the proposal of its scope and of the grounds on which adoption is urged. Parties may propose a settlement for adoption by the commission or presiding officer at any time.

7.18(2) *Conference.* After proposal of a settlement that is not supported by all parties, and prior to approval, the settling parties are to convene at least one conference with notice and opportunity to participate provided to all parties for the purpose of discussing the settlement proposal. Written notice of the date, time, and place is to be furnished at least seven days in advance to all parties to the proceeding. Only parties and their representatives are entitled to attend a settlement conference. A party that has been given notice and opportunity to participate in the conference and does not do so is deemed to have waived its right to contest a proposed settlement, unless good cause is shown for the failure to participate.

7.18(3) *Comment period.* When a party to a proceeding does not join in a settlement proposed for adoption by the commission or presiding officer, the party may file comments contesting all or part of the settlement with the commission within 14 days of the filing of the motion proposing settlement unless otherwise ordered by the commission or the presiding officer. Unless otherwise ordered by the commission or presiding officer, parties may file reply comments within seven days of filing of the comments.

7.18(4) *Contents of comments.* A party contesting a proposed settlement is to specify in its comments the portions of the settlement that it opposes, the legal basis of its opposition, and the factual issues that it contests. Any failure by a party to file comments may, at the commission's or presiding officer's discretion, constitute waiver by that party of all objections to the settlement.

7.18(5) *Contested settlements.* If the proposed settlement is contested, in whole or in part, on any material issue of fact by any party, the commission or presiding officer may schedule a hearing on the contested issue(s). The commission or presiding officer may decline to schedule a hearing where the contested issue of fact is not material or where the contested issue is one of law.

7.18(6) *Unanimous proposed settlement.* In proceedings where all parties join in the proposed settlement, parties may propose a settlement for adoption by the commission or presiding officer any time after docketing. Subrules 7.18(2) through 7.18(5) do not apply to a proposed settlement filed concurrently by all parties to the proceeding. 199—Chapter 26 applies to settlements in rate cases.

7.18(7) *Inadmissibility.* Any discussion, admission, concession, or offer to settle, whether oral or written, made during any negotiation on a settlement is privileged to the extent provided by law, including but not limited to Iowa Rule of Evidence 5.408.
[**ARC 8430C**, IAB 12/11/24, effective 1/15/25]

199—7.19(17A,476) Stipulations. Parties to any proceeding or investigation may, by stipulation filed with the commission, agree upon the facts or law or any portion thereof involved in the controversy, subject to approval by the commission or presiding officer.
[**ARC 8430C**, IAB 12/11/24, effective 1/15/25]

199—7.20(17A,476) Investigations. The availability of discovery pursuant to Iowa Code section 17A.13 or the Iowa Rules of Civil Procedure does not limit the investigatory powers of the commission, its representatives, or the consumer advocate.
[**ARC 8430C**, IAB 12/11/24, effective 1/15/25]

199—7.21(17A,476) Withdrawals. A party requesting a contested case proceeding may, with the permission of the commission or presiding officer, withdraw that request at any time prior to the issuance of a proposed or final decision in the case.
[**ARC 8430C**, IAB 12/11/24, effective 1/15/25]

199—7.22(17A,476) Ex parte communication. Ex parte communications are governed by Iowa Code section 17A.17.
[**ARC 8430C**, IAB 12/11/24, effective 1/15/25]

199—7.23(17A,476) Hearings.

7.23(1) *Commission or presiding officer.* The commission or presiding officer presides at the hearing and may rule on motions and issue such orders and rulings as will ensure the orderly conduct of the proceedings. The commission or presiding officer will maintain the decorum of the hearing and may refuse to admit, may set limits on, or may expel from the hearing anyone whose conduct is disorderly.

7.23(2) *Witnesses.* Each witness will be sworn or affirmed by the commission, presiding officer, or the court reporter and be subject to examination and cross-examination. The commission or presiding officer may limit questioning in a manner consistent with law. In appropriate circumstances, the commission or presiding officer may order that witnesses testify as members of a witness panel.

7.23(3) *Order of presenting evidence.* The commission or presiding officer will determine the order of the presentation of evidence based on applicable law and the interests of efficiency and justice, considering the preferences of the parties. Normally, the petitioner opens the presentation of evidence. In cases where testimony has been prefiled and unless otherwise ordered by the commission or the presiding officer, each party will make its witnesses available for cross-examination on all testimony filed or on behalf of that witness.

7.23(4) *Evidence.*

a. Subject to terms and conditions prescribed by the commission or presiding officer, parties have the right to introduce evidence, cross-examine witnesses, and present evidence in rebuttal. Ordinarily, prefiled testimony is used in hearings pursuant to rule 199—7.10(17A,476). The sponsoring party is to provide one copy of prefiled testimony and included exhibits to the court reporter.

b. The commission or presiding officer will rule on admissibility of evidence and may, where appropriate, take official notice of facts in accordance with law.

c. Stipulation of facts is encouraged. The commission or presiding officer may make a decision based on stipulated facts.

d. Unless the exhibit was previously included with prefiled testimony, the party seeking admission of an exhibit at a hearing is to provide opposing parties with an opportunity to examine the exhibit prior to the ruling on its admissibility. All exhibits admitted into evidence are to be marked in accordance with the commission's approved naming convention and made part of the evidentiary record. If an exhibit is admitted, unless it was previously included with prefiled testimony, the sponsoring party is to provide at least one copy of the exhibit to each opposing party, one copy to each commission member or presiding

officer, one copy to the witness (if any), one copy to the court reporter, and two copies to commission staff, unless otherwise ordered. Parties are to file all their admitted hearing exhibits in the commission's electronic filing system within three days of the close of the hearing.

e. Whenever evidence is ruled inadmissible, the party offering that evidence may submit an offer of proof on the record. The party making the offer of proof for excluded oral testimony is expected to briefly summarize the testimony or, with the permission of the commission or presiding officer, present the testimony. The commission or presiding officer may direct the offering party to file a written statement of the excluded oral testimony. If the excluded evidence consists of a document or exhibit, it will be marked as part of an offer of proof and inserted in the record. Unless previously included with prefiled testimony, the sponsoring party is to provide at least one copy of the document or exhibit to each opposing party, one copy to each commission member or presiding officer, one copy to the witness (if any), one copy to the court reporter, and two copies to commission staff, unless otherwise ordered.

7.23(5) *Objections.* Any party may object to specific evidence or may request limits on the scope of any examination or cross-examination. All objections will be timely made on the record and state the grounds relied on. The commission or presiding officer may rule on the objection at the time it is made or may reserve a ruling until the written decision.

7.23(6) *Further evidence.* At any stage during or after the hearing, the commission or presiding officer may order a party to present additional evidence and may conduct additional proceedings as appropriate.

7.23(7) *Participation at hearings by nonparties.* The commission or presiding officer may permit any person to be heard at any hearing, but such person is not a party to the proceedings unless so designated. The testimony or statement of any person so appearing is given under oath and such person is subject to cross-examination by parties to the proceeding, unless the commission or presiding officer orders otherwise. If a person who is not a party to a proceeding appears at a hearing and requests to examine or cross-examine witnesses, the commission or presiding officer may grant the person intervention in the proceeding as a party for the limited purpose requested by the person and in compliance with subrule 7.4(7).

7.23(8) *Briefs.*

a. Unless waived by the parties with the consent of the commission or presiding officer, times for the filing and service of briefs will be set by the commission or presiding officer. Unless otherwise ordered by the commission or presiding officer, initial briefs will be filed simultaneously by all parties and reply briefs will be filed simultaneously.

b. Initial briefs should contain a concise statement of the case and all arguments, with citations to the evidence, that the party intends to offer in support of its case. Unless otherwise ordered, a reply brief should be confined to refuting arguments made in the brief of an adverse party. Unless specifically ordered to brief an issue, a party's failure to address an issue by brief will not be deemed a waiver of that issue and does not preclude the commission or presiding officer from deciding the issue on the basis of evidence appearing in the record.

c. Every brief of more than 20 pages should contain at its beginning a table of contents with page references.

d. Briefs should comply with the following requirements:

(1) The size of pages should be 8½ by 11 inches.

(2) All printed matter should appear in at least 11-point type.

(3) There should be margins of at least one inch on the top, bottom, right, and left sides of the sheet.

(4) The body of the brief should be double spaced.

(5) Footnotes may be single spaced.

(6) The printed matter may appear in any pitch, as long as the characters are spaced in a readable manner. Any readable font is acceptable.

7.23(9) *Oral arguments.* The commission or presiding officer may set a time for oral argument to address issues raised by the parties during the proceeding or at the conclusion of the hearing or may set a separate date and time for oral argument. The commission or presiding officer may set a time limit for argument. Oral argument may be either in addition to or in lieu of briefs. Unless specifically ordered to

argue an issue, a party's failure to address an issue in oral argument will not be deemed a waiver of the issue.

7.23(10) *Record.* The record of the case is maintained in the commission's electronic filing system. Unless the record is held confidential pursuant to the "public information and inspection of records" rule in 199—Chapter 1, parties and members of the public may examine the record and obtain copies of documents, including the transcript, when available.

7.23(11) *Default.*

a. If a party fails to appear at a hearing after proper service of notice, or fails to answer or otherwise respond to an appropriate pleading directed to and properly served upon that party, the commission or presiding officer may, if no adjournment is granted, enter a default decision or proceed with the hearing and render a decision in the absence of the party.

b. Default decisions or decisions rendered on the merits after a party has failed to appear at a hearing constitute final agency action unless otherwise ordered by the commission or presiding officer. However, within 15 days after the date of electronic notification or mailing of the decision, a motion to vacate may be filed with the commission. The motion to vacate should state all facts relied on by the moving party that show good cause existed for that party's failure to appear at the hearing or answer or otherwise respond to an appropriate pleading directed to and properly served upon that party. The stated facts should be substantiated by citation to evidence in the record or by affidavit attached to the motion. Unless otherwise ordered, adverse parties have ten days to respond to a motion to vacate. If the decision is rendered by a presiding officer, the commission may review it on the commission's own motion within 15 days after the date of notification or mailing of the decision.

c. The time for appeal of a decision for which a timely motion to vacate has been filed is stayed pending a decision on the motion to vacate.

d. A motion to vacate will not be granted except upon a finding of good cause. The burden of proof as to good cause is on the moving party. "Good cause" for purposes of this rule has the same meaning as "good cause" for setting aside a default judgment under Iowa Rule of Civil Procedure 1.977.

e. A presiding officer's decision denying a motion to vacate is subject to further appeal within the time limit allowed for further appeal of a decision on the merits in the contested case. A presiding officer's decision granting a motion to vacate is subject to interlocutory appeal by the adverse party pursuant to the "interlocutory appeals" rule of 199—Chapter 7.

f. If a motion to vacate is granted and no timely interlocutory appeal has been taken, the commission or presiding officer may schedule another contested case hearing.

g. A default decision may award any relief consistent with the record in the case. The default decision may provide either that the default decision is to be stayed pending a timely motion to vacate or that the default decision is to take effect immediately, subject to a timely motion to vacate, an appeal pursuant to the "appeals to commission from a proposed decision of a presiding officer" rule of 199—Chapter 7, or a request for stay pursuant to the "rehearing and reconsideration" rule of 199—Chapter 7.

[**ARC 8430C**, IAB 12/11/24, effective 1/15/25]

199—7.24(17A,476) Reopening record. The commission or presiding officer, on the commission's or presiding officer's own motion or on the motion of a party, may reopen the record for the reception of further evidence. When the record was made before the commission, a motion to reopen the record may be made any time prior to the issuance of a final decision. When the record was made before a presiding officer, a motion to reopen the record may be made any time prior to issuance of the proposed decision. If the moving party requests the opportunity to present new evidence, the moving party will attach an affidavit from each witness who will present the new evidence with an explanation of the competence of the witness and a description of the evidence to be included in the record.

[**ARC 8430C**, IAB 12/11/24, effective 1/15/25]

199—7.25(17A,476) Interlocutory appeals. Upon written request of a party or on its own motion, the commission may review an interlocutory order of the presiding officer. In determining whether to do so, the commission may consider the extent to which granting the interlocutory appeal would expedite final

resolution of the case and the extent to which review of that interlocutory order by the commission at the time it reviews the proposed decision would provide an adequate remedy. Any request for interlocutory review shall be filed within ten days of issuance of the challenged order, but no later than the time for compliance with the order or ten days prior to the date of hearing, whichever is first.
[**ARC 8430C**, IAB 12/11/24, effective 1/15/25]

199—7.26(17A,476) Appeals to commission from a proposed decision of a presiding officer.

7.26(1) Notification of proposed decision. Notice of the presiding officer's proposed decision and order in a contested case will be sent through the electronic filing system, or by first-class mail if the commission has granted a party approval to receive service in paper, on the date the order is issued. The decision will normally include "Proposed Decision and Order" in the title and will normally inform the parties of their right to appeal an adverse decision and the time in which an appeal may be taken.

7.26(2) Appeal from proposed decision. A proposed decision and order of the presiding officer in a contested case becomes the final decision of the commission unless, within 15 days after the decision is issued, the commission moves to review the decision or a party files an appeal of the decision with the commission. The presiding officer may shorten the time for appeal. In determining whether a request for a shortened appeal period should be granted, the presiding officer may consider the needs of the parties for a shortened appeal period, relevant objections of the parties, the relevance of any written objections filed in the case, and whether there are any issues that indicate a need for the 15-day appeal period.

7.26(3) Any adversely affected party may appeal a proposed decision by timely filing a notice of appeal.

7.26(4) On appeal of a proposed decision of a presiding officer that is based upon new evidence not introduced in the record before the presiding officer, the commission will determine whether the new evidence warrants a new hearing. If the commission determines that the new evidence is material to the proposed decision and a new hearing should be held, the commission may remand the proposed decision to the presiding officer for the taking of the new evidence or may conduct a hearing and issue an order based upon the record before the presiding officer and the new evidence.

7.26(5) Contents of notice of appeal. The notice of appeal shall include the following in separately numbered paragraphs supported, where applicable, by controlling statutes and rules:

a. A brief statement of the facts.

b. A brief statement of the history of the proceeding, including the date and a description of any ruling claimed to be erroneous.

c. A statement of each of the issues to be presented for review.

d. A precise description of the error(s) upon which the appeal is based. If a claim of error is based on allegations that the presiding officer failed to correctly interpret the law governing the proceeding, exceeded the authority of a presiding officer, or otherwise failed to act in accordance with law, the appellant will include a citation to briefs or other documents filed in the proceeding before the presiding officer where the legal points raised in the appeal were discussed. If a claim of error is based on allegations that the presiding officer failed to adequately consider evidence introduced at hearing, the appellant will include a citation to pages of the transcript or other documents where the evidence appears.

e. A precise statement of the relief requested.

f. A statement as to whether an opportunity to file a brief or make oral argument in support of the appeal is requested and, if an opportunity is sought, a statement explaining the manner in which briefs and arguments presented to the presiding officer are inadequate for purposes of appeal.

g. A request, if a party seeks a stay or other temporary remedy pending review of the proposed decision by the commission, with the reasons justifying such a stay or other temporary remedy that includes a discussion of the factors listed in Iowa Code section 17A.19(5)*"c."*

h. Certification of service showing the names and addresses of all parties upon whom a copy of the notice of appeal was served.

7.26(6) Responsive filings and cross-appeals. Parties may file a response to the notice of appeal or may file a cross-appeal within 14 days after the filing of the notice of appeal unless otherwise ordered by the commission. If a request for a stay or other temporary remedy was included in the notice of appeal, any party wishing to respond to the request will include the response to the request in the party's response to the

notice of appeal or notice of cross-appeal. When a provision of law directs the commission to issue a decision in the case in less than six months, the period for filing a response or cross-appeal is reduced to seven days from the filing of the notice of appeal.

a. Responses should specifically respond to each of the substantive paragraphs of the notice of appeal and state whether an opportunity to file responsive briefs or to participate in oral argument is requested.

b. The requirements contained in this rule pertaining to a notice of appeal also apply to a notice of cross-appeal, other than the time for filing.

7.26(7) Ruling on appeal. After the filing of the last appeal, response, or cross-appeal, the commission will issue an order that may establish a procedural schedule for the appeal or may be the commission's final decision on the merits of the appeal. If a request for a stay or other temporary remedy was included in the notice of appeal, the request will be evaluated by the commission using the factors stated in rule 199—7.28(17A,476). A stay or other temporary remedy may be vacated by the commission upon application of any party or upon the commission's own motion.

[**ARC 8430C**, IAB 12/11/24, effective 1/15/25]

199—7.27(17A,476) Rehearing and reconsideration.

7.27(1) *Application for rehearing or reconsideration.* Any party to a contested case may file an application for rehearing or reconsideration of the final decision within 20 days after the issuance of a final decision in a contested case. The commission will either grant or refuse an application for rehearing within 30 days after the filing of the application or may, after giving the interested parties notice and opportunity to be heard and after consideration of all the facts, including those arising since the making of the order, abrogate or modify its order. A failure by the commission to act upon the application for rehearing within the above period is deemed a refusal of the application.

7.27(2) *Contents of application.* Applications for rehearing or reconsideration will specify the findings of fact and conclusions of law claimed to be erroneous, with a brief statement of the alleged grounds of error. Any application for rehearing or reconsideration asserting that evidence has arisen since the final order was issued as a ground for rehearing or reconsideration will present the evidence by affidavit that includes an explanation of the competence of the person to sponsor the evidence and a brief description of the evidence sought to be included.

7.27(3) *Requirements for objections to applications for rehearing or reconsideration.* Notwithstanding the provisions of subrule 7.9(2) and unless otherwise ordered by the commission, within 14 days of the date the application was filed, an answer or objection to the application may be filed.

[**ARC 8430C**, IAB 12/11/24, effective 1/15/25]

199—7.28(17A,476) Stay of agency decision.

7.28(1) Any party to a contested case proceeding may petition the commission for a stay or other temporary remedy pending judicial review of the proceeding. The petition will state the reasons justifying a stay or other temporary remedy and be served on all other parties pursuant to subrule 7.4(5).

7.28(2) In determining whether to grant a stay, the commission will consider the factors listed in Iowa Code section 17A.19(5)*"c."*

7.28(3) A stay or other temporary remedy may be vacated by the commission upon application of any party or upon the commission's own motion.

[**ARC 8430C**, IAB 12/11/24, effective 1/15/25]

199—7.29(17A,476) Emergency adjudicative proceedings.

7.29(1) *Necessary emergency action.* To the extent necessary to prevent or avoid immediate danger to the public health, safety, or welfare, and consistent with the Constitution and other provisions of law, the commission may issue an emergency adjudicative order in compliance with Iowa Code section 17A.18A to order the cessation of any continuing activity, order affirmative action, or take other action within the jurisdiction of the agency. Before issuing an emergency adjudicative order, the commission may consider factors including but not limited to the following:

a. Whether there has been a sufficient factual investigation to provide reasonably reliable information under the circumstances;

b. Whether the specific circumstances that pose immediate danger to the public health, safety, or welfare are likely to be continuing;

c. Whether the person obligated to comply with the emergency adjudicative order may continue to engage in other activities without posing immediate danger to the public health, safety, or welfare;

d. Whether imposition of monitoring requirements or other interim safeguards would be sufficient to protect the public health, safety, or welfare; and

e. Whether the specific action contemplated by the commission is necessary to avoid the immediate danger.

7.29(2) *Issuance of order.*

a. An emergency adjudicative order will contain findings of fact, conclusions of law, and policy reasons for the decision, if it is an exercise of the commission's discretion, to justify the determination of an immediate danger and the commission's decision to take immediate action.

b. The written emergency adjudicative order will be immediately delivered to persons who are to comply with the order by the most reasonably available method, which may include one or more of the following methods: notice through the electronic filing system, personal delivery, certified mail, first-class mail, fax, or email. To the degree practical, the commission will select the method or methods most likely to result in prompt, reliable delivery.

c. Unless the written emergency adjudicative order is delivered by personal service on the day issued, the commission will make reasonable efforts to contact the persons who are to comply with the order by telephone, in person, or otherwise.

7.29(3) *Completion of proceedings.* Issuance and delivery of a written emergency adjudicative order will normally include notification of a procedural schedule for completion of the proceedings.

[**ARC 8430C**, IAB 12/11/24, effective 1/15/25]

These rules are intended to implement Iowa Code chapter 17A and sections 474.5 and 476.2.

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1 Objection to emergency filing—filed 9/15/81

2 Effective date of 7.4(1)*"f"*(2) delayed 70 days by Administrative Rules Review Committee.

3 See Utilities Division, IAB 7/30/86

4 Effective date of subrule 7.1(8) delayed 70 days by the Administrative Rules Review Committee at its meeting held October 10, 2006.

CHAPTER 8
CIVIL PENALTIES

[Prior to 10/8/86, Commerce Commission[250]]

Rescinded **ARC 7836C**, IAB 4/17/24, effective 5/22/24

CHAPTER 9
RESTORATION OF AGRICULTURAL LANDS DURING AND AFTER PIPELINE CONSTRUCTION

199—9.1(479,479B) General information.

9.1(1) *Authority and purpose.* The rules in this chapter are adopted by the Iowa utilities commission pursuant to the authority granted to the commission in Iowa Code sections 479.29 and 479B.20 to establish standards for the restoration of agricultural lands during and after pipeline construction. These rules constitute the minimum standards for restoration of agricultural lands disturbed by pipeline construction. These rules do not apply to land located within city boundaries, unless the land is used for agricultural purposes, or to interstate natural gas pipelines.

When a project-specific land restoration plan is required pursuant to Iowa Code section 479.29(9) or 479B.20(9), following notice and comment, the commission may impose additional or more stringent standards as necessary to address issues specific to the nature and location of the particular pipeline project. Where a project-specific land restoration plan is not required pursuant to Iowa Code section 479.29(9) or 479B.20(9), the rules in this chapter shall constitute the minimum land restoration standards for any pipeline construction.

9.1(2) *Definitions.* The following words and terms, when used in these rules, shall have the meanings indicated below:

"Affected person" means any person with a legal right or interest in the property, including, but not limited to, a landowner, a contract purchaser of record, a person possessing the property under a lease, a record lienholder, and a record encumbrancer of the property.

"Agricultural land" means any land devoted to agricultural use, including, but not limited to, land used for crop production, cleared land capable of being cultivated, hay land, pasture land, managed woodlands and woodlands of commercial value, truck gardens, farmsteads, commercial agricultural-related facilities, feedlots, rangeland, livestock confinement systems, land on which farm buildings are located, and land used to implement management practices and structures for the improvement or conservation of soil, water, air, and related plant and animal resources.

"Commission" means the utilities commission within the utilities division of the department of commerce.

"County inspector" means a professional engineer who is licensed under Iowa Code chapter 542B, who is familiar with agricultural and environmental inspection requirements, and who is designated by the county board of supervisors to be responsible for completing an on-site inspection for compliance with this chapter and Iowa Code chapters 479 and 479B.

"Drainage structures" or *"underground improvements"* means any permanent structure used for draining agricultural lands, including tile systems and buried terrace outlets.

"Hazardous liquid" means crude oil, refined petroleum products, liquefied petroleum gases, anhydrous ammonia, liquid fertilizers, liquefied carbon dioxide, alcohols, and coal slurries.

"Person" means individual, corporation, limited liability company, government or governmental subdivision or agency, business trust, estate, trust, partnership or association, or any other legal entity as defined in Iowa Code section 4.1(20).

"Pipeline" means any pipe, pipes, or pipelines used for the transportation or transmission of any solid, liquid, or gaseous substance, except water, or hazardous liquid, within or through Iowa.

"Pipeline company" means any person engaged in or organized for the purpose of owning, operating, or controlling pipelines.

"Pipeline construction" means activity associated with installation, relocation, replacement, removal, or operation or maintenance of a pipeline that disturbs agricultural land, but shall not include work performed during an emergency, tree clearing, or topsoil surveying completed on land under easement with written approval from the landowner. Emergency means a condition involving clear and immediate danger to life, health, or essential services, or a risk of a potentially significant loss of property. When the emergency condition ends, pipeline construction will be in accordance with these rules.

"Proper notice to the county inspector" means that the pipeline company and its contractors shall keep the county inspector continually informed of the work schedule and any changes to the schedule, and shall provide at least 24 hours' written notice before commencing or continuing any construction activity which requires inspection by the county inspector, including, but not limited to, right-of-way staking, clearing, boring, topsoil removal and stockpiling, trenching, tile marking, tile screening, tile repairs, backfilling, decompaction, cleanup, restoration, or testing at any project location. The pipeline company may request that the county inspector designate a person to receive such notices. If proper notice is given, construction shall not be delayed due to a county inspector's failure to be present on site.

"Soil conservation practices" means any land conservation practice recognized by federal or state soil conservation agencies, including, but not limited to, grasslands and grassed waterways, hay land planting, pasture, and tree plantings.

"Soil conservation structures" means any permanent structure recognized by federal or state soil conservation agencies, including, but not limited to, toe walls, drop inlets, grade control works, terraces, levees, and farm ponds.

"Surface drains" means any surface drainage system, such as shallow surface field drains, grassed waterways, open ditches, or any other conveyance of surface water.

"Till" means to loosen the soil in preparation for planting or seeding by plowing, chiseling, discing, or similar means. For the purposes of this chapter, agricultural land planted using no-till planting practices is also considered tilled.

"Topsoil" means the uppermost layer of the soil with the darkest color or the highest content of organic matter, generally referred to as the "A" horizon. In areas where the "A" horizon is determined by a certified professional soil scientist to be less than 12 inches, the topsoil depth shall include both the "A" and the "Bw" horizons as determined by the March 2017 United States Department of Agriculture Soil Survey Manual. Topsoil depth is to be determined under the supervision of a certified professional soil scientist.

"Underground storage" means storage of either natural gas or hazardous liquid in a subsurface stratum or formation of the earth.

"Wet conditions" means adverse soil conditions due to rain events, antecedent moisture, or ponded water, where the passage of construction equipment may cause rutting that mixes topsoil and subsoil, may prevent the effective removal or replacement of topsoil and subsoil, may prevent proper decompaction, or may damage underground tile lines.

[**ARC 5685C**, IAB 6/16/21, effective 7/21/21; Editorial change: IAC Supplement 7/24/24]

199—9.2(479,479B) Filing of land restoration plans. Pursuant to Iowa Code sections 479.29 and 479B.20, a land restoration plan is required for any pipeline construction that requires a permit from the commission and for any proposed amendment to an existing permit that involves pipeline construction, relocation, or replacement. The land restoration plan shall be filed with the appropriate petition and be identified as Exhibit I. For pipelines that do not need a permit from the commission and that are constructed across agricultural land, the pipeline company shall have on file with the commission a general land restoration plan covering pipelines that do not need a permit from the commission.

9.2(1) *Content of plan.* A land restoration plan shall include, but not be limited to, the following:

a. A brief description of the purpose and nature of the pipeline construction project.

b. A description of the sequence of events that will occur during pipeline construction.

c. A description of how the pipeline company will comply with rules 199—9.4(479,479B) and 199—9.5(479,479B).

d. The point of contact for landowner inquiries or claims as provided for in rule 199—9.5(479,479B).

e. A unique identification number that follows a linearly sequential pattern on each parcel of land over which the pipeline will be constructed.

9.2(2) *Plan variations.* The commission may by waiver allow variations from the requirements in this chapter if the pipeline company requesting a waiver is able to satisfy the standards set forth in rule 199—1.3(17A,474,476) and if the alternative methods proposed by the pipeline company would restore the land to a condition as good or better than provided for in this chapter.

9.2(3) *Mitigation plans and agreements.* Preparation of a separate land restoration plan may be waived by the commission where a pipeline company enters into an agricultural impact mitigation plan or

similar agreement with the appropriate agencies of the state of Iowa that satisfies the requirements of this chapter. If a mitigation plan or agreement is used to fully or partially meet the requirements of a land restoration plan, the statement or agreement shall be filed with the commission and shall be considered to be, or to be part of, the land restoration plan for purposes of this chapter.
[**ARC 5685C**, IAB 6/16/21, effective 7/21/21; Editorial change: IAC Supplement 7/24/24]

199—9.3(479,479B) Procedure for review of plan.

9.3(1) *Timing.* The commission will review the proposed land restoration plan, as established in rule 199—9.2(479,479B), at the same time it reviews the petition. Objections to the proposed plan shall be filed as part of the permit proceeding. The pipeline company shall modify the plan as required by the commission.

9.3(2) *Distributing approved plan.* After the commission has approved the plan as part of the commission's review and approval of the petition, but prior to construction, the pipeline company shall provide copies of the final plan approved by the commission to all landowners of property and persons in possession of the property under a lease that will be disturbed by the construction, the county board of supervisors in each county affected by the project, the county engineer of each affected county, and to the county inspector in each affected county.
[**ARC 5685C**, IAB 6/16/21, effective 7/21/21; Editorial change: IAC Supplement 7/24/24]

199—9.4(479,479B) Staking and clearing of agricultural land.

9.4(1) *Easement staking.* The pipeline company shall allow the county inspector and the landowner to be present during the staking of the easement. Written notice of the staking shall be provided to the landowner and the county inspector in the same manner as provided for in proper notice to the county inspector. Pipeline construction may not occur until seven days after the easement is staked unless the landowner waives the seven-day period after the easement staking has been completed. If proper notice is given, easement staking shall not be delayed due to a county inspector or landowner's failure to be present on site.

9.4(2) *Trees and brush.* If trees are to be removed from the easement, the pipeline company shall consult with the landowner to determine if there are trees of commercial or other value to the landowner.

a. If there are trees of commercial or other value to the landowner, the pipeline company shall allow the landowner the right to retain ownership of the trees with the disposition of the trees to be negotiated prior to commencement of land clearing, or if the landowner does not want to retain ownership of the trees, the pipeline company shall hire a forester with local expertise to appraise the commercial value of any timber to be cut for construction of the pipeline. The pipeline company shall compensate the landowner for the full appraised commercial value of any timber removed. The pipeline company shall remove all cleared trees and debris left on or adjacent to the easement.

b. If the trees to be cleared have been determined to have no commercial or other value to the landowner and there is no negotiated agreement between the pipeline company and the landowner for the disposition of the trees in advance of clearing of the easement, removal and disposal of the material shall be completed at the discretion of the pipeline company.

9.4(3) *Fencing.* The pipeline company may remove all field fences and gates, located within the pipeline company's easement, during clearing of the easement and may construct temporary fences and gates where necessary. Upon completion of the pipeline construction, the pipeline company shall replace any temporary field fences or gates with permanent field fences or gates. The pipeline company and landowner may negotiate separate agreements regarding field fences and gates. If livestock is present, the pipeline company shall construct any temporary or permanent fences and gates in a manner which will contain livestock.
[**ARC 5685C**, IAB 6/16/21, effective 7/21/21]

199—9.5(479,479B) Restoration of agricultural lands.

9.5(1) *Topsoil survey.*

a. Prior to the removal of any topsoil, the pipeline company shall direct that a topsoil survey be performed under the supervision of a certified professional soil scientist across the full extent of the

easement for any pipeline that requires a commission permit. A minimum of three soil depths shall be physically measured in the field at each cross section as follows: (1) one on the left edge of the easement; (2) one at 15 feet of the centerline of the pipeline on the working side of the right-of-way; and (3) one on the right edge of the working easement. Cross sections shall be taken a minimum of every 500 linear feet for the full extent of the easement. Each parcel of land shall have a minimum of two cross sections.

b. The pipeline company shall provide the results of the topsoil survey to the county board of supervisors, county inspector, county engineer, and affected persons at least six weeks prior to commencing construction.

9.5(2) *Topsoil separation and replacement.*

a. Removal. Topsoil removal and replacement in accordance with this rule is required for any open excavation associated with pipeline construction unless otherwise provided in these rules. The actual depth of the topsoil, as determined by a topsoil survey, shall be stripped from the full extent of the easement. Topsoil shall also be removed and replaced in accordance with these rules at any location where land slope or contour is significantly altered to facilitate construction. Topsoil removal shall not occur during wet conditions.

b. Soil storage. The topsoil and subsoil shall be segregated, stockpiled, and preserved separately during subsequent construction operations. The stored topsoil and subsoil shall have sufficient separation to prevent mixing during the storage period. Topsoil shall not be used to construct field entrances or drives, or be otherwise removed from the property, without the written consent of the landowner. Topsoil shall not be stored or stockpiled at locations that will be used as a traveled way by construction equipment without the written consent of the landowner.

c. Stockpile stabilization. Topsoil stockpiles shall be stabilized with seeding and mulch within 14 calendar days of stockpiling. Between October 15 and March 15, soil tackifier shall be used in place of seeding and mulch.

d. Topsoil removal not required. Topsoil removal is not required where the pipeline is installed by plowing, jacking, boring, or other methods that do not require the opening of a trench. If provided for in a written agreement between the pipeline company and the landowner, topsoil removal is not required if the pipeline can be installed in a trench with a top width of 18 inches or less.

e. Backfill. The topsoil and subsoil shall be replaced in the reverse order in which they were excavated from the trench. The depth of the replaced topsoil shall conform as near as possible to the depth of topsoil that was removed. Where excavations are made for road, stream, drainage ditch, or other crossings, the original depth of topsoil shall be replaced as near as possible.

9.5(3) *Pumping of water from open trenches.*

a. In the event it becomes necessary to pump water from open trenches, the pipeline company shall pump the water in a manner that avoids damaging adjacent agricultural land. Damages from pumping water from trenches include, but are not limited to, inundation of crops and depositing of sediment in fields, pastures, and surface drains.

b. If water-related damages result from pumping water from trenches, the pipeline company shall either compensate the landowner for the damages or restore the land, pasture, surface drains, or similar land, to their preconstruction condition, at the landowner's discretion.

c. Written permission from the landowner is required before the pipeline company can pump water from trenches onto land outside of the pipeline company's easement.

d. All pumping of water shall comply with existing state drainage laws, local ordinances, and federal statutes.

9.5(4) *Temporary and permanent repair of drain tile.*

a. Pipeline clearance from drain tile. Where underground drain tile is encountered, the pipeline shall be installed in such a manner that the permanent tile repair can be installed with at least 12 inches of clearance from the pipeline.

b. Temporary repair. The following standards shall be used to determine if temporary repair of agricultural drainage tile lines encountered during pipeline construction is required.

(1) Any underground drain tile damaged, cut, or removed and found to be flowing or which subsequently begins to flow shall be temporarily repaired as soon as practicable, and the repair shall be

maintained as necessary to allow for its proper function during construction of the pipeline. The temporary repairs shall be maintained in good condition until permanent repairs are made.

(2) Any underground drain tile damaged, cut, or removed and found to not be flowing shall have the upstream exposed tile line screened or otherwise protected to prevent the entry of foreign material and small animals into the tile system. The downstream tile line entrance shall be capped or filtered to prevent entry of mud or foreign material into the line if water level rises in the trench.

c. Marking. Any underground drain tile damaged, cut, or removed shall be marked by placing a highly visible flag in the trench spoil bank directly over or opposite such tile. This marker shall not be removed until the tile has been permanently repaired and the repairs have been approved and accepted by the county inspector. If proper notice is given, construction shall not be delayed due to an inspector's failure to be present on the site.

d. Permanent repairs. Tile disturbed or damaged by pipeline construction shall be repaired to its original or better condition. Permanent repairs shall be completed within 14 days after the pipeline is installed in the trench and prior to backfilling of the trench over the tile line. The county inspector shall inspect each permanent repair for compliance with this chapter. If proper notice is given, construction shall not be delayed due to a county inspector's failure to be present on site. Permanent repair and replacement of damaged drain tile shall be performed in accordance with the following requirements:

(1) All damaged, broken, or cracked tile shall be removed.

(2) Only unobstructed tile shall be used for replacement.

(3) The tile furnished for replacement purposes shall be of a quality, size, and flow capacity at least equal to that of the tile being replaced.

(4) Tile shall be replaced using a laser transit, or similar instrument or method, to ensure that the tile's proper gradient and alignment are restored, except where relocation or rerouting is required for angled crossings. Tile lines at a sharp angle to the trench shall be repaired in the manner shown on Drawing No. IUC PL-1 at the end of this chapter.

(5) The replaced tile shall be firmly supported to prevent loss of gradient or alignment due to soil settlement. The method used shall be comparable to that shown on Drawing No. IUC PL-1 at the end of this chapter.

(6) Before completing permanent tile repairs, all tile lines shall be examined visually by televising on both sides of the trench over the full extent of the working easement to check for tile that might have been damaged or misaligned by construction equipment. If tile lines are found to be damaged, they must be repaired to operate as well after construction as before construction.

e. Inspection. Prior to backfilling of the applicable trench area, each permanent tile repair shall be inspected for compliance by the county inspector. If proper notice is given, construction shall not be delayed due to an inspector's failure to be present on site prior to backfilling.

f. Backfilling. The backfill surrounding the permanently repaired drain tile shall be completed at the time of the repair and in a manner that ensures that any further backfilling will not damage or misalign the repaired section of the tile line. The county inspector shall inspect that backfill for compliance with this chapter. If proper notice is given, construction shall not be delayed due to an inspector's failure to be present on the site.

g. Subsurface drainage. Subsequent to pipeline construction and permanent repair, if it becomes apparent the tile line in the area disturbed by construction is not functioning correctly or that the land adjacent to the pipeline is not draining properly, which can reasonably be attributed to the pipeline construction, the pipeline company shall make further repairs or install additional tile as necessary to restore subsurface drainage.

9.5(5) *Removal of rocks and debris from the easement.*

a. Removal. The topsoil, when backfilled, and the easement area shall be free of all rock larger than three inches in average diameter not native to the topsoil prior to excavation. Where rocks over three inches in size are present, their size and frequency shall be similar to adjacent soil not disturbed by construction. The top 24 inches of the trench backfill shall not contain rocks in any greater concentration or size than exist in the adjacent natural soils. Consolidated rock removed by blasting or mechanical means shall not be placed in the backfill above the natural bedrock profile or above the frost line. In addition, the pipeline

company shall examine areas adjacent to the easement and along access roads and shall remove any large rocks or debris that may have rolled or blown from the right-of-way or fallen from vehicles.

b. Disposal. Rock that cannot remain in or be used as backfill shall be disposed of at locations and in a manner mutually satisfactory to the company and the landowner. Soil from which excess rock has been removed may be used for backfill. All debris attributable to the pipeline construction and related activities shall be removed and disposed of properly. For the purposes of this rule, debris shall include spilled oil, grease, fuel, or other petroleum or chemical products. Such products and any contaminated soil shall be removed for proper disposal or treated by appropriate in situ remediation.

9.5(6) *Restoration after soil compaction and rutting.*

a. Agricultural restoration. Agricultural land, including off right-of-way access roads traversed by heavy construction equipment that will be removed, shall be deep tilled to alleviate soil compaction upon completion of construction on the property. If the topsoil was removed from the area to be tilled, the tillage shall precede replacement of the topsoil. At least three passes with the deep tillage equipment shall be made. Tillage shall be at least 18 inches deep in land used for crop production and 12 inches deep on other lands and shall be performed under soil moisture conditions that result in a maximum standard penetration test (SPT) reading of 300 psi pursuant to ASTM D1586-11 performed by a qualified person. Decompaction shall not occur in wet conditions. Upon agreement, this tillage may be performed by the landowners or tenants using their own equipment.

b. Rutted land restoration. Rutted land shall be graded and tilled until restored as near as practical to its preconstruction condition. Rutting shall be remedied before any topsoil that was removed is replaced.

9.5(7) *Restoration of terraces, waterways, and other erosion control structures.* Existing soil conservation practices and structures damaged by the construction of a pipeline shall be restored to the elevation and grade existing prior to the time of pipeline construction. Any drain tiles or flow diversion devices impacted by pipeline construction shall be repaired or modified as needed. Soil used to repair embankments intended to retain water shall be well compacted. Disturbed vegetation shall be reestablished, including a cover crop when appropriate. Restoration of terraces shall be in accordance with Drawing No. IUC PL-2 at the end of this chapter. The county inspector shall inspect restoration of terraces, waterways, and other erosion control structures for compliance with this chapter. If proper notice is given, construction shall not be delayed due to an inspector's failure to be present on the site.

9.5(8) *Revegetation of untilled land.*

a. Crop production. Agricultural land not in row crop or small grain production at the time of construction, including hay ground and land in conservation or set-aside programs, shall be reseeded, including use of a cover crop when appropriate, following completion of deep tillage and replacement of the topsoil. The seed mix used shall restore the original or a comparable ground cover unless otherwise requested by the landowner. If the land is to be placed in crop production the following year, paragraph 9.5(9)*"b"* shall apply.

b. Delayed crop production. Agricultural land used for row crop or small grain production which will not be planted in that calendar year due to the pipeline construction shall be seeded with an appropriate cover crop following replacement of the topsoil and completion of deep tillage. However, cover crop seeding may be delayed if construction is completed too late in the year for a cover crop to become established and in such instances is not required if the landowner or tenant proposes to till the land the following year. The landowner may request ground cover where the construction is completed too late in the year for a cover crop to become established to prevent soil erosion.

c. Weed control. On any easement, including, but not limited to, construction easements and easements relating to valve sites, metering stations, and compression stations, the pipeline company shall provide for weed control in a manner that prevents the spread of weeds onto adjacent lands used for agricultural purposes. Spraying shall be done by a pesticide applicator that is appropriately licensed for spraying of pesticide in Iowa. If the pipeline company fails to control weeds within 45 days after receiving written notice from the landowner, the pipeline company shall be responsible for reimbursing all reasonable costs of weed control incurred by owners of adjacent land.

9.5(9) *Future installation of drain tile or soil conservation practices and structures.*

a. Future drain tile. The pipeline company shall consult with affected persons regarding plans for future drain tile installation. Where an affected person provides the pipeline company with written plans prepared by a qualified tile technician for future drain tile improvements before an easement is secured, the pipeline shall be installed at a depth which will allow proper clearance between the pipeline and the proposed future tile installation.

b. Future practices and structures. The pipeline company shall consult with any affected person's plans for future use or installation of soil conservation practices or structures. Where an affected person provides the pipeline company with a design for such practice or structure prepared by a qualified technician before an easement is secured, the pipeline shall be installed at a depth that will allow for future installation of the planned soil conservation practice or structure and that will retain the integrity of the pipeline.

9.5(10) *Restoration of land slope and contour.* Upon completion of construction, the slope, contour, grade, and drainage pattern of the disturbed area shall be restored as near as possible to its preconstruction condition. However, the trench may be crowned to allow for anticipated settlement of the backfill. Excessive or insufficient settlement of the trench area, which visibly affects land contour or undesirably alters surface drainage, shall be remediated by the pipeline company by means such as regrading and, if necessary, import of appropriate fill material. Disturbed areas in which erosion causes formation of rills or channels, or areas of heavy sediment deposition, shall be regraded as needed. On steep slopes, methods such as sediment barriers, slope breakers, or mulching shall be used as necessary to control erosion until vegetation can be reestablished. The county inspector shall inspect restoration of land slope and contour for compliance with this chapter.

9.5(11) *Restoration of areas used for field entrances or temporary roads.* Upon completion of construction and land restoration, field entrances or temporary roads built as part of the construction project shall be removed and the land made suitable for return to its previous use. Areas affected shall be regraded as required by subrule 9.5(10) and deep tilled as required by subrule 9.5(6). If by agreement, or at landowner request, and subject to any necessary approval by local public road authorities, a field entrance or road is to be left in place, it shall be left in a graded and serviceable condition. The county inspector shall inspect restoration of areas used for field entrances or temporary roads for compliance with this chapter.

9.5(12) *Construction in wet conditions.* The county inspector, in consultation with the pipeline company and the landowner or person in possession of the land pursuant to a lease, if present, shall determine when construction should not proceed in a given area due to wet conditions. The county inspector shall have the sole authority to determine whether construction should be halted due to wet conditions. Construction in wet soil conditions shall not commence or continue at times when or locations where the passage of heavy construction equipment may cause rutting to the extent that the topsoil and subsoil are mixed or underground drainage structures may be damaged. To facilitate construction in wet soils, the pipeline company may elect to remove and stockpile the topsoil from the traveled way, install mats or padding, or use other methods acceptable to the county inspector. Topsoil removal, storage, and replacement shall comply with subrule 9.5(2).

9.5(13) *Access to land.* Nothing in this rule shall prohibit a landowner or person in possession of the land pursuant to a lease from having access to the property. A landowner or person in possession of the land pursuant to a lease shall not disrupt ongoing construction and shall not compromise the safety considerations of the construction. A landowner or person in possession of the land pursuant to a lease shall abide by any and all safety instructions established by the pipeline company during construction.

[**ARC 5685C**, IAB 6/16/21, effective 7/21/21; **ARC 6035C**, IAB 11/17/21, effective 12/22/21; Editorial change: IAC Supplement 7/24/24]

199—9.6(479,479B) Designation of a pipeline company point of contact for landowner inquiries or claims.

9.6(1) For each pipeline construction project subject to this chapter, the pipeline company shall designate a point of contact for inquiries or claims from affected persons. The designation shall include the name of an individual to contact and a toll-free telephone number, an email address, and an address through which that person can be reached. The pipeline company shall also provide the name of and contact

information for the county inspector. This information shall be provided to all affected persons prior to commencement of construction. Any change in the point of contact shall be promptly communicated in writing to affected persons. A designated point of contact shall remain available for all affected persons for at least one year following project completion and for affected persons with unresolved damage claims until such time as those claims are settled.

9.6(2) If requested by an affected person, any notice required to be given to the county inspector shall also be given to the affected person.

[**ARC 5685C**, IAB 6/16/21, effective 7/21/21]

199—9.7(479,479B) Separate agreements. This chapter does not preclude the application of provisions for protecting or restoring property that are different from those contained in this chapter, or in a land restoration plan, which are contained in easements or other agreements independently executed by the pipeline company and the landowner. The alternative provision shall not be inconsistent with state law or these rules. The agreement shall be in writing, and the pipeline company shall provide a copy to the county inspector and the commission.

[**ARC 5685C**, IAB 6/16/21, effective 7/21/21; Editorial change: IAC Supplement 7/24/24]

199—9.8(479,479B) Notice of violation and halting construction.

9.8(1) *Notice of violation.* If the county inspector identifies a violation of the standards adopted in this chapter, Iowa Code section 479.29 or 479B.20, or a separate agreement between the pipeline company and the landowner, the county inspector shall give verbal notice, followed by written notice, to the pipeline company and the pipeline company's contractor and require the pipeline company to take corrective action.

9.8(2) *Halting construction.* A county inspector may temporarily halt construction at the location of the dispute if construction is not in compliance with the standards adopted in this chapter, the land restoration plan, or the terms of an independent agreement between the pipeline company and landowner regarding land restoration or line location until the county inspector consults with a supervisor of the pipeline company or contractor. If, after consultation with a supervisor of the pipeline company or contractor, agreement on corrective action to address the violation cannot be reached, the county inspector may submit a request to the county board of supervisors for resolution of the issue. Construction may not resume at the disputed location either (1) until the county inspector and supervisor of the pipeline company reach an agreement on a resolution or (2) where the board of supervisors has been contacted, until the board of supervisors has responded or after one business day after contact by the county inspector. If a resolution is not reached, construction may continue; however, the pipeline company will be responsible for any damages or for correcting any violation.

[**ARC 5685C**, IAB 6/16/21, effective 7/21/21]

199—9.9(479,479B) Enforcement. A pipeline company shall fully cooperate with county inspectors in the performance of their duties under Iowa Code sections 479.29 and 479B.20, including giving proper notice before staking, clearing, boring, topsoil removal and stockpiling, trenching, tile marking, silt screening, tile repair or backfilling, decompaction, cleanup, restoration, or testing of any easement. The pipeline company shall pay the reasonable costs for any work provided during the pipeline construction by the county inspector. If the pipeline company or its contractor does not comply with the requirements of Iowa Code section 479.29 or 479B.20, with the land restoration plan, or with an independent agreement on land restoration or line location, the county board of supervisors may petition the utilities commission for an order requiring corrective action to be taken. The county board of supervisors may also file a complaint with the commission seeking imposition of civil penalties.

[**ARC 5685C**, IAB 6/16/21, effective 7/21/21; Editorial change: IAC Supplement 7/24/24]

199—9.10(479,479B) Project completion. The county inspector for each county affected by the pipeline project shall recommend to the county board of supervisors that the pipeline project be considered complete upon completion of restoration of all affected agricultural lands and 70 percent growth is established in locations requiring seeding after receiving written notification by the pipeline company to the same effect. The county board of supervisors shall determine whether the project is completed.

[**ARC 5685C**, IAB 6/16/21, effective 7/21/21]

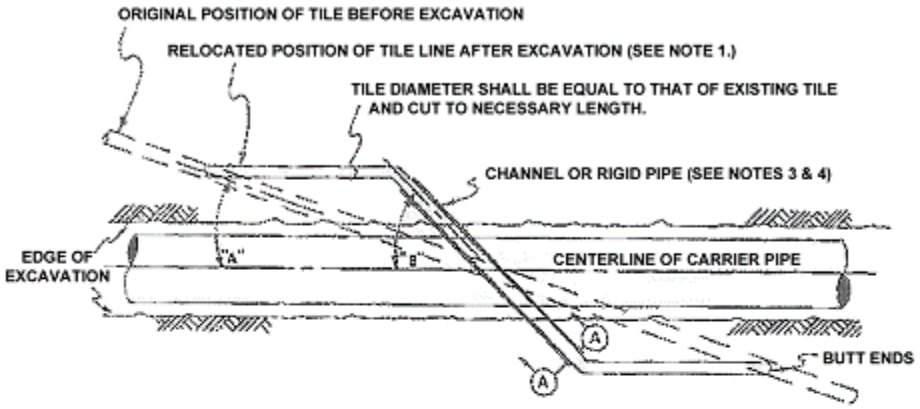
199—9.11(479,479B) Document submittal. Once a project is completed, project documents shall be submitted as follows:

9.11(1) *Document turnover.* The county inspector shall submit to the county board of supervisors and the pipeline company copies of inspection reports; tile reports and maps; punch lists; notice of violation documents; decompaction agreements; separate agreements, including those that excuse the pipeline company from certain construction responsibilities; and landowner agreements. The documents shall also be available for inspection by the commission or an affected person upon request.

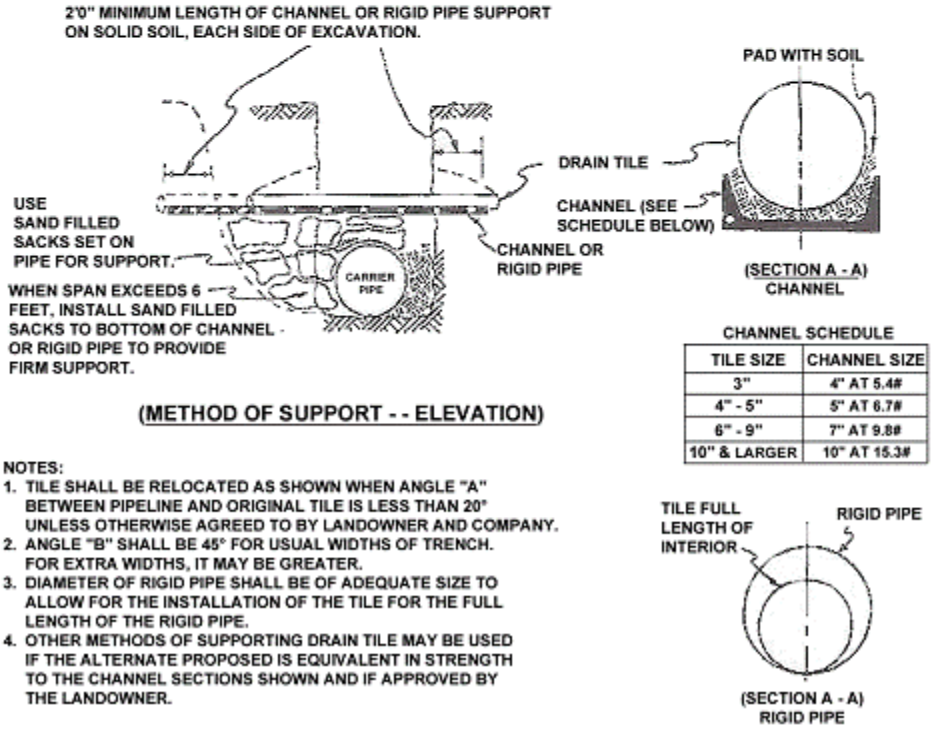
9.11(2) *As-built drawings.* The pipeline company shall provide the county inspector and affected landowners with copies of pipe alignment as-built drawings and underground drain tile as-built drawings, including the Global Positioning System location of drain tile.

Drawing No. IUC PL-1

RESTORATION OF DRAIN TILE



(PLAN VIEW)



(METHOD OF SUPPORT - - ELEVATION)

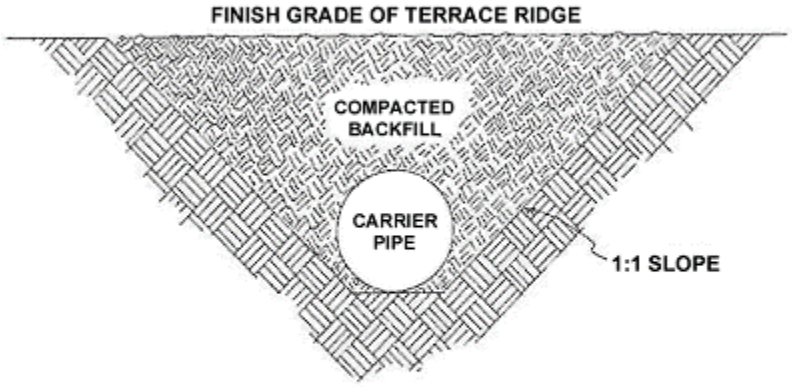
CHANNEL SCHEDULE

TILE SIZE	CHANNEL SIZE
3"	4" AT 5.4#
4" - 5"	5" AT 6.7#
6" - 9"	7" AT 9.8#
10" & LARGER	10" AT 15.3#

NOTES:
1. TILE SHALL BE RELOCATED AS SHOWN WHEN ANGLE "A" BETWEEN PIPELINE AND ORIGINAL TILE IS LESS THAN 20° UNLESS OTHERWISE AGREED TO BY LANDOWNER AND COMPANY.
2. ANGLE "B" SHALL BE 45° FOR USUAL WIDTHS OF TRENCH. FOR EXTRA WIDTHS, IT MAY BE GREATER.
3. DIAMETER OF RIGID PIPE SHALL BE OF ADEQUATE SIZE TO ALLOW FOR THE INSTALLATION OF THE TILE FOR THE FULL LENGTH OF THE RIGID PIPE.
4. OTHER METHODS OF SUPPORTING DRAIN TILE MAY BE USED IF THE ALTERNATE PROPOSED IS EQUIVALENT IN STRENGTH TO THE CHANNEL SECTIONS SHOWN AND IF APPROVED BY THE LANDOWNER.

Drawing No. IUB PL-2

RESTORATION OF TERRACE



NOTE:

COMPACTION OF BACKFILL TO BE EQUAL TO THAT OF THE UNDISTURBED ADJACENT SOIL.

IUB PL-2

[**ARC 5685C**, IAB 6/16/21, effective 7/21/21; Editorial change: IAC Supplement 7/24/24]

These rules are intended to implement Iowa Code sections 479.29 and 479B.20.

[Filed 1/4/80, Notice 10/17/79—published 1/23/80, effective 2/27/80]
[Filed 4/23/82, Notice 11/25/81—published 5/12/82, effective 6/16/82]
[Filed emergency 9/18/86—published 10/8/86, effective 9/18/86]
[Filed 2/1/91, Notice 6/27/90—published 3/6/91, effective 4/10/91]
[Filed 10/31/97, Notice 5/7/97—published 11/19/97, effective 12/24/97]
[Filed 1/18/01, Notice 6/14/00—published 2/7/01, effective 3/14/01]
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[Filed 8/31/01, Notice 7/25/01—published 9/19/01, effective 10/24/01]
[Filed 6/28/06, Notice 5/24/06—published 7/19/06, effective 8/23/06]
[Filed ARC 5685C (Notice ARC 5266C, IAB 11/4/20), IAB 6/16/21, effective 7/21/21]
[Filed ARC 6035C (Notice ARC 5813C, IAB 7/28/21), IAB 11/17/21, effective 12/22/21]
[Editorial change: IAC Supplement 7/24/24]

CHAPTER 10
INTRASTATE GAS PIPELINES AND UNDERGROUND GAS STORAGE

[Prior to 10/8/86, Commerce Commission[250]]

199—10.1(479) General information.

10.1(1) *Purpose and authority.* The purpose of this chapter is to implement the requirements in Iowa Code chapter 479 and to establish procedures and filing requirements for a permit to construct, maintain, and operate an intrastate gas pipeline, for an amendment to an existing permit, and for renewal of an existing permit. This chapter also implements the requirements in Iowa Code chapter 479 for permits for underground storage of natural gas. The rules relating to intrastate gas pipelines and underground gas storage in this chapter are adopted by the Iowa utilities commission (commission) pursuant to Iowa Code section 479.17. The rules in this chapter do not apply to interstate pipe, pipes, or pipelines used in the transportation or transmission of natural gas or hazardous liquids.

10.1(2) *When a permit is required.* A pipeline permit shall be required for any pipeline which will operate at a pressure in excess of 150 pounds per square inch gauge (psig) or which, regardless of operating pressure, is a transmission line as defined in ASME B31.8 or 49 CFR 192.3. Using the factors set out in rule 199—10.14(479), the commission shall determine whether a pipeline is a transmission line and requires a permit.

10.1(3) *Definitions.* Technical terms not defined in this chapter shall be as defined in the appropriate standard adopted in rule 199—10.12(479). For the administration and interpretation of this chapter, the following words and terms shall have the following meanings:

"Affected person" means any person with a legal right or recorded interest in the property, including but not limited to a landowner, a contract purchaser of record, a person possessing the property under a lease, a record lienholder, and a record encumbrancer of the property.

"Amendment of permit" means that changes to the pipeline permit or pipeline require the filing of a petition to amend an existing pipeline permit as described in rule 199—10.9(479).

"Approximate right angle" means within 5 degrees of a 90 degree angle.

"CFR" means the Code of Federal Regulations, which contains the general administrative rules adopted by federal departments and agencies, in effect as of December 22, 2021, unless a separate effective date is identified in a specific rule.

"Commission" means the utilities commission within the utilities division of the department of commerce.

"County inspector" means a professional engineer licensed under Iowa Code chapter 542B who is familiar with agricultural and environmental inspection requirements and has been employed by a county board of supervisors to do an on-site inspection of a proposed pipeline for compliance with 199—Chapter 9 and Iowa Code chapter 479.

"Gathering line" means a natural gas pipeline that transports gas from a current production facility to a transmission line or main as interpreted by 49 CFR 192.8.

"Multiple line crossing" means a point at which a proposed pipeline will either cross over or under an existing pipeline.

"Negotiating" means contact between a pipeline company and a person with authority to negotiate an easement that involves the location, damages, compensation, or other matter that is prohibited by Iowa Code section 479.5(5). Contact for purposes of obtaining addresses and other contact information from a landowner or tenant is not considered negotiation.

"Permit" means a new, amended, or renewal permit issued by the commission.

"Person" means an individual, corporation, limited liability company, government or governmental subdivision or agency, business trust, estate, trust, partnership or association, or any other legal entity.

"Pipeline" means any pipe, pipes, or pipelines used for the intrastate transportation or transmission of any solid, liquid, or gaseous substance, except water.

"Pipeline company" means any person engaged in or organized for the purpose of owning, operating, or controlling pipelines for the intrastate transportation or transmission of any solid, liquid, or gaseous substance, except water.

"Underground storage" means storage of natural gas in a subsurface stratum or formation of the earth.

10.1(4) *Railroad crossings.* Where these rules call for the consent or other showing of right from a railroad for a railroad crossing, an affidavit filed by a petitioner which states that proper application for approval of railroad crossing has been made, that a one-time crossing fee has been paid as provided for in rule 199—42.3(476), and that 35 days have passed since mailing of the application and payment with no claim of special circumstance or objection from the railroad will be accepted as a showing of consent for the crossing.

[**ARC 4957C**, IAB 2/26/20, effective 4/1/20; **ARC 6044C**, IAB 11/17/21, effective 12/22/21; **ARC 7017C**, IAB 5/17/23, effective 6/21/23; Editorial change: IAC Supplement 7/24/24]

199—10.2(479) Informational meetings. Informational meetings shall be held for any proposed pipeline project five miles or more in length, including both the current project and future anticipated extensions, and which is to be operated at a pressure in excess of 150 pounds per square inch. A separate informational meeting shall be held in each county in which real property or property rights would be affected.

10.2(1) *Time frame for holding meeting.* Informational meetings shall be held not less than 30 days nor more than two years prior to the filing of the petition for pipeline permit.

10.2(2) *Facilities.* A pipeline company shall be responsible for all negotiations and compensation for a suitable facility to be used for each informational meeting, including but not limited to a building or facility which is in substantial compliance with any applicable requirements of the Americans with Disabilities Act Standards for Accessible Design, including both the Title III regulations at 28 CFR Part 36, Subpart D, and the 2004 Americans with Disabilities Act Accessibility Guidelines at 36 CFR Part 1191, Appendices B and D, where such a building or facility is reasonably available.

10.2(3) *Location.* The informational meeting location shall be reasonably accessible to all persons who may be affected by the granting of a permit or who have an interest in the proposed pipeline.

10.2(4) *Commission approval.* A pipeline company proposing to schedule an informational meeting shall file a request to schedule the informational meeting and shall include a proposed time and date for the informational meeting, an alternate time and date, and a description of the proposed project and route. The pipeline company shall be notified within ten days of the filing of the request whether the request is approved or alternate times and dates are required. Once a date and time for the informational meeting have been approved, the pipeline company shall file the location of the informational meeting and a copy of the pipeline company's presentation with the commission.

10.2(5) *Notices.* Announcement by mailed and published notice of each informational meeting shall be given to persons as listed on the tax assessment rolls as responsible for payment of real estate taxes imposed on the property and those persons in possession of or residing on the property in the corridor in which the pipeline company intends to seek easements.

a. The notice shall include the following:

(1) The name of the pipeline company;

(2) The pipeline company's principal place of business;

(3) The general description and purpose of the proposed project;

(4) The general nature of the right-of-way desired;

(5) The possibility that the right-of-way may be acquired by condemnation if approved by the commission;

(6) A map showing the route of the proposed project;

(7) A description of the process used by the commission in making a decision on whether to approve a permit, including the right to take property by eminent domain;

(8) That the landowner and any other affected person have a right to be present at the meeting and to file objections with the commission;

(9) Designation of the time, date and place of the meeting;

(10) A copy of the statement of damage claims as required by paragraph 10.3(3)*"b"*; and

(11) The following statement: Persons with disabilities requiring assistive services or devices to observe or participate should contact the Utilities Commission at (515)725-7300 in advance of the scheduled date to request accommodations.

b. The pipeline company shall cause a written copy of the meeting notice to be served, by certified United States mail with return receipt requested, on all persons as listed on the tax assessment rolls as

responsible for payment of real estate taxes imposed on the property and persons in possession of or residing on the property whose addresses are known. The certified meeting notice shall be deposited in the United States mail not less than 30 days prior to the date of the meeting.

c. The pipeline company shall cause the meeting notice, including the map, to be published once in a newspaper of general circulation in each county where the pipeline is proposed to be located at least one week and not more than three weeks prior to the date of the meeting. Publication shall be considered as notice to persons listed on the tax assessment rolls as responsible for paying the real estate taxes imposed on the property whose addresses are not known, provided a good-faith effort to obtain the addresses can be demonstrated by the pipeline company. The maps used in the published notice shall clearly delineate the pipeline route.

d. The pipeline company shall file prior to the informational meeting an affidavit that describes the good-faith effort the pipeline company undertook to locate the addresses of all affected persons. The affidavit shall be signed by a corporate officer or an attorney representing the pipeline company.

10.2(6) *Personnel.* The pipeline company shall provide qualified personnel to present the following information at the informational meeting:

a. Service requirements and planning which have resulted in the proposed project.

b. When the pipeline will be constructed.

c. In general terms, the elements involved in pipeline construction.

d. In general terms, the rights which the pipeline company will seek to acquire through easements.

e. Procedures to be followed in contacting the affected persons for specific negotiations in acquiring voluntary easements.

f. Methods and factors used in arriving at an offered price for voluntary easements, including the range of cash amount for each component.

g. Manner in which voluntary easement payments are made, including discussion of conditional easements, signing fees and time of payment.

h. Other factors or damages not included in the easement for which compensation is made, including features of interest to affected persons but not limited to computation of amounts and manner of payment.

10.2(7) *Notice to county board of supervisors.* The pipeline company shall send notice of the request for an informational meeting to the county board of supervisors in each county where the pipeline is proposed to be located. The pipeline company shall request from the board of supervisors the name of the county inspector, a professional engineer who shall conduct the on-site inspection required in Iowa Code section 479.29(2). The pipeline company shall provide the name and contact information of the county inspector to the landowners and other affected persons at the meeting, if known.

[Editorial change: IAC Supplement 12/29/10; **ARC 4957C**, IAB 2/26/20, effective 4/1/20; **ARC 6044C**, IAB 11/17/21, effective 12/22/21; Editorial change: IAC Supplement 7/24/24]

199—10.3(479) Petition for permit.

10.3(1) A petition for a permit shall be filed with the commission upon the form prescribed and shall include all required exhibits. The petition shall be considered filed with the commission on the date accepted by the commission's electronic filing system as provided for in 199—Chapter 14. The petition shall be attested to by an officer, official or attorney with authority to represent the pipeline company. Required exhibits shall be in the following form:

a. Exhibit A. A legal description showing at a minimum:

(1) The beginning and ending points of the proposed pipeline.

(2) The general direction of the proposed route through each quarter section of land to be crossed, including township and range.

(3) Whether the proposed pipeline will be located on private or public property, public highway or railroad right-of-way.

(4) Other pertinent information.

(5) When the route is in or adjacent to the right-of-way of a named road or a railroad, the exhibit shall specifically identify the road or railroad by name.

b. Exhibit B. Maps showing the proposed routing of the pipeline. The maps may be to any scale appropriate for the level of detail to be shown, but not smaller than one inch to the mile, and shall be

legible when printed on paper no larger than 11 × 17 inches. Maps based on satellite imagery are preferred. A map of the entire route, if the route is located in more than one county or there is more than one map for a county, shall be filed in this exhibit on paper no larger than 11 × 17 inches without regard to scale. The following minimum information shall be provided on the maps:

(1) The route of the pipeline which is the subject of the petition, including the starting and ending points, and when paralleling a road or railroad, which side it is on. Multiple pipelines on the same right-of-way shall be indicated, and the distance between paralleling pipelines shall be shown.

(2) The name of the county, county lines, section lines, section numbers, township numbers, and range numbers.

(3) The location and identity of adjacent or crossed public roads, railroads, named streams or bodies of water, and other pertinent natural or man-made features influencing the route.

(4) The name and corporate limits of cities, and the name and boundaries of any public lands or parks.

(5) Other pipelines and the identity of the owner.

(6) Any buildings or places of public assembly within the potential impact radius of the transmission pipeline as defined in 49 CFR 192.903.

c. Exhibit C. A showing of engineering specifications covering the engineering features, materials and manner of construction of the proposed pipeline, its approximate length, diameter and the name and location of each railroad and primary highway and the number of secondary highways to be crossed, if any, and such other information as may be deemed pertinent on forms prescribed by the commission, which are located on the commission's website. In addition, the maximum and normal operating pressure of the proposed pipeline shall be provided.

d. Exhibit D. Satisfactory proof of solvency and financial ability to pay damages in the sum of $250,000 or more; or surety bond satisfactory to the commission in the penal sum of $250,000 with surety approved by the commission, conditioned that the pipeline company will pay any and all damages legally recovered against it growing out of the construction and operation of its pipeline or gas storage facilities in the state of Iowa; security satisfactory to the commission as a guarantee for the payment of damages in the sum of $250,000; or satisfactory proofs that the pipeline company has property subject to execution within this state, other than pipelines, of a value in excess of $250,000. The commission may require additional surety or insurance policies to ensure the payment of damages growing out of the construction and operation of a transmission pipeline that will be constructed in more than one county.

e. Exhibit E.

(1) Consent or documentation of appropriate public highway authorities, or railroad companies, where the pipeline will be placed longitudinally on, over or under, or at other than an approximate right angle to railroad tracks or highway, when such consent is obtained prior to filing of the petition, shall be filed with the petition.

(2) If any consent is not obtained at the time the petition is filed, the pipeline company shall file a statement that it will obtain all necessary consents or file other documentation of the right to commence construction prior to commencement of construction of the pipeline. A pipeline company may request commission approval to begin construction on a segment of a pipeline prior to obtaining all necessary consents for construction of the entire pipeline.

(3) Whether there are permits that will be required from other state agencies for construction of the pipeline and, if so, a description of the permit required and whether the permit has been obtained.

f. Exhibit F. This exhibit shall contain the following:

(1) A statement of the purpose of the project and a description of how the services rendered by the pipeline will promote the public convenience and necessity.

(2) A general statement covering each of the following topics:

1. The nature of the lands, waters, and public or private facilities to be crossed;
2. The possible use of alternative routes;
3. The relationship of the proposed pipeline to present and future land use and zoning ordinances; and
4. The inconvenience or undue injury which may result to property owners as a result of the proposed project.

(3) For an existing pipeline, the year of original construction and a description of any amendments or reportable changes since the permit or latest renewal permit was issued.

g. Exhibit G. If informational meetings were required, an affidavit that such meetings were held in each county affected by the proposed project and the time and place of each meeting. Copies of the mailed notice letter, the corridor map, and the published notice(s) of the informational meeting shall be attached to the affidavit.

h. Exhibit H. This exhibit is required only if the petition requests the right of eminent domain. The extent of the eminent domain request may be uncertain at the time the petition is filed. However, this exhibit must be in final form before a hearing is scheduled. It shall consist of a map of the route showing the location of each property for which the right of eminent domain is sought and for each property:

(1) The legal description of the property.

(2) The legal description of the desired easement.

(3) A specific description of the easement rights being sought.

(4) The names and addresses of all affected persons based upon a title search conducted for the property over which eminent domain is requested.

(5) A map drawn to an appropriate scale showing the boundaries of the property, the boundaries and dimensions of the proposed easement, the location of pipelines or pipeline facilities within the proposed easement, the location of and distance to any building within 300 feet of the proposed pipeline, and any other features pertinent to the location of the pipeline to the rights being sought.

(6) An overview map showing the location of the property over which eminent domain is requested filed with the property identified as required in 199—paragraph 9.2(1)*"e."*

i. Exhibit I. If pipeline construction on agricultural land as defined in 199—subrule 9.1(3) is proposed, a land restoration plan shall be prepared and filed as provided in rule 199—9.2(479,479B). The name and contact information of each county inspector designated by county boards of supervisors pursuant to Iowa Code section 479.29(2) shall be included in the land restoration plan, if known.

j. Underground storage. If permission is sought to construct, maintain and operate facilities for underground storage of gas, the petition shall include the following information, in addition to that stated above:

(1) A description of the public or private highways, grounds and waters, streams and private lands of any kind under which the storage is proposed, together with a map.

(2) Maps showing the location of proposed machinery, appliances, fixtures, wells, and stations necessary for the construction, maintenance, and operation of the facilities.

k. Exhibit K. The pipeline company shall file additional information as follows:

(1) An affidavit affirming that the company undertook a review of land records to determine all affected persons for all parcels over which the pipeline is proposed to be located before easements were signed or eminent domain requested.

(2) Whether any private easements will be required for the proposed pipeline and, if a private easement is anticipated to be required, when the easement negotiations will be completed and whether all affected persons associated with the property have been notified.

(3) Whether there are any agreements or additional facilities that need to be constructed to receive natural gas.

(4) Projected date when construction of the pipeline will begin.

(5) Whether the pipeline will have pressure-relieving or pressure-limiting devices that meet the requirements of 49 CFR 192.199 and 192.201.

l. Other exhibits. The commission may require filing of additional exhibits if further information on a particular project is deemed necessary.

10.3(2) Construction on an existing easement.

a. Petitions proposing new pipeline construction on an existing easement where the pipeline company has previously constructed a pipeline shall include a statement indicating whether any unresolved damage claims remain from the previous pipeline construction, and if so shall provide the name of each landowner or tenant, a legal description of the property involved, and the status of proceedings to settle the claim.

b. A petition for permit proposing new pipeline construction on an existing easement where the pipeline company has previously constructed a pipeline shall not be acted upon by the commission if a damage claim from the installation of the previous pipeline has not been resolved by negotiation, arbitration, or court action. The commission may take action on the petition if the damage claim is under litigation or arbitration.

10.3(3) Statement of damage claims.

a. A petition for permit proposing new pipeline construction shall not be acted upon by the commission if the pipeline company does not file with the commission a written statement in compliance with Iowa Code chapter 479 as to how damages resulting from the construction of the pipeline shall be determined and paid.

b. The statement shall contain the following information: the type of damages which will be compensated for, how the amount of damages will be determined, the procedures by which disputes may be resolved, the manner of payment, and the procedures that the affected person is required to follow to obtain a determination of damages by a county compensation commission.

c. The statement shall be amended as necessary to reflect changes in the law, company policy, or the needs of a specific project.

d. A copy of this statement shall be mailed with the notice of informational meeting as provided for in Iowa Code section 479.5. Where no informational meeting is required, a copy shall be provided to each affected person prior to entering into negotiations for payment of damages.

e. Nothing in this rule shall prevent a person from negotiating with the pipeline company for terms which are different, more specific, or in addition to the statement filed with the commission.

10.3(4) Negotiation of easements. The pipeline company is not prohibited from responding to inquiries concerning existing or future easements or from requesting and collecting tenant and affected person information, provided that the pipeline company is not "negotiating" as defined in subrule 10.1(3).

[**ARC 4957C**, IAB 2/26/20, effective 4/1/20; Editorial change: IAC Supplement 7/24/24]

199—10.4(479) Notice of hearing.

10.4(1) When a petition for permit is filed with the commission, the petition shall be reviewed by commission staff for compliance with applicable laws and regulations. Once commission staff has completed the review and filed a report regarding the proposed pipeline and petition, the petition shall be set for hearing. This subrule does not apply to renewal petitions filed pursuant to rule 199—10.8(479) that do not require a hearing.

10.4(2) The pipeline company shall be furnished copies of the official notice of hearing, which the pipeline company shall cause to be published once each week for two consecutive weeks in a newspaper of general circulation in each county in or through which construction is proposed. The second publication shall be not less than 10 nor more than 30 days prior to the date of the hearing. Proof of such publication shall be filed prior to the hearing.

10.4(3) The published notice shall include a map showing either the pipeline route or the area affected by underground gas storage, or a telephone number and an address through which interested persons may obtain a copy of a map from the pipeline company at no charge. If a map other than that filed as Exhibit B will be published or provided, a copy shall be filed with the petition.

10.4(4) If a petition for permit seeks the right of eminent domain, the pipeline company shall, in addition to the published notice of hearing, serve a copy of the notice of hearing on the landowners and any affected person with interest in the property over which eminent domain is sought. A copy of the Exhibit H filed with the commission for the affected property shall accompany the notice. Service shall be by certified United States mail, return receipt requested, addressed to the person's last known address, and this notice shall be mailed no later than the first day of publication of the official notice of hearing on the petition. Not less than five days prior to the date of the hearing, the petitioner shall file with the commission a certificate of service showing all persons and addresses to which notice was sent by certified mail and the date of the mailing, and an affidavit that all affected persons as defined in subrule 10.1(3) were served.

10.4(5) If a petition does not seek the right of eminent domain but all required interests in private property have not yet been obtained at the time the petition is filed, a copy of the notice of hearing shall be served upon any affected person as defined in subrule 10.1(3). Service shall be by ordinary mail, addressed

to the last known address, mailed no later than the first day of publication of the official notice. A copy of each letter of notification, or one copy of the letter accompanied by a written statement listing all persons to which the notice was mailed, the date of mailing, and an affidavit that all affected persons were served, shall be filed with the commission not less than five days prior to the hearing.
[**ARC 4957C**, IAB 2/26/20, effective 4/1/20; Editorial change: IAC Supplement 7/24/24]

199—10.5(479) Objections. Any person whose rights or interests may be affected by a proposed pipeline or underground storage facility may file a written objection with the commission. Written objections shall be filed with the commission not less than five days prior to the date of hearing. The commission may, for good cause shown, permit filing of objections less than five days prior to hearing, but in such event the pipeline company shall be granted a reasonable time to respond to a late-filed objection.
[**ARC 4957C**, IAB 2/26/20, effective 4/1/20; Editorial change: IAC Supplement 7/24/24]

199—10.6(479) Hearing. A petition for a pipeline permit or amendment to a pipeline permit shall be scheduled for hearing not less than 10 nor more than 30 days from the date of last publication of the notice of hearing.

10.6(1) Representation of a pipeline company at a pipeline permit hearing shall comply with the requirements of 199—subrule 7.4(8).

10.6(2) The commission or presiding officer may schedule a prehearing conference to consider a procedural schedule for the petition and a hearing date.

10.6(3) One or more petitions may be consolidated for hearing.

10.6(4) Hearings shall be scheduled and held in the office of the commission or at any other place within the state of Iowa as the commission may designate pursuant to Iowa Code section 479.8. Requests for conducting a hearing or taking testimony by telephone or electronic means may be approved by the commission or presiding officer.

10.6(5) The hearing requirements in this rule also apply to petitions for underground storage permits or amendments to underground storage permits.
[**ARC 4957C**, IAB 2/26/20, effective 4/1/20; Editorial change: IAC Supplement 7/24/24]

199—10.7(479) Pipeline permit.

10.7(1) A pipeline permit shall be issued once an order granting the permit is final and all the compliance requirements have been met. A pipeline company may request commission approval to delay obtaining consent to cross railroad right-of-way until after the pipeline permit is issued.

10.7(2) The issuance of the permit authorizes construction on the route or location as approved by the commission, subject to deviation within the permanent route easement right-of-way. If a deviation outside of the permanent route easement right-of-way becomes necessary, construction of the pipeline in that location shall be suspended and the pipeline company shall follow the procedures for filing of a petition for amendment of a permit, except that the pipeline company need only file Exhibits A, B, E, and F reflecting the proposed deviation. In case of any deviation from the approved permanent route easement, the pipeline company shall secure the necessary easements before construction may commence on the altered route. The right of eminent domain shall not be used to acquire any such easement except as specifically approved by the commission, and a hearing will not be required unless the commission determines a hearing is necessary to complete review of the petition for amendment.

10.7(3) If the construction of facilities authorized by a permit is not commenced within two years of the date the permit is granted, or within two years after final disposition of judicial review of a permit order or of condemnation proceedings, the permit shall be forfeited unless the commission grants an extension of the permit filed prior to the expiration of the two-year period.

10.7(4) Upon completion of the proposed construction, maps accurately showing the final routing of the pipeline, in compliance with 199—Chapter 9 and revised Exhibits A, B, and C, shall be filed with the commission.

10.7(5) The commission shall set the term of the permit. The term of the permit may be less than, but shall not exceed, 25 years from the date of issuance.
[**ARC 4957C**, IAB 2/26/20, effective 4/1/20; Editorial change: IAC Supplement 7/24/24]

199—10.8(479) Renewal permits.

10.8(1) A petition for renewal of an original or previously renewed pipeline permit may be filed at any time subsequent to issuance of the permit and shall be filed at least one year prior to expiration of the permit. This requirement is not applicable to renewal of permits that expire within one year of April 1, 2020. The petition shall be made on the form prescribed by the commission. Instructions for the petition are included as a part of the form, and the form is available on the commission's website. The petition shall include the name of the pipeline company requesting renewal of the permit, the pipeline company's principal office and place of business, a description of any amendment or reportable change since the permit or previous renewal permit was issued, and the same exhibits as required for a new permit, as applicable. The petition shall be considered filed with the commission on the date accepted into the commission's electronic filing system as provided for in 199—Chapter 14. The petition shall be attested to by an officer, official, or attorney with authority to represent the pipeline company.

10.8(2) The procedure for petition for permit shall be followed with respect to publication of notice, objections, and assessment of costs.

10.8(3) If there are unresolved issues of fact or law, or if an objection is filed within 20 days of the second publication of the published notice, the commission shall set the matter for hearing. If a hearing is not required, and the petition satisfies the requirements of this rule, a renewal permit will be issued upon the filing of the proof of publication required by rule 199—10.4(479).

10.8(4) The commission shall set the term of a renewal permit. The term may be less than, and shall not exceed, 25 years from date of issue. The same procedure shall be followed for subsequent renewals.

[**ARC 4957C**, IAB 2/26/20, effective 4/1/20; Editorial change: IAC Supplement 7/24/24]

199—10.9(479) Amendment of permits.

10.9(1) An amendment of a pipeline permit by the commission is required in any of the following circumstances:

a. Construction of an additional pipeline paralleling all or part of an existing pipeline of the pipeline company.

b. Extension of an existing pipeline of the pipeline company outside of the permit easement.

c. Relocation or replacement of an existing pipeline of the pipeline company outside of the permit easement approved by the commission. If the relocation or replacement is for five miles or more of pipe to be operated at over 150 psig, an informational meeting as provided for by rule 199—10.2(479) shall be held for these relocations and replacements.

d. Contiguous extension of an underground storage area of the pipeline company.

e. Modification of any condition or limitation placed on the construction or operation of the pipeline in the final order granting the pipeline permit or previous renewal of the permit.

10.9(2) Petition for amendment.

a. The petition for amendment of an original or renewed pipeline permit shall include the docket number and issue date of the permit for which amendment is sought and shall clearly state the purpose of the petition. If the petition is for construction of additional pipeline facilities or expansion of an underground storage area, the same exhibits as required for a petition for permit shall be attached.

b. The applicable procedures for a petition for permit, including hearing, shall be followed. Upon appropriate determination by the commission, an amendment to the permit shall be issued. Such amendment shall be subject to the same conditions with respect to commencement of construction within two years and the filing of final routing maps as required for pipeline permits.

[**ARC 4957C**, IAB 2/26/20, effective 4/1/20; Editorial change: IAC Supplement 7/24/24]

199—10.10(479) Fees and expenses.

10.10(1) *Permit expenses.* The pipeline company shall pay the actual unrecovered cost incurred by the commission attributable to the informational meeting, processing, investigation, hearing, and inspection related to a petition requesting a pipeline permit or any other activity of the commission related to a pipeline permit.

10.10(2) *Construction inspection.* The pipeline company shall reimburse the commission for the actual unrecovered expenses incurred due to inspection of pipeline construction or testing activities following from the granting of a pipeline permit.

[**ARC 4957C**, IAB 2/26/20, effective 4/1/20; Editorial change: IAC Supplement 7/24/24]

199—10.11(479) Inspections. The commission shall from time to time examine the construction, maintenance, and condition of pipelines, underground storage facilities, and equipment used in connection with pipelines and facilities in the state of Iowa to determine whether they comply with the appropriate standards of pipeline safety. One or more members of the commission, or one or more duly appointed representatives of the commission, may enter upon the premises of any pipeline company within the state of Iowa for the purpose of making the inspections.

[**ARC 4957C**, IAB 2/26/20, effective 4/1/20; Editorial change: IAC Supplement 7/24/24]

199—10.12(479) Standards for construction, operation and maintenance.

10.12(1) All pipelines, underground storage facilities, and equipment shall be designed, constructed, operated, and maintained in accordance with the following standards:

a. 49 CFR Part 191, "Transportation of Natural and Other Gas by Pipeline; Annual Reports, Incident Reports, and Safety-Related Condition Reports."

b. 49 CFR Part 192, "Transportation of Natural and Other Gas by Pipeline: Minimum Federal Safety Standards."

c. 49 CFR Part 199, "Drug and Alcohol Testing."

d. ASME B31.8 - 2016, "Gas Transmission and Distribution Piping Systems."

e. 199—Chapter 9, "Restoration of Agricultural Lands During and After Pipeline Construction."

f. At railroad crossings, 199—42.7(476), "Engineering standards for pipelines."

Conflicts between the standards established in paragraphs 10.12(1)*"a"* through *"f"* or between the requirements of rule 199—10.12(479) and other requirements which are shown to exist by appropriate written documentation filed with the commission shall be resolved by the commission.

10.12(2) If review of Exhibit C, or inspection of facilities which are the subject of a permit petition, finds noncompliance with the standards adopted in this rule, the pipeline company shall provide satisfactory evidence showing the noncompliance has been corrected prior to the commission taking final action on the petition or will be corrected as a result of the commission taking final action on the petition.

10.12(3) Pipelines in tilled agricultural land shall be installed with a minimum cover of 48 inches.

[**ARC 7962B**, IAB 7/15/09, effective 8/19/09; **ARC 9501B**, IAB 5/18/11, effective 6/22/11; **ARC 1359C**, IAB 3/5/14, effective 4/9/14; **ARC 2711C**, IAB 9/14/16, effective 10/19/16; **ARC 4380C**, IAB 3/27/19, effective 5/1/19; **ARC 4957C**, IAB 2/26/20, effective 4/1/20; **ARC 6044C**, IAB 11/17/21, effective 12/22/21; Editorial change: IAC Supplement 7/24/24]

199—10.13(479) Crossings of highways, railroads, and rivers.

10.13(1) Iowa Code chapter 479 gives the commission primary authority over the routing of pipelines. However, highway and railroad authorities and environmental agencies may have a jurisdictional interest in the routing of the pipeline, including requirements that permits or other authorizations be obtained prior to construction of crossings of highway or railroad right-of-way, or rivers or other bodies of water.

10.13(2) Approval of other authorities need not be obtained prior to petitioning the commission for a pipeline permit. It is recommended that the appropriate other authorities be contacted to determine what restrictions or conditions may be placed on the crossing by those authorities and to obtain information on any proposed reconstruction or relocation of existing facilities which may impact the routing of the pipeline. Approvals and any restrictions, conditions, or relocations of existing facilities are required to be filed with the commission prior to the granting of the permit. A pipeline company may request commission approval to begin construction on a segment of a pipeline prior to obtaining all necessary consents for construction of the entire pipeline.

10.13(3) Pipeline routes which include crossings of highway or railroad right-of-way longitudinally on such right-of-way shall not be constructed unless a showing of consent by the appropriate authority has been provided by the pipeline company as required in paragraph 10.3(1)*"e."*

[**ARC 4957C**, IAB 2/26/20, effective 4/1/20; Editorial change: IAC Supplement 7/24/24]

199—10.14(479) Transmission line factors. Factors considered by the commission in determining whether a pipeline is a transmission line and is therefore required to have a permit are set out in this rule. These factors are part of the commission's consideration, especially when a request has been made to reclassify a pipeline from transmission to distribution. These factors are to provide guidance for determining whether a pipeline needs a permit under this chapter, but there may be other factors not included in this rule:

1. The definitions of a transmission line in ASME B31.8 and 49 CFR 192.3.
2. Pipeline Hazardous Material Safety Administration interpretations.
3. The location of a distribution center.
4. Interconnection with an interstate pipeline.
5. Location of distribution regulator stations downstream of a proposed distribution center.
6. Whether a proposed distribution center has more than one source of supply and the type of pipeline that provides the supply.
7. Transfer of ownership of gas.
8. Reduction in pressure of pipeline at a meter.
9. No resale of gas downstream of a distribution center.

[**ARC 4957C**, IAB 2/26/20, effective 4/1/20; Editorial change: IAC Supplement 7/24/24]

199—10.15(479) Reports to federal agencies.

10.15(1) Upon submission of any incident, annual, or other report to the U.S. Department of Transportation pursuant to 49 CFR Part 191 or Part 192, a pipeline company shall file a copy of the report with the commission. The commission shall also be advised of any telephonic incident report made by the pipeline company.

10.15(2) In addition to incident reports required by 49 CFR Part 191, the commission shall be notified of any incident or accident where the economic damage exceeds $15,000 or which results in loss of service to 50 or more customers. The pipeline company shall notify the commission, as soon as possible, of any incident by emailing the duty officer at dutyofficer@iuc.iowa.gov or, if email is not available, by calling the commission duty officer at (515)745-2332. The cost of gas lost due to the incident shall not be considered in calculating the economic damage of the incident.

10.15(3) Utilities operating in other states shall provide to the commission data for Iowa only.

[**ARC 7962B**, IAB 7/15/09, effective 8/19/09; **ARC 9501B**, IAB 5/18/11, effective 6/22/11; **ARC 1359C**, IAB 3/5/14, effective 4/9/14; **ARC 1623C**, IAB 9/17/14, effective 10/22/14; **ARC 4957C**, IAB 2/26/20, effective 4/1/20; Editorial change: IAC Supplement 7/24/24]

199—10.16(479) Reportable changes to pipelines under permit.

10.16(1) A pipeline company shall file prior notice with the commission of any of the following actions affecting a pipeline under permit:

a. Abandonment or removal from service. The pipeline company shall also notify the landowners prior to the abandonment or removal of the pipeline from service.

b. Pressure test or increase in maximum allowable or normal operating pressure.

c. Replacement of a pipeline or significant portion thereof, not including short repair sections of pipe at least as strong as the original pipe.

10.16(2) The notice shall include the docket and permit numbers of the pipeline, the location involved, a description of the proposed activity, anticipated dates of commencement and completion, revised maps and technical specifications, where appropriate, and the name and telephone number of a person to contact for additional information.

[**ARC 4957C**, IAB 2/26/20, effective 4/1/20; Editorial change: IAC Supplement 7/24/24]

199—10.17(479) Sale or transfer of permit.

10.17(1) No permit shall be sold or transferred without written approval of the commission. A petition for approval of the sale or transfer shall be jointly filed by the buyer, or transferee, and the seller, or transferor, shall include assurances that the buyer, or transferee, is authorized to transact business in the state of Iowa; is willing and able to construct, operate, and maintain the pipeline in accordance with these rules; and if the sale, or transfer, is prior to completion of construction of the pipeline shall show that the

buyer, or transferee, has the financial ability to pay up to $250,000 in damages associated with construction or operation of the pipeline, or any other amount the commission has determined is necessary when granting the permit.

10.17(2) For purposes of this rule, reassignment of a pipeline permit as part of a corporate restructuring, with no change in pipeline operating personnel or procedures, is considered a transfer and requires prior commission approval.

[**ARC 7962B**, IAB 7/15/09, effective 8/19/09; **ARC 9501B**, IAB 5/18/11, effective 6/22/11; **ARC 1359C**, IAB 3/5/14, effective 4/9/14; **ARC 1623C**, IAB 9/17/14, effective 10/22/14; **ARC 4957C**, IAB 2/26/20, effective 4/1/20; Editorial change: IAC Supplement 7/24/24]

199—10.18(479) Termination of petition for pipeline permit proceedings. If a pipeline company fails to publish the official notice within 90 days after the official notice is provided by the commission, the commission may dismiss the petition.

[**ARC 4957C**, IAB 2/26/20, effective 4/1/20; Editorial change: IAC Supplement 7/24/24]

199—10.19(479) Gathering line filing requirements.

10.19(1) *Filing requirements.* Notice of the proposed construction of a gathering line as defined in subrule 10.1(3) is required 30 days prior to the commencement of construction. The notice shall include:

a. The name of the pipeline company proposing to construct the gathering line and evidence of authority from the Iowa secretary of state showing the company is authorized to conduct business in Iowa.

b. The purpose of the proposed gathering line.

c. A map of the proposed route of the gathering line, similar to the map required in paragraph 10.3(1) *"b."*

d. The design of the proposed gathering line, similar to the information required in paragraph 10.3(1) *"c."*

e. The approximate date that construction will begin.

f. A list of the permissions or approvals of other state or local regulatory agencies required for construction of the gathering line.

If construction is on agricultural land, an agricultural mitigation plan as required in 199—Chapter 9 or a written agreement with the landowner is to be provided to the county inspector.

10.19(2) *Reporting requirements.* A copy of any incident, annual report, or other report filed with the Pipeline and Hazardous Materials Safety Administration pursuant to 49 CFR Part 191 by the owner or operator of a gathering line located in Iowa shall be filed with the commission at the same time it is filed with the Pipeline and Hazardous Materials Safety Administration.

[**ARC 7017C**, IAB 5/17/23, effective 6/21/23; Editorial change: IAC Supplement 7/24/24]

These rules are intended to implement Iowa Code sections 476.2, 479.5, 479.17, 479.23, 479.26, 479.42, 479.43 and 546.7.

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CHAPTER 11
ELECTRIC LINES

[Previously Ch 2, renumbered 10/20/75 Supp.]
[Prior to 10/8/86, Commerce Commission[250]]

199—11.1(478) General information.

11.1(1) *Purpose and authority.* The purpose of this chapter is to implement the requirements in Iowa Code chapter 478 and to establish procedures for electric franchise proceedings before the Iowa utilities commission. This chapter shall apply to any person engaged in the construction, operation, and maintenance of electric transmission lines in Iowa.

11.1(2) *Iowa electrical safety code.* Overhead and underground electric line minimum safety requirements to be applied in installation, operation, and maintenance are found in 199—Chapter 25, Iowa electrical safety code.

11.1(3) *Date of filing.* A petition for franchise, and all other filings, shall be considered filed when accepted for filing by the commission pursuant to 199—Chapter 14.

11.1(4) *Franchise, when required.* An electric franchise shall be required for the construction, operation, and maintenance of any electric line capable of operating at 69,000 volts (69 kV) or more outside of cities, except that a franchise is not required for electric lines located entirely within the boundaries of property owned by a person engaged in the transmission or distribution of electric power or an end user.

[**ARC 5121C**, IAB 7/29/20, effective 9/2/20; see Delay note at end of chapter; Editorial change: IAC Supplement 7/24/24]

199—11.2(478) Definitions. For the administration and interpretation of this chapter, the following words and terms, when used in these rules, shall have the meanings indicated below:

"Affected person" means any person with a legal right or interest in the property, including but not limited to a landowner, contract purchaser of record, a person possessing the property under a lease, a record lienholder, and a record encumbrancer of the property.

"Capable of operating" means the standard voltage rating at which the electric line, wire, or cable can be operated consistent with the level of the insulators and the conductors used in construction of the electric line, wire, or cable based on manufacturer's specifications, industry practice, and applicable industry standards.

"Commission" means the utilities commission within the utilities division of the department of commerce.

"Electric company" means any person that proposes to construct, erect, maintain, or operate an electric line, wire, or cable in Iowa.

"Person" means individual, corporation, limited liability company, government or governmental subdivision or agency, business trust, estate, trust, partnership or association, or any other legal entity as defined in Iowa Code section 4.1(20).

"Termini" means the electrically functional end points of an electric line, without which it could not serve a public use. Examples of termini may include, but are not limited to, generating stations, substations, or switching stations.

"Transmission line" means any electric line, wire, or cable capable of operating at 69 kilovolts or more.

[**ARC 5121C**, IAB 7/29/20, effective 9/2/20; see Delay note at end of chapter; **ARC 5628C**, IAB 5/19/21, effective 6/23/21; Editorial change: IAC Supplement 7/24/24]

199—11.3(478) Route selection. The planning for a route that is the subject of a petition for franchise shall begin with routes that are near and parallel to roads, railroad rights-of-way, or division lines of land, according to the government survey, consistent with the provisions of Iowa Code section 478.18(2).

11.3(1) *Where deviations allowed.* Where a route planned near and parallel to roads, railroad rights-of-way, or division lines of land would contain segments making transmission line construction not practicable and reasonable, generally for engineering reasons, route deviation(s) may be proposed and accompanied by a proper evidentiary showing that the initial route or routes examined did not meet practicable and reasonable standards pursuant to Iowa Code section 478.18(2). Deviations based on landowner preference or those that minimize interference with land may be permissible; however, the

electric company must demonstrate that route planning began with a route or routes located near and parallel to roads, railroad rights-of-way, or division lines of land.

11.3(2) *Distance from buildings.* No transmission line shall be constructed outside of cities, except by agreement, within 100 feet of any dwelling, house or other building, except where the transmission line crosses or passes along a public highway or is located alongside or parallel with the right-of-way of any railroad company, consistent with the provisions of Iowa Code section 478.20. Construction of a new building within 100 feet of an existing transmission line shall be construed as "agreement" within the meaning of Iowa Code section 478.20.

11.3(3) *Railroad crossings.* Where a petition for temporary construction permit is made as provided in Iowa Code section 478.31, an affidavit filed by an electric company will be accepted as a showing of consent for the crossing if the affidavit states the following provisions, as provided for in rule 199—42.3(476), have been met: (1) that proper application for approval of the railroad crossing has been made, (2) that a one-time crossing fee has been paid, and (3) that 35 days have passed since mailing of the application and payment with no claim of special circumstance or objection from the railroad. Such affidavit or an affirmative statement of consent from the railroad shall be filed as soon as possible and must be filed prior to commencement of construction of the railroad crossing.

[**ARC 5121C**, IAB 7/29/20, effective 9/2/20; see Delay note at end of chapter; **ARC 5628C**, IAB 5/19/21, effective 6/23/21]

199—11.4(478) Informational meetings. Not less than 30 days or more than two years prior to filing a petition or related petitions requesting a franchise for a new transmission line with one or more miles of the total proposed route across privately owned real estate, the electric company shall hold an informational meeting in each county in which real property or real property rights will be affected. An informational meeting is required to be held in each county where property rights will be affected regardless of the length of the portion of the proposed transmission line in a county. The length of easements required for conductor and crossarm overhang of private property, even if no supporting structures are located on that property, shall be included in determining whether an informational meeting is required pursuant to Iowa Code section 478.2.

11.4(1) *Facilities.* Electric companies filing a petition for franchise shall be responsible for all negotiations and compensation for a suitable facility to be used for each informational meeting, including but not limited to a building or facility which is in substantial compliance with any applicable requirements of the Americans with Disabilities Act (ADA) Standards for Accessible Design, including both Title III regulations at 28 CFR Part 36, Subpart D, and the 2004 ADA Accessibility Guidelines (ADAAG) at 36 CFR Part 1191, Appendices B and D (as amended through September 2, 2020), where such a building or facility is reasonably available.

11.4(2) *Location.* The informational meeting location shall be reasonably accessible to all persons who may be affected by the granting of a franchise in that county or who have an interest in the proposed transmission line.

11.4(3) *Personnel.* At the informational meeting, qualified personnel representing the electric company shall make a presentation that includes the following information:

a. Utility service requirements and planning which have resulted in the proposed construction.

b. When the transmission line will be constructed.

c. In general terms, the physical construction, appearance and typical location of poles and conductors with respect to property lines.

d. In general terms, the rights which the electric company shall seek to acquire by easements.

e. Procedures to be followed in contacting affected persons with whom the electric company may seek specific negotiations in acquiring voluntary easements.

f. Methods and factors used in arriving at an offered price for voluntary easements including the range of cash amount of each component. An example of an offer sheet shall be included as part of the presentation.

g. The manner in which voluntary easement payments are made, including discussion of conditional easements, signing fees, and time of payment.

h. Other factors or damages which are not included in the easement but for which compensation is made, including features of interest to affected persons but not limited to computation of amounts and manner of payment.

i. If the undertaking is a joint effort by more than one electric company, all of the electric companies involved in the project shall be represented at the informational meeting by qualified personnel able to speak on the matters required by this subrule.

11.4(4) *Commission approval.* An electric company proposing to schedule an informational meeting shall file a request with the commission to schedule the informational meeting and shall include a proposed date and time for the informational meeting, an alternate date and time, and a general description of the proposed project and route. The commission shall notify the electric company within ten days from the filing of the request whether the request is approved or alternate dates and times are required. Not less than 30 days prior to the informational meeting, the electric company shall file with the commission the location of the informational meeting and a map of the proposed route that includes the notification corridor. Once a date and time for the informational meeting have been approved and not less than 14 days prior to the informational meeting, the electric company shall file a copy of the informational meeting presentation with the commission.

11.4(5) *Notice of informational meeting.* Notice of each informational meeting shall be provided by certified mail, return receipt requested, to those persons listed on the tax assessment rolls as responsible for payment of real estate taxes on the property and persons in possession of or residing on the property within the notification corridor where the proposed transmission line will be located. The notification corridor includes any property over which the electric company may seek easements. Not less than 30 days prior to the date of the informational meeting, a copy of the notice shall be filed with the commission and the notice shall be deposited in the U.S. mail by the electric company.

a. The notice shall include the following:

(1) The name of the electric company;

(2) The electric company's principal place of business;

(3) The general description and purpose of the proposed project;

(4) The general nature of the right-of-way desired;

(5) The possibility that the right-of-way may be acquired by condemnation if approved by the commission;

(6) A map showing the route of the proposed project and the notification corridor;

(7) A description of the process used by the commission in making a decision on whether to approve a franchise, including the right to take property by eminent domain;

(8) A statement that affected persons have a right to be present at the informational meeting and to file objections with the commission;

(9) Designation of the time and place of the meeting;

(10) The following statement: Persons with disabilities requiring assistive services or devices to observe or participate should contact the Utilities Commission at (515)725-7300 in advance of the scheduled date to request accommodations; and

(11) A copy of the statement of damages as described in subrule 11.9(5).

b. The electric company shall cause the meeting notice, including the map, to be published once in a newspaper of general circulation in each county where the proposed line is to be located. The notice shall be published at least one week and not more than three weeks prior to the date of the meeting. Publication shall be considered notice to landowners and persons in possession of or residing on the property whose addresses are not known.

c. The electric company shall file prior to the informational meeting an affidavit that describes the good-faith effort the electric company undertook to locate the addresses of persons listed on the tax assessment rolls as responsible for payment of real estate taxes imposed on the property within the notification corridor where the proposed transmission line is to be located and those persons in possession of or residing on the property. The affidavit shall be signed by an officer of the electric company.

[**ARC 5121C**, IAB 7/29/20, effective 9/2/20; see Delay note at end of chapter; Editorial change: IAC Supplement 7/24/24]

199—11.5(478) Petition for a new franchise. A single docket will be assigned to a proposed transmission line even if the transmission line will be located in more than one county. The electric company may request one franchise for the entire transmission line or may request separate franchises in each county where the proposed transmission line is to be located.

11.5(1) *Petition and exhibits.* A petition for a new franchise shall be filed on forms prescribed by the commission, shall be notarized, and shall have all required exhibits attached. Exhibits in addition to those required by this rule may be attached when appropriate. The petition shall be attested to by an officer, official, or attorney with authority to represent the electric company. The following exhibits shall be filed with the petition:

a. Exhibit A. A legal description of the route. The description shall include the name of the county, the maximum and nominal voltages, the beginning point and endpoint of the transmission line, and whether the route is on public, private, or railroad right-of-way. In the case of multicounty projects, the description shall identify all counties involved in the total project and the termini located in other counties. When the route is in or adjacent to the right-of-way of a named road or a railroad, the exhibit shall specifically identify the road or railroad by name.

b. Exhibit B.

(1) A map showing the route of the transmission line drawn with reasonable accuracy considering the scale. The map may be to any scale appropriate for the level of detail to be shown but may not be smaller than one inch to the mile and shall be legible when printed on paper no larger than 11 by 17 inches. The following minimum information shall be provided:

1. The route of the transmission line which is the subject of the petition, including beginning point and endpoint and, when the transmission line is parallel to a road or railroad, which side the line is on. Line sections with multiple-circuit construction or underbuild shall be designated. The voltage at which other circuits are operated and ownership of other circuits or underbuild shall be indicated.
2. The name of the county, county and section lines, section numbers, and township and range numbers.
3. The location and identity of roads, named streams and bodies of water, and any other pertinent natural or man-made features or landmarks influencing the route.
4. The names and corporate limits of cities.
5. The names and boundaries of any public lands or parks, recreational areas, preserves or wildlife refuges.
6. All electric lines, including lines owned by the electric company, within six-tenths of a mile of the route, including the voltage at which the lines are operated, whether the lines are overhead or buried, and the names and addresses of the owners. Any electric lines to be removed or relocated shall be designated.
7. The location of railroad rights-of-way, including the names and addresses of the owners.
8. The location of airports or landing strips within one mile of the route, along with the names and addresses of the owners.
9. The location of pipelines used for the transportation of any solid, liquid, or gaseous substance, except water, within six-tenths of a mile of the route, along with the names and addresses of the owners.
10. The names and addresses of the owners of telephone, communication, or cable television lines within six-tenths of a mile of the route. The location of these lines need not be shown.
11. The names and addresses of the owners of rural water districts organized pursuant to Iowa Code chapter 357A that have facilities within six-tenths of a mile of the route. The location of these facilities need not be shown.

(2) A map of the entire route to be franchised if the route is located in more than one county or there is more than one map for a county.

c. Exhibit C. Technical information and engineering specifications describing typical materials, equipment and assembly methods as specified on forms provided by the commission.

d. Exhibit D. The exhibit shall consist of a written text containing the following:

(1) An affidavit with an allegation and supporting information that the transmission line is necessary to serve a public use and represents a reasonable relationship to an overall plan of transmitting electricity in

the public interest. Additional substantiated allegations as may be required by Iowa Code section 478.3(2) shall also be included.

(2) If the route or any portion thereof is not near and parallel to roads or railroad rights-of-way, or along division lines of the lands, according to government surveys, an explanation of why such parallel routing is not practicable or reasonable.

(3) A statement regarding the availability of routes on an existing electric line right-of-way and an explanation of why this route was not selected.

(4) Any other information or explanation in support of the petition.

(5) If a new franchise must be sought for an existing transmission line, historical information regarding the prior franchise.

(6) The status of any other authorizations the electric company is required to obtain to construct the proposed transmission line.

e. Exhibit E. This exhibit is required only if the petition requests the right of eminent domain. This exhibit shall be in its final form prior to issuance of the official notice by the commission and approval of the eminent domain notice required by Iowa Code section 478.6(2). The exhibit shall consist of a map of the route showing the location of each property for which the right of eminent domain is sought, and for each property:

(1) The legal description of the property.

(2) The legal description of the desired easement.

(3) A specific description of the easement rights being sought.

(4) The names and addresses of all affected persons.

(5) A map drawn to an appropriate scale showing the boundaries of the property, the boundaries and dimensions of the proposed easement, the location of all electric lines and supports within the proposed easement, the location of and distance to any building within 100 feet of the proposed transmission line, and any other features pertinent to the location of the transmission line, the supporting structures, or to the rights being sought.

(6) An affidavit affirming and describing the good-faith effort undertaken and the review of land records performed to identify all affected persons for all parcels over which the electric company is seeking eminent domain. The affidavit shall be signed by an attorney representing the electric company.

f. Exhibit F. The showing of notice to all persons identified in subparagraphs 11.5(1)*"b"*(6) through 11.5(1)*"b"*(11) and to the Iowa department of transportation. One copy of each letter of notification or one copy of the letter accompanied by a written statement listing all persons that were sent the notice, the date of mailing, and a copy of the map sent with the letters shall accompany the petition when it is filed with the commission.

g. Exhibit G. The affidavit required by Iowa Code section 478.3(2)*"c"* on the holding of an informational meeting. Copies of the mailed notice letter and the published notice(s) of each informational meeting shall be attached to the affidavit. This exhibit is required only if an informational meeting was conducted.

h. Exhibit H. This exhibit is required only if the petition requests separate pole lines. This exhibit shall contain a request describing in detail the good cause for the commission to authorize the construction of separate pole lines.

i. Other exhibits. The commission may require filing of additional exhibits if further information on a particular project is deemed necessary.

11.5(2) *Notice of franchise petition.*

a. Whenever a petition for a new franchise is filed with the commission, the commission shall prepare a notice addressed to the citizens of each county through which the transmission line or lines extend. The electric company shall cause this notice to be published in a newspaper of general circulation in each county for two consecutive weeks. Proof of publication shall be filed with the commission. This published notice shall constitute sufficient notice to all persons of the proceeding, except owners of record and persons in possession of land to be crossed for which voluntary easements have not been obtained at the time of the first publication of the notice.

b. The electric company shall, in addition to publishing notice, serve notice in writing of the filing of the petition on the affected persons over which easements have not been obtained. The served notices shall be by ordinary mail, addressed to the last-known address, mailed not later than the first day of publication of the official notice. One copy of each letter of notification, or one copy of the letter accompanied by a written statement listing all persons to which it was mailed and the date of mailing, shall be filed with the commission not later than five days after the date of second publication of the official notice. The electric company shall file a statement describing the action taken to ensure that the company has identified the names and addresses of all affected persons over which voluntary easements have not been obtained.

c. Published notices of petitions for franchise shall include provisions whereby interested persons can examine a map of the route. When the petition is filed, the electric company shall state whether a map is to be published with the notice or whether the notice is to include a telephone number and an address through which persons may request a map from the electric company at no cost. The map required by this paragraph need not be as detailed as the Exhibit B map but shall include at minimum the proposed route, section lines, section and township numbers, roads and railroads, city boundaries, and rivers and named bodies of water. A copy of this map shall be filed with the petition.

11.5(3) *Notice to other persons.* The electric company shall give written notice, by ordinary mail, mailed at the time the petition is filed with the commission and accompanied by a map showing the route of the proposed electric transmission line, to the persons identified in subparagraphs 11.5(1)*"b"*(6) through 11.5(1)*"b"*(11) and to the Iowa department of transportation. One copy of each letter of notification or one copy of the letter accompanied by a written statement listing all persons that were sent the notice, the date of mailing, and a copy of the map sent with the letters shall accompany the petition when it is filed with the commission.

11.5(4) *Eminent domain notice.* If an electric company is requesting the right of eminent domain over property as part of a petition for a new franchise, notice shall be provided pursuant to subrule 11.10(1).

[**ARC 5121C**, IAB 7/29/20, effective 9/2/20; see Delay note at end of chapter; **ARC 5628C**, IAB 5/19/21, effective 6/23/21; Editorial change: IAC Supplement 7/24/24]

199—11.6(478) Petition for an amendment to a franchise. A petition for an amendment of a franchise shall include the same exhibits and information required for a new franchise as described in rule 199—11.5(478). Prior to the filing of any petition for an amendment to a franchise where an electric company must obtain new or additional interests in real property for a total of one route mile or more, informational meetings shall be held which meet the requirements of 199—11.4(478).

11.6(1) When a petition for amendment is required. A petition for amendment of a franchise shall be filed with the commission for approval when the electric company is:

a. Increasing the operating voltage of any electric line, the level to which it is capable of operating, or to a voltage greater than that specified in the existing franchise.

b. Constructing an additional line which is capable of operating at a nominal voltage of 69 kV or more on a previously franchised line, where an additional line at such voltage is not authorized by the existing franchise.

c. Relocating a franchised line to a route different from that authorized by an existing franchise, including the construction of tap(s) to a substation or switching station, which requires that new or additional interests in property be obtained, or that new or additional authorization be obtained from highway or railroad authorities, for a total distance of one route mile or more, or for any relocations where the right of eminent domain is sought. An amendment is not required for relocations made pursuant to Iowa Code section 318.9(2).

11.6(2) When a new transmission line is proposed in a county where the electric company has a countywide franchise for all of the electric company's transmission lines in a county, the new transmission line will be included in the countywide franchise as an amendment to the countywide franchise.

11.6(3) When an existing franchise in a county is proposed to be combined with another existing franchise in a county, a petition for an amendment of the franchise with the latest expiration date shall be filed to combine the transmission lines into one of the existing franchises.

11.6(4) An amendment to a franchise shall not be required for a voltage increase, additional circuit, or electric line relocation where such activity takes place entirely within the boundaries of property owned by an electric company or an end user.

11.6(5) Notice of a petition for franchise amendment. Notice of a petition for an amendment to a franchise shall be the same notice that is required for a petition for a new franchise as described in rule 199—11.5(478).

11.6(6) Eminent domain notice. If an electric company is requesting the right of eminent domain over property as part of a petition for amendment of a franchise, notice shall be provided pursuant to subrule 11.10(1).

[**ARC 5121C**, IAB 7/29/20, effective 9/2/20; see Delay note at end of chapter; **ARC 7014C**, IAB 5/17/23, effective 6/21/23; Editorial change: IAC Supplement 7/24/24]

199—11.7(478) Petition for the abbreviated franchise process.

11.7(1) *Eligibility for abbreviated franchise process.* Petitions for an electric franchise or an amendment to a franchise may be filed pursuant to the abbreviated franchise process set forth in Iowa Code section 478.1(5) if the following requirements are met:

a. The project consists of the conversion, upgrading, or reconstruction of an existing electric line operating at 34.5 kV to a line capable of operating at 69 kV.

b. The project will be on substantially the same right-of-way as an existing 34.5 kV line. For purposes of this subrule, "substantially the same right-of-way" means that the new or additional interests in private property right-of-way will be required for less than one mile of the proposed project length. Easements required for conductor and crossarm overhang of private property or for anchor easements shall not be considered when determining the length of additional interests in private property right-of-way.

c. The project will have substantially the same effect on the underlying properties as the existing 34.5 kV line.

d. The completed transmission line will comply with the Iowa electrical safety code found in 199—Chapter 25.

e. The electric company does not request the power of eminent domain.

f. The electric company agrees to pay all costs and expenses of the franchise proceeding.

11.7(2) *Petition using abbreviated process.* A petition for a new franchise or an amendment to a franchise filed pursuant to the abbreviated franchise process set forth in Iowa Code section 478.1(5) shall be made on forms prescribed by the commission, shall be notarized, and shall have all required exhibits attached. Exhibits in addition to those required by this subrule may be attached when appropriate. The exhibits required to be attached are as follows:

a. Exhibit A. A legal description of the route. The description shall include the name of the county, the maximum and nominal voltages, the beginning point and endpoint of the transmission line, and whether the route is on public, private, or railroad right-of-way. When the route is in or adjacent to the right-of-way of a named road or a railroad, the exhibit shall specifically identify the road or railroad by name. The description shall identify any termini located in other counties.

b. Exhibit B. A map showing the route of the transmission line drawn with reasonable accuracy considering the scale. The map may be to any scale appropriate for the level of detail to be shown but may not be smaller than one inch to the mile and must be legible when printed on paper no larger than 11 by 17 inches. The following minimum information shall be provided:

(1) The route of the transmission line which is the subject of the petition, including the beginning point and endpoint and, when the transmission line is parallel to a road or railroad, the side on which the line is located. Line sections with multiple-circuit construction or underbuild shall be designated. The voltage at which other circuits are operated and ownership of other circuits or underbuild shall be indicated.

(2) The name of the county, county and section lines, section numbers, and township and range numbers.

(3) The location and identity of roads, railroads, named streams and bodies of water, and any other pertinent natural or man-made features or landmarks influencing the route.

(4) The names and corporate limits of cities.

(5) If any deviation from the existing route is proposed, the original and proposed routes shall be shown and identified.

c. Exhibit C. Technical information and engineering specifications describing typical materials, equipment, and assembly methods as specified on forms provided by the commission.

d. Exhibit D. The exhibit shall consist of written text containing the following:

(1) A listing of any existing franchises that would be terminated or amended in whole or in part by this petition, including the docket number, franchise number, date of issue, county of location, and to whom the franchise is granted.

(2) An allegation, with supporting testimony, that the project is eligible for the abbreviated franchise process.

(3) An allegation, with supporting testimony, that the project is necessary to serve a public use and represents a reasonable relationship to an overall plan of transmitting electricity in the public interest.

(4) An explanation for any deviations from the existing transmission line route.

(5) A statement regarding the availability of routes on an existing electric line right-of-way and an explanation of why this route was not selected.

e. Exhibit E. A statement that the right of eminent domain is not being requested.

f. Exhibit F. The exhibit shall consist of a showing of notice to other electric, pipeline, telephone, communication, cable television, rural water district, and railroad companies that have facilities which are crossed by or in shared right-of-way with the proposed transmission line.

g. Exhibit G. The exhibit shall consist of the form of notice to be mailed in accordance with subrule 11.7(3) to owners of and persons in possession of or residing on property where construction shall occur.

h. Exhibit H. This exhibit is required if the petition requests separate pole lines. This exhibit shall contain a request describing in detail the good cause for the commission to authorize the construction of separate pole lines.

11.7(3) *Notice of franchise or amendment to franchise under abbreviated franchise process.*

a. One month prior to commencement of construction, an electric company shall provide written notice concerning the anticipated construction to the last-known address of the owners of record of the property where construction will occur and to persons in possession of or residing on such property. Notices may be served by ordinary mail, addressed to the last-known address of the owners of record of the property and to persons residing on such property. The electric company shall make a good-faith effort to identify and notify all owners of record and persons residing on the property.

b. The notice shall include the following information:

(1) A description of the purpose of the project and the nature of the work to be performed.

(2) A copy of the Exhibit B map.

(3) The estimated dates the construction or reconstruction will commence and end.

(4) The name, address, telephone number, and email address of a representative of the electric company who can respond to inquiries concerning the anticipated construction.

c. For the purposes of this rule, "construction" means physical entry onto private property by personnel or equipment for the purpose of rebuilding or reconstructing the transmission line.

[**ARC 5121C**, IAB 7/29/20, effective 9/2/20; see Delay note at end of chapter; Editorial change: IAC Supplement 7/24/24]

199—11.8(478) Petition for extension of franchise.

11.8(1) *Petition and exhibits.* A petition for an extension of a franchise shall be made on forms prescribed by the commission; shall be attested to by an officer, official, or attorney with authority to represent the electric company; and shall have all required exhibits attached. Exhibits in addition to those required by this rule may be attached when appropriate. For a transmission line that extends into more than one county, the electric company may file a petition to combine the separate county franchises into one franchise for the entire transmission line.

a. Exhibit A. A legal description of the route. The description shall include the name of the county, the maximum and nominal voltages, the beginning point and endpoint of the transmission line, and whether the route is on public, private, or railroad right-of-way. When the route is in or adjacent to the right-of-way

of a named road or a railroad, the exhibit shall specifically identify the road or railroad by name. The description shall identify any termini located in other counties.

b. Exhibit B. A map showing the route of the transmission line drawn with reasonable accuracy considering the scale. The map may be to any scale appropriate for the level of detail to be shown but may not be smaller than one inch to the mile and must be legible when printed on paper no larger than 11 by 17 inches. The following minimum information shall be provided:

(1) The route of the transmission line which is the subject of the petition, including beginning point and endpoint and, when the transmission line is parallel to a road or railroad, which side the line is on. Line sections with multiple-circuit construction or underbuild shall be designated. The voltage at which other circuits are operated and ownership of other circuits or underbuild shall be indicated.

(2) The name of the county, county and section lines, section numbers, and township and range numbers.

(3) The location and identity of roads, railroads, named streams and bodies of water, and any other pertinent natural or man-made features or landmarks influencing the route.

(4) The names and corporate limits of cities.

c. Exhibit C. Technical information and engineering specifications describing typical materials, equipment and assembly methods as specified on forms provided by the commission.

d. Exhibit D. The exhibit shall consist of a written text containing the following:

(1) A listing of all existing franchises for which extension in whole or in part is sought, including the docket number, franchise number, date of issue, county of location, and to whom granted.

(2) A listing of all amendments to the franchises listed in subparagraph 11.8(1)*"d"*(1), including the docket number, amendment number, date of issue, and purpose of the amendment.

(3) A description of any substantial rebuilds, reconstructions, alterations, relocations, or changes in operation not included in a prior franchise or amendment proceeding.

(4) A description of any changes in ownership or operating and maintenance responsibility.

(5) An allegation, with supporting testimony, that the transmission line remains necessary to serve a public use and represents a reasonable relationship to an overall plan of transmitting electricity in the public interest.

(6) Any other information or explanation in support of the petition.

11.8(2) *Date for filing petition for extension.* A petition for an extension of a franchise shall be filed at least one year, and no more than five years, prior to expiration of the franchise. This requirement is not applicable to extensions of franchises that expire within one year of September 2, 2020. Extensions of existing countywide franchises are permitted; however, petitions to extend the franchises of separate transmission lines within a county by combining those transmission lines into a countywide franchise are not permitted using the franchise extension process.

11.8(3) *When petition for extension unnecessary.* An extension of franchise is unnecessary for an electric line which is capable of operating at 69 kV or more when the electric line has been permanently retired from operation and the commission has been notified of the retirement. The notice to the commission shall include the franchise number and issue date, the docket number, and, if the entire franchised line is not retired, a map showing the location of the portion retired.

11.8(4) *Petition for extension of countywide franchise.* A petition for an extension of a countywide franchise shall include all of the franchised lines owned by the electric company and within one county and a statement of whether the published notice will contain a legal description of the route or will include a telephone number and an address through which persons may request a map from the electric company at no cost. The map shall comply with the requirements in subrule 11.8(6). A copy of this map shall be filed with the petition.

11.8(5) *Notice of petition for extension.* Whenever a petition for an extension of a franchise is filed with the commission, the commission shall prepare a notice addressed to the citizens of each county through which the transmission line or lines extend. The electric company shall cause this notice to be published for two consecutive weeks in a newspaper of general circulation in each county where the proposed line is to be located. Proof of publication shall be filed with the commission. This published notice shall constitute sufficient notice to all affected persons where the existing line is located.

11.8(6) *Maps in published notice.* Published notices of petitions for franchise shall include provisions whereby interested persons can examine a map of the route. When the petition is filed, the electric company shall state whether a map is to be published with the notice or whether the notice is to include a telephone number and an address through which persons may request a map from the electric company at no cost. The map required by this subrule need not be as detailed as the Exhibit B map but shall include at minimum the proposed route, section lines, section and township numbers, roads and railroads, city boundaries, and rivers and named bodies of water. A copy of this map shall be filed with the petition.

11.8(7) *Notice to other persons.* The electric company shall give written notice, by ordinary mail, mailed at the time the petition is filed with the commission, accompanied by a map showing the route of the proposed transmission line, to the persons identified in subparagraphs 11.5(1)*"b"*(6) through 11.5(1)*"b"*(11) and to the Iowa department of transportation. One copy of each letter of notification or one copy of the letter accompanied by a written statement listing all persons that were sent the notice, the date of mailing, and a copy of the map sent with the letters shall accompany the petition when it is filed with the commission.

[**ARC 5121C**, IAB 7/29/20, effective 9/2/20; see Delay note at end of chapter; **ARC 7014C**, IAB 5/17/23, effective 6/21/23; Editorial change: IAC Supplement 7/24/24]

199—11.9(478) Additional requirements.

11.9(1) *Forms.* An electric company shall use the appropriate form or forms available on the commission's website when filing a petition, an amendment to an existing franchise, or an extension of an existing franchise. All filings shall be filed electronically in compliance with the commission's electronic filing system requirements in 199—Chapter 14 and shall be considered filed when accepted for filing into the commission's electronic filing system pursuant to 199—Chapter 14.

11.9(2) *Temporary construction permits.* An electric company may request a temporary construction permit, as allowed by Iowa Code section 478.31, on the commission's petition for franchise forms.

11.9(3) *Segmental ownership.*

a. Petitions covering transmission line routes having segments of the total transmission line with different owners shall establish that the entire transmission line is necessary to serve a public use and represents a reasonable relationship to an overall plan of transmitting electricity in the public interest.

b. Petitions covering transmission line routes having segments of the total transmission line with different owners shall include documentation showing that the different owners have agreed to the construction being proposed in the petition.

11.9(4) *Compliance with Iowa electrical safety code.* If review of Exhibit C, or inspection of an existing electric line which is the subject of a franchise petition, finds noncompliance with 199—Chapter 25, the Iowa electrical safety code, no final action shall be taken by the commission on the petition without a satisfactory showing by the electric company that the areas of noncompliance have been or will be corrected. Any disputed safety code compliance issues will be resolved by the commission.

11.9(5) *Statement of damage claims.*

a. A petition proposing transmission line construction shall not be acted upon by the commission if the electric company does not file with the commission a written statement as to how damages resulting from the construction of the transmission line shall be determined and paid.

b. The statement shall contain the following information: the type of damages which will be compensated for, how the amount of damages will be determined, the procedures by which disputes may be resolved, the manner of payment, and the procedures that the affected persons are required to follow to obtain a determination of damages.

c. The statement shall be amended as necessary to reflect changes in the law, company policy, or the needs of a specific project.

d. A copy of this statement shall be mailed with the notice of informational meeting as provided for in Iowa Code section 478.2(3). Where no informational meeting is required, a copy shall be provided to each affected person prior to entering into negotiations for payment of damages.

e. Nothing in this rule shall prevent a person from negotiating with the electric company for terms which are different from, more specific than, or in addition to those in the statement filed with the commission.

11.9(6) *Route study.* If a hearing on a petition is required by Iowa Code section 478.6(1), an electric company shall file a route study, if conducted, with the commission at the earlier of either the electric company's next revised petition filing or its testimony in support of the petition after the commission orders a hearing.

[**ARC 5121C**, IAB 7/29/20, effective 9/2/20; see Delay note at end of chapter; **ARC 5628C**, IAB 5/19/21, effective 6/23/21; Editorial change: IAC Supplement 7/24/24]

199—11.10(478) Notices.

11.10(1) *Notice of eminent domain proceedings.* If a petition for a franchise or amendment of franchise seeks the right of eminent domain, the electric company shall, in addition to publishing a notice of hearing, serve the written notice required by Iowa Code section 478.6(2) on the landowners and any affected person for all parcels over which eminent domain is sought. The eminent domain notice shall be filed with the commission for approval. Service shall be by certified U.S. mail, return receipt requested, and addressed to the person's last-known address. This notice shall be mailed no later than the first day of publication of the official notice of hearing concerning the petition.

a. The notice of eminent domain proceedings shall include the following:

(1) A copy of the Exhibit E filed with the commission for the affected property.

(2) The proposed route of the electric transmission line.

(3) The eminent domain rights being sought over the property.

(4) The date, time and location of the hearing and a description of the hearing procedures. The description of the hearing procedures shall include the website address for the commission's electronic filing system and contact information of the commission's customer service section.

(5) The statement of individual rights required pursuant to Iowa Code section 6B.2A(1).

b. Not less than five days prior to the date of hearing, the electric company shall file with the commission the return receipt for the certified notice.

11.10(2) *Notice of franchised line construction.*

a. Within 90 days after completion of a transmission line construction or reconstruction project authorized by a franchise or amendment to franchise, the holder of the franchise shall notify the commission in writing of the completion. The notice shall include the franchise and docket numbers and the date the franchise was issued.

b. If the project is not completed within two years after the date of issuance of the franchise or amendment to franchise, the electric company shall file a progress report regarding construction of the transmission line.

c. If construction of the transmission line authorized by a franchise has not commenced within two years of the date the franchise is granted, or within two years after final disposition of judicial review of a franchise order or of condemnation proceedings, the franchise shall be forfeited unless the electric company petitions the commission for an extension of time to commence construction. The commission may grant the extension if good cause is shown for the failure to commence construction.

11.10(3) *Notice of transfer or assignment of franchise.* The holder of a franchise shall notify the commission in writing, when transferring any franchise or portion of a franchise, stating the applicable franchise number and docket number which are affected and a description of the route of the transmission line when less than the total franchised line is affected, together with the name of the transferee and date of transfer, not more than 30 days after the effective date of the transfer.

11.10(4) *Notice of construction not requiring an amendment to a franchise.* Whenever a transmission line under franchise is relocated or is reconstructed with different materials or specifications than those that appear on the most recent Exhibit C, or taps to a new substation or switching station are constructed along and connected to the franchised line in a manner that does not require an amendment to a franchise, the holder of the franchise shall notify the commission in writing of the construction, stating the franchise and docket numbers and date of franchise issuance for the affected transmission line, and providing revised Exhibits A, B, and C, as applicable, that reflect the changes in the route, not more than 30 days after the completion of the construction.

11.10(5) *Notice of transmission line reconstruction not requiring an amendment to franchise.* Rescinded IAB 5/17/23, effective 6/21/23.

[**ARC 5121C**, IAB 7/29/20, effective 9/2/20; see Delay note at end of chapter; **ARC 7014C**, IAB 5/17/23, effective 6/21/23; Editorial change: IAC Supplement 7/24/24]

199—11.11(478) Common and joint use.

11.11(1) *Common use construction.* Whenever an overhead electric line capable of operating at 69 kV or more is built or rebuilt on public road rights-of-way located outside of cities, all parallel overhead electric supply circuits on the same road right-of-way shall be attached to the same or common line of structures unless the commission authorizes, for good cause shown, the construction of separate pole lines.

11.11(2) *Relocating lines.* When a transmission line is to be constructed in a location occupied by an electric line or a communication line, the expense of relocating the existing line shall be borne by the electric company proposing the new transmission line. The electric company proposing the new transmission line shall not be required to pay any part of the used life of the existing line, but shall pay only the nonbetterment expense of relocating the existing line.

[**ARC 5121C**, IAB 7/29/20, effective 9/2/20; see Delay note at end of chapter; Editorial change: IAC Supplement 7/24/24]

199—11.12(478) Termination of franchise petition proceedings.

11.12(1) *Termination of docket.* Upon written notice to the commission by an electric company that a franchise petition or petition for amendment of a franchise is withdrawn, the docket shall be closed.

11.12(2) *Failure to respond.* If an electric company fails to respond to written notification by the commission, to correct an incomplete or deficient franchise petition, or to publish the official notice after the form of notice is provided by the commission, the commission may dismiss the petition as abandoned. If dismissal would cause an existing transmission line to be without a franchise, the commission may also pursue imposition of civil penalties.

[**ARC 5121C**, IAB 7/29/20, effective 9/2/20; see Delay note at end of chapter; **ARC 7014C**, IAB 5/17/23, effective 6/21/23; Editorial change: IAC Supplement 7/24/24]

199—11.13(478) Fees and expenses. The electric company shall pay the actual cost incurred by the commission attributable to the processing, investigation, and inspection related to a petition requesting an electric franchise, an amendment to an electric franchise, or an extension of an electric franchise.

[**ARC 5121C**, IAB 7/29/20, effective 9/2/20; see Delay note at end of chapter; Editorial change: IAC Supplement 7/24/24]

199—11.14(478) Federally registered planning authority transmission projects.

11.14(1) *Purpose.* The purpose of this rule is to implement the requirements of Iowa Code section 478.16.

11.14(2) *Definitions.* For the administration and interpretation of this rule, the following words and terms, when used in this rule, shall have the following meanings:

"Electric transmission line" means a high-voltage electric transmission line with a capacity of 100 kilovolts or more and any associated electric transmission facility, including any substation or other equipment.

"Electric transmission owner" means an individual or entity who, as of July 1, 2020, owns and maintains an electric transmission line that is required for rate-regulated electric utilities, municipal electric utilities, and rural electric cooperatives in this state to provide electric service to the public for compensation.

"Federally registered planning authority" means any independent system operator or regional transmission organization approved by the Federal Energy Regulatory Commission.

"Incumbent electric transmission owner" means any of the following:

1. A public utility or a municipally owned utility that owns, operates, and maintains an electric transmission line in this state.

2. An electric cooperative corporation or association or municipally owned utility that owns an electric transmission facility in this state and has turned over the functional control of such facility to a federally approved authority.

3. An electric transmission owner.

11.14(3) *Notification of decision of incumbent transmission owner.*

a. Upon approval of an electric transmission line, in a federally registered planning authority transmission plan, which connects to a transmission facility owned by an incumbent transmission line owner, the incumbent electric transmission owner shall notify the commission in writing within 90 days of its intent to construct, own, and maintain the approved electric transmission line.

b. If the incumbent electric transmission owner does not intend to construct, own, or maintain an electric transmission line approved in a federally registered planning authority transmission plan, the incumbent electric transmission owner shall notify the commission in writing within 90 days of the date the federally registered planning authority approves the transmission line.

c. If an electric transmission line approved by a federally registered planning authority connects to two or more incumbent electric transmission owners' facilities, all incumbent electric transmission owners shall notify the commission within 90 days of their intent to construct, own, and maintain the approved electric transmission line individually and equally.

d. In the event where two or more incumbent electric transmission owners may construct an electric transmission line approved by a federally registered planning authority but one incumbent electric transmission owner notifies the commission of its intent not to construct, own, or maintain the approved electric transmission line, the other incumbent electric transmission owner or owners shall notify the commission of their intent to construct the entire project within 90 days of federally registered planning authority's approval of the transmission line.

11.14(4) *Effect of incumbent's decision to decline to construct.* Upon receipt by the commission of notice of the incumbent electric transmission owner's intent not to construct, operate, or maintain the electric transmission line approved by a federally registered planning authority, or the failure of the incumbent electric transmission owner to provide such notice, the commission may issue a franchise to another person to construct the electric transmission line approved by a federally registered planning authority subject to the requirements of Iowa Code chapter 478.

11.14(5) *Reports to the commission.*

a. Within 30 days of the issuance of a franchise, the electric transmission owner who is constructing, owning, and maintaining the electric transmission line approved by a federally registered planning authority shall file with the commission the estimated cost to construct the electric transmission line.

b. Until construction of the electric transmission line approved by a federally registered planning authority is complete, the electric transmission owner who is constructing, owning, and maintaining the electric transmission line approved by a federally registered planning authority shall provide quarterly reports to the commission detailing the estimated cost to construct the electric transmission line approved by a federally registered planning authority. If the estimated cost to construct the electric transmission line approved by a federally registered planning authority changes from the last report, the electric transmission owner who is constructing, owning, and maintaining the electric transmission line approved by a federally registered planning authority shall provide an explanation as to the change.

11.14(6) *Compliance with commission rules.* Nothing in this rule shall modify or alter any other requirements established in this chapter of the commission's rules.

[**ARC 6266C**, IAB 4/6/22, effective 5/11/22; Editorial change: IAC Supplement 7/24/24]

These rules are intended to implement Iowa Code chapter 478.

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[Editorial change: IAC Supplement 7/24/24]

[1] September 2, 2020, effective date of Chapter 11 [ARC 5121C] delayed 70 days by the Administrative Rules Review Committee at its meeting held August 11, 2020.

CHAPTER 12
INTERSTATE NATURAL GAS PIPELINES AND UNDERGROUND STORAGE

Rescinded **ARC 7636C**, IAB 2/21/24, effective 3/27/24

CHAPTER 13
HAZARDOUS LIQUID PIPELINES AND UNDERGROUND STORAGE

199—13.1(479B) General information.

13.1(1) *Purpose and authority.* The purpose of this chapter is to implement the requirements of Iowa Code chapter 479B to establish procedures and filing requirements for a permit to construct, maintain, and operate an interstate hazardous liquid pipeline, for an amendment to an existing permit, and for renewal of an existing permit. This chapter also implements the requirements of Iowa Code chapter 479B for permits for underground storage of hazardous liquids. The rules in this chapter relating to hazardous liquid pipelines and underground storage of hazardous liquids are adopted by the Iowa utilities commission pursuant to Iowa Code chapter 479B.

13.1(2) *When a permit is required.* A hazardous liquid pipeline permit shall be required for any hazardous liquid pipeline to be constructed in Iowa, regardless of length or operating pressure of the pipeline.

13.1(3) *Definitions.* Words and terms not otherwise defined in this chapter shall be understood to have their usual meaning. For the administration and interpretation of this chapter, the following words and terms shall have the following meanings:

"Affected person" means any person with a legal right or interest in the property, including but not limited to a landowner, a contract purchaser of record, a person possessing the property under a lease, a record lienholder, and a record encumbrancer of the property.

"Amendment of permit" means changes to the pipeline permit or pipeline that require the filing of a petition to amend an existing pipeline permit as described in rule 199—13.9(479B).

"Approximate right angle" means within 5 degrees of a 90-degree angle.

"CFR" means the Code of Federal Regulations, which contains the general administrative rules adopted by federal departments and agencies, in effect as of October 13, 2021, unless a separate effective date is identified in a specific rule.

"Commission" means the utilities commission within the utilities division of the department of commerce.

"County inspector" means a professional engineer licensed under Iowa Code chapter 542B, familiar with agricultural and environmental inspection requirements, who has been employed by a county board of supervisors to do an on-site inspection of a proposed pipeline for compliance with 199—Chapter 9 and Iowa Code chapter 479B.

"Hazardous liquid" means crude oil, refined petroleum products, liquefied petroleum gases, anhydrous ammonia, liquid fertilizers, liquefied carbon dioxide, alcohols, and coal slurries.

"Multiple line crossing" means a point at which a proposed pipeline will either cross over or under an existing pipeline.

"Negotiating" means contact between a pipeline company and a person with authority to negotiate an easement or other interest in land that involves the location, damages, compensation, or other matter that is restricted by Iowa Code section 479B.4(6). Contact for purposes of obtaining addresses and other contact information from a landowner or tenant is not considered negotiation.

"Permit" means a new, amended, or renewal permit issued by the commission.

"Person" means an individual, a corporation, a limited liability company, a government or governmental subdivision or agency, a business trust, an estate, a trust, a partnership or association, or any other legal entity as defined in Iowa Code section 4.1(20).

"Pipeline" means any pipe or pipeline and necessary appurtenances used for the transportation or transmission of any hazardous liquid.

"Pipeline company" means any person engaged in or organized for the purpose of owning, operating, or controlling pipelines for the transportation or transmission of any hazardous liquid or underground storage facilities for the underground storage of any hazardous liquid.

"Underground storage" means storage of hazardous liquid in a subsurface stratum or formation of the earth.

[**ARC 5894C**, IAB 9/8/21, effective 10/13/21; Editorial change: IAC Supplement 7/24/24]

199—13.2(479B) Informational meetings. Informational meetings shall be held for any proposed pipeline project five miles or more in length, including both the current project and future anticipated extensions, and which is to be operated at a pressure in excess of 150 pounds per square inch. A separate informational meeting shall be held in each county in which real property or property rights would be affected.

13.2(1) *Time frame for holding meeting.* Informational meetings shall be held not less than 30 days nor more than two years prior to the filing of the petition for pipeline permit.

13.2(2) *Facilities.* A pipeline company shall be responsible for all negotiations and compensation for a suitable facility to be used for each informational meeting, including but not limited to a building or facility which is in substantial compliance with any applicable requirements of the Americans with Disabilities Act Standards for Accessible Design, including both Title II regulations at 28 CFR part 36, subpart D, and the 2004 Americans with Disabilities Act Accessibility Guidelines at 36 CFR part 1191, appendices B and D (as amended through October 13, 2021), where such a building or facility is reasonably available.

13.2(3) *Location.* The informational meeting location shall be reasonably accessible to all persons who may be affected by the granting of a permit or who have an interest in the proposed pipeline.

13.2(4) *Commission approval.* A pipeline company proposing to schedule an informational meeting shall file a request to schedule the informational meeting and shall include a proposed date and time for the informational meeting, an alternate time and date, and a description of the proposed project and map of the route. The pipeline company shall be notified within ten days of the filing of the request whether the request is approved or alternate times and dates are required. Once a date and time for the informational meeting have been approved, the pipeline company shall file the location of the informational meeting and a copy of the pipeline company's presentation with the commission. The pipeline company shall file a copy of its presentation with the commission 14 days prior to the date the informational meeting is to be held.

13.2(5) *Notices.* Announcement by mailed and published notice of each informational meeting shall be given to persons as listed on the tax assessment rolls as responsible for payment of real estate taxes imposed on the property and those persons in possession of or residing on the property in the corridor in which the pipeline company intends to seek easements.

a. The notice shall include the following:

(1) The name of the pipeline company;

(2) The pipeline company's principal place of business;

(3) The general description and purpose of the proposed project;

(4) The general nature of the right-of-way desired;

(5) The possibility that the right-of-way may be acquired by condemnation if approved by the commission;

(6) A map showing the route of the proposed project;

(7) A description of the process used by the commission in making a decision on whether to approve a permit, including the right to take property by eminent domain;

(8) A statement that an affected landowner and any other affected person with a legal interest in the property, or residing on the property, has the right to be present at the informational meeting and to file objections with the commission;

(9) The following statement: "Persons with disabilities requiring assistive services or devices to observe or participate should contact the commission at (515) 725-7300 in advance of the scheduled date to request accommodations";

(10) Designation of the date, time, and place of the meeting; and

(11) A copy of the statement of damage claims as required by paragraph 13.3(3)*"b."*

b. The pipeline company shall cause a written copy of the meeting notice to be served, by certified United States mail with return receipt requested, on all persons as listed on the tax assessment rolls as responsible for payment of real estate taxes imposed on the property and persons in possession of or residing on the property, whose addresses are known. The certified meeting notice shall be deposited in the United States mail not less than 30 days prior to the date of the meeting.

c. The pipeline company shall cause the meeting notice, including the map, to be published once in a newspaper of general circulation in each county where the pipeline is proposed to be located at least one

week and not more than three weeks prior to the date of the meeting. Publication shall be considered as notice to affected persons listed on the tax assessment rolls as responsible for paying the real estate taxes imposed on the property and persons in possession of or residing on the property whose addresses are not known, provided a good faith effort to obtain the address can be demonstrated by the pipeline company. The map used in the published notice shall clearly delineate the pipeline route.

d. The pipeline company shall file prior to the informational meeting an affidavit that describes the good faith effort the pipeline company undertook to locate the addresses of all affected persons. The affidavit shall be signed by a corporate officer or an attorney representing the pipeline company.

13.2(6) *Personnel.* The pipeline company shall provide qualified personnel to present the following information at the informational meeting:

a. Service requirements and planning which have resulted in the proposed project.

b. When the pipeline will be constructed.

c. In general terms, the elements involved in pipeline construction.

d. In general terms, the rights which the pipeline company will seek to acquire through easements.

e. Procedures to be followed in contacting the affected persons for specific negotiations in acquiring voluntary easements.

f. Methods and factors used in arriving at an offered price for voluntary easements including the range of cash amount for each component.

g. Manner in which voluntary easement payments are made, including discussion of conditional easements, signing fees, and time of payment.

h. Other factors or damages not included in the easement for which compensation is made, including features of interest to affected persons but not limited to computation of amounts and manner of payment.

13.2(7) *Notice to county board of supervisors.* The pipeline company shall send notice of the request for an informational meeting to the county board of supervisors in each county where the proposed pipeline is to be located. The pipeline company shall request from the board of supervisors the name of the county inspector, a professional engineer who shall conduct the on-site inspection required by Iowa Code section 479B.20(2). The pipeline company shall provide the name and contact information of the county inspector to the commission, landowners, and other affected persons at the meeting, if known.

[**ARC 5894C**, IAB 9/8/21, effective 10/13/21; Editorial change: IAC Supplement 7/24/24]

199—13.3(479B) Petition for permit.

13.3(1) A petition for a permit shall be filed with the commission upon the form prescribed and shall include all required exhibits. The petition shall be considered filed with the commission on the date accepted by the commission's electronic filing system as provided for in 199—Chapter 14. The petition shall be attested to by an officer, official, or attorney with authority to represent the pipeline company. Required exhibits shall be in the following form:

a. Exhibit A. A legal description showing, at minimum:

(1) The beginning and ending points of the proposed pipeline.

(2) The general direction of the proposed route through each quarter section of land to be crossed, including township and range.

(3) Whether the proposed pipeline will be located on private or public property, public highway, or railroad right-of-way.

(4) Other pertinent information.

(5) When the route is in or adjacent to the right-of-way of a named road or a railroad, the exhibit shall specifically identify the road or railroad by name.

b. Exhibit B. Maps showing the proposed routing of the pipeline. The maps may be to any scale appropriate for the level of detail to be shown, but not smaller than one inch to the mile, and shall be legible when printed on paper no larger than 11 by 17 inches. Maps based on satellite imagery are preferred. An additional map of the entire route, if the route is located in more than one county or there is more than one map for a county, shall be filed in this exhibit on paper no larger than 11 by 17 inches without regard to scale. The pipeline company shall also provide the commission with a KMZ file showing the proposed route of the pipeline. Data files necessary to provide mapping of the route through the use of a

geographic information system application shall be provided upon the request of the commission. The following minimum information shall be provided on the maps:

(1) The route of the pipeline which is the subject of the petition, including the starting and ending points, and when paralleling a road or railroad, which side the pipeline is on. Multiple pipelines on the same right-of-way shall be indicated, and the distance between paralleling pipelines shall be shown.

(2) The name of the county, county lines, section lines, section numbers, township numbers, and range numbers.

(3) The location and identity of adjacent or crossed public roads, railroads, named streams or bodies of water, and other pertinent natural or man-made features influencing the route.

(4) The name and corporate limits of cities and the name and boundaries of any public lands or parks.

(5) Other pipelines and the identity of the owner.

(6) Any buildings or places of public assembly within six tenths of a mile of the pipeline.

c. Exhibit C. A showing of engineering specifications covering the engineering features, materials and manner of construction of the proposed pipeline; its approximate length, diameter and the name and location of each railroad and primary highway and the number of secondary highways to be crossed, if any; and such other information as may be deemed pertinent on forms prescribed by the commission, which are located on the commission's website. In addition, the maximum and normal operating pressure and maximum capacity of the proposed pipeline shall be provided.

d. Exhibit D. Satisfactory proof of solvency and financial ability to pay damages in the sum of $250,000 or more; or surety bond satisfactory to the commission in the penal sum of $250,000 with surety approved by the commission, conditioned that the pipeline company will pay any and all damages legally recovered against the pipeline company growing out of the construction and operation of its pipeline or hazardous liquid storage facilities in the state of Iowa; security satisfactory to the commission as a guarantee for the payment of damages in the sum of $250,000; or satisfactory proofs that the company has property subject to execution within this state, other than pipelines, of a value in excess of $250,000. The commission may require additional surety or insurance policies to ensure the payment of damages resulting from the construction and operation of a hazardous liquid pipeline in a county.

e. Exhibit E.

(1) Consent or documentation of appropriate public highway authorities, or railroad companies, where the pipeline will be placed longitudinally on, over or under, or at other than an approximate right angle to railroad tracks or highway, when consent is obtained prior to filing of the petition, shall be filed with the petition.

(2) If any consent is not obtained at the time the petition is filed, the pipeline company shall file a statement that it will obtain all necessary consents or file other documentation of the right to commence construction prior to commencement of construction of the pipeline. A pipeline company may request commission approval to begin construction on a segment of a pipeline prior to obtaining all necessary consents for construction of the entire pipeline.

(3) Whether there are permits that will be required from other state agencies for construction of the pipeline and, if so, a description of the permit required and whether the permit has been obtained shall be included.

(4) Whether there are permits from federal agencies that will be required for construction of the pipeline and, if so, a description of the permit required and whether the permit has been obtained shall be included.

f. Exhibit F. This exhibit shall contain the following information:

(1) A statement of the purpose of the project and a description of how the services rendered by the pipeline will promote the public convenience and necessity.

(2) A general statement covering each of the following topics:

1. The nature of the lands, waters, and public or private facilities to be crossed;

2. The possible use of alternative routes;

3. The relationship of the proposed pipeline to present and future land use and zoning ordinances; and

4. The inconvenience or undue injury which may result to property owners as a result of the proposed project.

(3) For an existing pipeline, the year of original construction and a description of any amendments or reportable changes since the permit or latest renewal permit was issued.

g. Exhibit G. If informational meetings were required, an affidavit that the meetings were held in each county affected by the proposed project and the time and place of each meeting. Copies of the mailed notice letter, the corridor map, and the published notice(s) of the informational meeting shall be attached to the affidavit.

h. Exhibit H. This exhibit is required only if the petition requests the right of eminent domain. The extent of the eminent domain request may be uncertain at the time the petition is filed. However, the exhibit must be in final form before a hearing is scheduled. The exhibit shall consist of a map of the route showing the location of each property for which the right of eminent domain is sought and the following information for each property:

(1) The legal description of the property.

(2) The legal description of the desired easement.

(3) A specific description of the easement rights being sought.

(4) The names and addresses of all affected persons for the property over which eminent domain is requested based upon a good faith effort to identify all affected persons.

(5) A map drawn to an appropriate scale showing the boundaries of the property, the boundaries and dimensions of the proposed easement, the location of pipelines or pipeline facilities within the proposed easement, the location of and distance to any building within 300 feet of the proposed pipeline, and any other features pertinent to the location of the pipeline to the rights being sought.

(6) An overview map showing the location of the property over which eminent domain is requested, with the property identified as required by 199—Chapter 9.

(7) An updated KMZ file required by paragraph 13.3(1)*"b"* to show the locations of the property over which the pipeline company is seeking eminent domain.

i. Exhibit I. If pipeline construction on agricultural land as defined in 199—subrule 9.1(3) is proposed, a land restoration plan shall be prepared and filed as provided for in rule 199—9.2(479,479B). The name and contact information of each county inspector designated by county boards of supervisors pursuant to Iowa Code section 479B.20(2) shall be included in the land restoration plan, when known.

j. Underground storage. If permission is sought to construct, maintain, and operate facilities for underground storage of hazardous liquid, the petition shall include the following information, in addition to that stated above:

(1) A description of the public or private highways, grounds and waters, streams, and private lands of any kind under which the storage is proposed, together with a map.

(2) Maps showing the location of proposed machinery, appliances, fixtures, wells, and stations necessary for the construction, maintenance, and operation of the facilities.

k. Exhibit K. The pipeline company shall file additional information as follows:

(1) An affidavit describing the good faith effort the company has undertaken to identify all affected persons in the property for all parcels over which the pipeline is proposed to be located before easements were signed or eminent domain requested. The affidavit shall be signed by an attorney representing the pipeline company.

(2) Whether any private easements will be required for the proposed pipeline and, if a private easement will be required, when the easement negotiations will be completed and whether all affected persons associated with the property have been notified.

(3) Whether there are permits that will be required from other state agencies for the construction of the pipeline and, if so, a description of the permit required and whether the permit has been obtained.

(4) Whether there are permits from federal agencies that will be required for construction of the pipeline and, if so, a description of the permit required and whether the permit has been obtained.

(5) Whether there are any agreements or additional facilities that need to be constructed to transport or receive hazardous liquids.

(6) Projected date when construction of the pipeline will begin.

l. Exhibit L. Other exhibits. The commission may require filing of additional exhibits if further information on a particular project is deemed necessary.

13.3(2) Construction on an existing easement.

a. Petitions proposing new pipeline construction on an existing easement where the pipeline company has previously constructed a pipeline shall include a statement indicating whether any unresolved damage claims remain from the previous pipeline construction and, if so, shall include the name of each landowner or tenant, a legal description of the property involved, and the status of proceedings to settle the claim.

b. A petition for permit proposing a new pipeline construction on an existing easement where the pipeline company has previously constructed a pipeline shall not be acted upon by the commission if a damage claim from the installation of the previous pipeline has not been resolved by negotiation, arbitration, or court action. The commission may take action on the petition if the damage claim is under litigation or arbitration.

13.3(3) Statement of damage claims.

a. A petition for permit proposing new pipeline construction shall not be acted upon by the commission if the pipeline company does not file with the commission a written statement in compliance with Iowa Code chapter 479B as to how damages resulting from the construction of the pipeline shall be determined and paid.

b. The statement shall contain the following information: the type of damages which will be compensated, how the amount of damages will be determined, the procedures by which disputes may be resolved, the manner of payment, and the procedures that the affected person is required to follow to obtain a determination of damages by a county compensation commission.

c. The statement shall be amended as necessary to reflect changes in the law, company policy, or the needs of a specific project.

d. A copy of this statement shall be mailed with the notice of informational meeting as provided for in Iowa Code section 479B.4. If no informational meeting is required, a copy shall be provided to each affected person prior to entering into negotiations for payment of damages.

e. Nothing in this rule shall prevent a person from negotiating with the pipeline company for terms which are different, more specific, or in addition to the statement filed with the commission.

13.3(4) Negotiation of easements. The pipeline company is not prohibited from responding to inquiries concerning existing easements or from requesting and collecting tenant and affected person information, provided that the pipeline company is not "negotiating" as defined at subrule 13.1(3).

[**ARC 5894C**, IAB 9/8/21, effective 10/13/21; Editorial change: IAC Supplement 7/24/24]

199—13.4(479B) Notice of hearing.

13.4(1) When a petition for permit is filed with the commission, the petition shall be reviewed by commission staff for compliance with applicable laws. Once commission staff has completed the review and filed a report regarding the proposed pipeline and petition, the petition shall be set for hearing. This subrule does not apply to renewal petitions filed pursuant to rule 199—13.8(479B) which do not require a hearing.

13.4(2) The pipeline company shall be furnished copies of the official notice of hearing, which the pipeline company shall cause to be published once each week for two consecutive weeks in a newspaper of general circulation in each county in or through which construction is proposed. The second publication shall be not less than 10 and no more than 30 days prior to the date of the hearing. Proof of publication shall be filed prior to the hearing.

13.4(3) The published notice shall include a map showing either the pipeline route or the area affected by underground hazardous liquid storage, or a telephone number and an address through which interested persons may obtain a copy of a map from the pipeline company at no charge. If a map other than that filed as Exhibit B will be published or provided, a copy shall be filed with the petition.

13.4(4) If a petition for permit seeks the right of eminent domain, the pipeline company shall, in addition to the published notice of hearing, serve a copy of the notice of hearing on the landowners and any affected person with an interest in the property over which eminent domain is sought. A copy of the Exhibit H filed with the commission for the affected property shall accompany the notice. Service shall be by

certified United States mail, return receipt requested, addressed to the person's last-known address, and this notice shall be mailed no later than the first day of publication of the official notice of hearing on the petition. Not less than five days prior to the date of the hearing, the pipeline company shall file with the commission a certificate of service showing all persons and addresses to which notice was sent by certified mail, the date of the mailing, and an affidavit that all affected persons were served.

13.4(5) If a petition does not seek the right of eminent domain, but all required interests in private property have not yet been obtained at the time the petition is filed, a copy of the notice of hearing shall be served upon any affected person with interests in the property. Service shall be by ordinary mail, addressed to the last-known address, and mailed no later than the first day of publication of the official notice. A copy of each letter of notification, or one copy of the letter accompanied by a written statement listing all persons to whom the notice was mailed, the date of mailing, and an affidavit that all affected persons were served, shall be filed with the commission not less than five days prior to the hearing.

[**ARC 5894C**, IAB 9/8/21, effective 10/13/21; Editorial change: IAC Supplement 7/24/24]

199—13.5(479B) Objections. Any person whose rights or interests may be affected by a proposed pipeline or underground storage facility may file a written objection with the commission. Written objections shall be filed with the commission not less than five days prior to date of hearing. The commission may, for good cause shown, permit filing of objections less than five days prior to hearing, but in such event the pipeline company shall be granted a reasonable time to respond to a late-filed objection.

[**ARC 5894C**, IAB 9/8/21, effective 10/13/21; Editorial change: IAC Supplement 7/24/24]

199—13.6(479B) Hearing. A petition for a pipeline permit, or amendment to a pipeline permit, shall be scheduled for hearing not less than 10 nor more than 30 days from the date of last publication of the notice of hearing.

13.6(1) Representation of a pipeline company at a pipeline permit hearing shall comply with the requirements of 199—subrule 7.4(8).

13.6(2) The commission or presiding officer may schedule a prehearing conference to consider a procedural schedule for the petition and a hearing date.

13.6(3) One or more petitions may be consolidated for hearing.

13.6(4) Hearings shall be scheduled and held in the office of the commission or at any other place within the state of Iowa as the commission may designate pursuant to Iowa Code section 479B.6. Requests for conducting a hearing or taking testimony by telephone or electronic means may be approved by the commission or presiding officer.

13.6(5) The hearing requirements in this rule also apply to petitions for hazardous liquid underground storage permits and amendments to hazardous liquid underground storage permits.

[**ARC 5894C**, IAB 9/8/21, effective 10/13/21; Editorial change: IAC Supplement 7/24/24]

199—13.7(479B) Pipeline permit.

13.7(1) A pipeline permit shall be issued once an order granting the permit is final and the compliance requirements have been met. A pipeline company may request commission approval to delay obtaining consent to cross railroad right-of-way until after the pipeline permit is issued.

13.7(2) The issuance of the permit authorizes construction on the route or location as approved by the commission, subject to deviation within the permanent route easement right-of-way. If a deviation outside the permanent route easement right-of-way becomes necessary, construction of the line in that location shall be suspended and the pipeline company shall follow the procedures for filing a petition for amendment of a permit, except that the pipeline company need only file Exhibits A, B, E and F, reflecting the proposed deviation. In case of any deviation from the approved permanent route easement, the pipeline company shall secure the necessary easements before construction may commence on the altered route. The right of eminent domain shall not be used to acquire any such easement except as specifically approved by the commission, and a hearing will not be required unless the commission determines a hearing is necessary to complete a review of the petition for amendment.

13.7(3) If the construction of facilities authorized by a permit is not commenced within two years of the date the permit is granted, or within two years after final disposition of judicial review of a permit or of

condemnation proceedings, the permit shall be forfeited, unless the commission grants an extension of the permit filed prior to the expiration of the two-year period.

13.7(4) Upon completion of the proposed construction, maps accurately showing the final routing of the pipeline, in compliance with 199—Chapter 9 and revised Exhibits A, B, and C, shall be filed with the commission.

13.7(5) The commission shall set the term of the permit. The term of the permit may be less than, but shall not exceed, 25 years from the date of issuance.

[**ARC 5894C**, IAB 9/8/21, effective 10/13/21; Editorial change: IAC Supplement 7/24/24]

199—13.8(479B) Renewal permits.

13.8(1) A petition for renewal of an original or previously renewed pipeline permit may be filed at any time subsequent to issuance of the permit and shall be filed at least one year prior to expiration of the permit. This requirement is not applicable to renewal of permits that expire within one year of October 13, 2021. The petition shall be made on the form prescribed by the commission. Instructions for the petition are included as part of the form, and the form is available on the commission's website. The petition shall include the name of the pipeline company requesting renewal of the permit, the pipeline company's principal office and place of business, a description of any amendment or reportable change since the permit or previous renewal permit was issued, and the same exhibits as required for a new permit. The petition shall be considered filed with the commission on the date accepted into the commission's electronic filing system as provided for in 199—Chapter 14. The petition shall be attested to by an officer, official, or attorney with authority to represent the pipeline company.

13.8(2) The procedure for a petition for permit shall be followed with respect to publication of notice, objections, and assessment of costs.

13.8(3) If there are unresolved issues of fact or law, or if an objection is filed within 20 days of the second publication of the published notice, the commission shall set the matter for hearing. If a hearing is not required, and the petition satisfies the requirements of this rule, a renewal permit will be issued upon the filing of the proof of publication as required by rule 199—13.4(479B).

13.8(4) The commission shall set the term of a renewal permit. The term may be less than, but shall not exceed, 25 years from the date of issuance. The same procedure shall be followed in subsequent renewals.

[**ARC 5894C**, IAB 9/8/21, effective 10/13/21; Editorial change: IAC Supplement 7/24/24]

199—13.9(479B) Amendment of permits.

13.9(1) An amendment of a pipeline permit by the commission is required in any of the following circumstances:

a. Construction of an additional pipeline paralleling all or part of an existing pipeline of the pipeline company.

b. Extension of an existing pipeline of the pipeline company outside of the permitted permanent route easement.

c. Relocation or replacement of an existing pipeline of the pipeline company which:

(1) Relocates the pipeline outside of the permitted permanent route easement approved by the commission; or

(2) Involves relocation or replacement requiring new or additional interests in property. If the relocation or replacement is for five miles or more of pipe to be operated in excess of 150 pounds per square inch gauge, an informational meeting, as provided in rule 199—13.2(479B), shall be held.

d. Contiguous extension of an underground storage area of the pipeline company.

e. Modification of any condition or limitation placed on the construction or operation of the pipeline in the final order granting the pipeline permit or previous renewal of the permit.

13.9(2) Petition for amendment.

a. The petition for amendment shall include the docket number and issue date of the permit for which amendment is sought and shall clearly state the purpose of the petition. If the petition is for construction of additional pipeline facilities, or expansion of an underground storage area, the same exhibits as required for a petition for permit shall be attached.

b. The applicable procedures for petition for permit, including hearing, shall be followed. Upon appropriate determination by the commission, an amendment to a permit shall be issued. The amendment shall be subject to the same conditions with respect to commencement of construction within two years and the filing of final routing maps as required for pipeline permits.

[**ARC 5894C**, IAB 9/8/21, effective 10/13/21; Editorial change: IAC Supplement 7/24/24]

199—13.10(479B) Fees and expenses. The pipeline company shall pay the actual unrecovered cost incurred by the commission attributable to the informational meeting, processing, investigation, hearing, inspection related to a petition requesting a pipeline permit, and any other activity of the commission related to a pipeline permit, pursuant to 199—Chapter 17.

[**ARC 5894C**, IAB 9/8/21, effective 10/13/21; Editorial change: IAC Supplement 7/24/24]

199—13.11(479B) Land restoration. Pipelines shall be constructed in compliance with 199—Chapter 9, "Restoration of Agricultural Lands During and After Pipeline Construction."

[**ARC 5894C**, IAB 9/8/21, effective 10/13/21]

199—13.12(479B) Crossings of highways, railroads, and rivers.

13.12(1) Iowa Code chapter 479B gives the commission primary authority over the routing of pipelines. However, highway and railroad authorities and environmental agencies may have a jurisdictional interest in the routing of the pipeline, including requirements that permits or other authorizations be obtained prior to construction for crossings of highway or railroad right-of-way, or rivers or other bodies of water.

13.12(2) Approval of other authorities need not be obtained prior to petitioning the commission for a pipeline permit. The pipeline company shall file with the petition information that shows the pipeline company contacted the other necessary authorities in advance of filing the petition to determine what restrictions or conditions may be placed on the crossing by those authorities and to obtain information on any proposed reconstruction or relocation of existing facilities which may impact the routing of the pipeline. Approvals and any restrictions, conditions, or relocations of existing facilities are required to be filed with the commission prior to the grant of the permit. A pipeline company may request commission approval to begin construction on a segment of a pipeline prior to obtaining all necessary consents for construction of the entire pipeline.

13.12(3) Pipeline routes which include crossings of highway or railroad right-of-way at other than an approximate right angle, or longitudinally on the right-of-way, shall not be constructed unless a showing of consent by the appropriate authority has been provided by the pipeline company as required in paragraph 13.3(1)*"e."*

[**ARC 5894C**, IAB 9/8/21, effective 10/13/21; Editorial change: IAC Supplement 7/24/24]

199—13.13(479B) Reportable changes to pipelines under permit.

13.13(1) A pipeline company shall file prior notice with the commission of any of the following actions affecting a pipeline under permit:

a. Abandonment or removal from service. The pipeline company shall also notify the landowners of the abandonment or removal of the pipeline from service.

b. Pressure test or increase in maximum allowable operating pressure.

c. Replacement of a pipeline or significant portion thereof, not including short repair sections of pipe at least as strong as the original pipe.

13.13(2) The notice shall include the docket and permit numbers of the pipeline, the location involved, a description of the proposed activity, anticipated dates of commencement and completion, revised maps and facility descriptions, where appropriate, and the name and telephone number of a person to contact for additional information.

[**ARC 5894C**, IAB 9/8/21, effective 10/13/21; Editorial change: IAC Supplement 7/24/24]

199—13.14(479B) Sale or transfer of permit.

13.14(1) No permit shall be sold or transferred without written approval of the commission. A petition for approval of the sale or transfer shall be jointly filed by the buyer, or transferee, and the seller, or

transferor, and shall include assurances that the buyer, or transferee, is authorized to transact business in the state of Iowa and is willing and able to construct, operate, and maintain the pipeline in accordance with these rules. If the sale, or transfer, is prior to completion of construction of the pipeline, the buyer, or transferee, shall demonstrate it has the financial ability to pay, for damages associated with construction or operation of the pipeline, up to $250,000 or any other amount the commission determined necessary when granting the permit.

13.14(2) For the purposes of this rule, reassignment of a pipeline permit as part of a name change or a corporate restructuring, with no change in pipeline operating personnel or procedures, is considered a transfer and requires prior commission approval.

[**ARC 5894C**, IAB 9/8/21, effective 10/13/21; Editorial change: IAC Supplement 7/24/24]

199—13.15(479B) Reports to federal agencies.

13.15(1) Upon submission of any incident, annual, or other report to the U.S. Department of Transportation pursuant to 49 CFR Part 195, a pipeline company shall file a copy of the report with the commission. The commission shall also be advised of any telephonic incident report made by the pipeline company. The pipeline company shall notify the commission, as soon as possible, of any incident by emailing the duty officer at dutyofficer@iuc.iowa.gov or, if email is not available, by calling the commission duty officer at (515)745-2332.

13.15(2) Pipeline companies operating in other states shall provide to the commission data for Iowa only.

[**ARC 5894C**, IAB 9/8/21, effective 10/13/21; Editorial change: IAC Supplement 7/24/24]

199—13.16(479B) Termination of petition for pipeline permit proceedings. If a pipeline company fails to correct an identified deficiency within six months after written notification by the commission, or after such shorter period as the commission may specify in the written notification, to cure an incomplete or deficient permit petition, or a pipeline company fails to publish the official notice within 90 days after the official notice is provided by the commission, the commission may dismiss the petition.

[**ARC 5894C**, IAB 9/8/21, effective 10/13/21; Editorial change: IAC Supplement 7/24/24]

These rules are intended to implement Iowa Code chapter 479B.

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[Editorial change: IAC Supplement 7/24/24]

CHAPTER 14
ELECTRONIC FILING

199—14.1(17A,476) Purpose. The purpose of these rules is to establish an electronic filing requirement, to identify exceptions to the electronic filing requirement, and to specify procedures regarding electronic filing and service of documents filed with or issued by the commission.
[**ARC 8256C**, IAB 10/16/24, effective 11/20/24]

199—14.2(17A,476) Scope and applicability of electronic filing requirement. Electronic filing is mandatory, unless specifically excepted by these rules or the commission. The commission will accept filings electronically pursuant to the rules in this chapter and the commission's published standards for electronic information, available on the commission's website (iuc.iowa.gov) or from the commission's customer service bureau, or as delineated in the commission order or other official statement requiring those filings.
[**ARC 8256C**, IAB 10/16/24, effective 11/20/24]

199—14.3(17A,476) Definitions. Except where otherwise specifically defined by law:

"Accepted for filing" ordinarily means a filing will be published in the commission's electronic filing system. Certain documents will be accepted for filing without being published in the commission's electronic filing system. A filing that has been accepted for filing can be rejected if found not to comply with a commission rule or order.

"Electronic filing" means the process of transmitting a document or collection of documents via the Internet to the commission's electronic filing system for the purpose of submitting the document for commission consideration.

"Electronic filing system" or *"EFS"* means the system used by the commission's customer service bureau to accept and publish documents filed electronically, and that allows the public and parties to view most documents filed with or issued by the commission.

"Guest user" means a person who uses EFS without a user ID and password. Guest users are able to view and file documents via EFS.

"Publish" means to make a document available for public viewing or download by uploading it to EFS.

"Registered user" means a person who has complied with the commission's requirements in rule 199—14.6(17A,476) to obtain a user ID and password in order to submit filings for the commission's consideration through EFS.
[**ARC 8256C**, IAB 10/16/24, effective 11/20/24]

199—14.4(17A,476) Exceptions. The following types of filings are not subject to the electronic filing requirement:

14.4(1) Filings made by any person who has been excused from the requirement by commission order granting a request for permission to file paper documents. Upon request, the commission may issue an order granting permission to file paper documents and specifying the number of paper copies to be filed.

14.4(2) Informal consumer complaints. Consumers may submit complaints electronically by using the online complaint form available on the commission's website or by email; on paper by mail or facsimile; or by personally delivering the written complaint to the commission's customer service bureau. Informal consumer complaint files are available for public inspection from the commission's customer service bureau. An informal complaint file will be made available for public viewing in EFS, to the extent reasonable.

14.4(3) Written objections to applications for electric transmission line franchises, pipeline permits, or hazardous liquid pipeline permits. Written objections in these cases may be submitted through EFS or may be submitted on the commission's website, by email, by post, or in person. Electronic filing of objections is preferred. A suggested objection form is available on the commission's website.

14.4(4) Comments from persons in any other proceeding in which comments from the public are permitted. Persons may submit comments through EFS pursuant to these rules, by using any applicable

online comment form available on the commission's website, by email, or by letter. Comments from persons will ordinarily be published in EFS.
[**ARC 8256C**, IAB 10/16/24, effective 11/20/24]

199—14.5(17A,476) Electronic filing procedures and formats. Electronic documents shall be filed in accordance with the following procedures and formats:

14.5(1) Persons who make infrequent filings with the commission may file as a guest user. Persons who make regular filings with the commission may register to obtain a user ID and password pursuant to registration procedures specified in rule 199—14.6(17A,476). The commission may direct an infrequent filer to become a registered user.

14.5(2) Electronic filings are made by uploading a document or collection of documents into EFS. Emailing a document to the commission does not constitute filing the document.

14.5(3) A filer should provide all necessary information when electronically filing a document.

14.5(4) Electronically filed documents are to be named in a way that accurately describes the contents of each document.

14.5(5) All documents are to be formatted in accordance with the commission's standards for electronic information, which are available on the commission's website or from the commission's customer service bureau.

14.5(6) Any text-based document that has been scanned for electronic filing should be full-text searchable to the extent that is reasonably possible.

14.5(7) Spreadsheets and databases included in filings shall include all cell formulae and cell references. Spreadsheets with macros will not be accepted. Where a filer requests confidential treatment of cell formulae and cell references or any other information included in a spreadsheet or database, the filer may file a request for confidential treatment and two versions of the document: a public version of the document with the cell formulae deactivated and other confidential information redacted and a version not for publication containing live formulae and the information for which confidential treatment is requested.

14.5(8) Hyperlinks and other navigational aids may be included in an electronically filed document. Each hyperlink should contain a text reference to the target of the link. Although hyperlinks may be included in a document as an aid to the reader, the material referred to by the hyperlinks is not considered part of the official record or filing unless the referenced material itself is filed (e.g., hyperlinking a document previously filed in EFS). Hyperlinks to cited authority do not replace standard citation format for constitutional citations, statutes, cases, rules, or other similarly cited materials.

14.5(9) EFS will display an "Upload Complete" notice when the upload of the filing is completed. If the "Upload Complete—Filing Submitted" notice does not appear, the filer may contact the commission's customer service bureau during regular business hours to determine the status of the filing.

14.5(10) After reviewing the filing, the commission's customer service bureau will either accept or reject the filing. If the filing is accepted, the document (if not confidential) will be published in EFS, and an electronic file stamp indicating the docket number(s) and date of filing will be added to the published document. A Notice of Electronic Filing containing a link to the filing will be sent by email to the filer and to all parties identified on the service list as able to receive electronic service. From the link, the recipient of the notice can view the filing. Where a document is accompanied by a request for confidential treatment, the filing will include the public version of the document, in which information identified as confidential has been redacted. Where a filing consists only of a confidential document, such as a response to a commission survey or other inquiry, that the commission has deemed confidential pursuant to an order requiring the response, the document will not be published. Acceptance of a document for filing is not a final determination that the document complies with all commission requirements and is not a waiver of such requirements. If a filing is rejected, a Notice of Rejection explaining why the filing has been rejected will be sent by email to the filer, or the filer will be contacted by other appropriate means.

14.5(11) Errors. If a filer discovers an error in the electronic filing or publishing of a document, the filer should contact the commission's customer service bureau as soon as possible. The customer service bureau will review the situation and advise the filing party how the error will be addressed by the customer service bureau and what further action by the filer may be necessary, including a revised filing with the commission. Ordinarily, any modification to an EFS filing will require a revised filing in EFS. If errors in

the filing or publishing of a document are discovered by the commission's customer service bureau, commission staff will ordinarily notify the filer of the error and advise the filer of what further action, if any, is necessary to address the error.

14.5(12) Electronic documents and the hearing process. Any prefiled testimony or exhibit that is altered or corrected at the hearing in any way and admitted into evidence, and any paper documents that are newly admitted into evidence as exhibits at the hearing, must be electronically filed at the earliest opportunity but no later than three business days after the material is admitted into evidence.

[**ARC 8256C**, IAB 10/16/24, effective 11/20/24]

199—14.6(17A,476) Registration. A person may become a registered user by completing the registration form, which is available on the commission's website, and obtaining a user ID and password. If a user believes the security of an existing password has been compromised, the user should change the password immediately and may contact the commission's customer service bureau.

[**ARC 8256C**, IAB 10/16/24, effective 11/20/24]

199—14.7(17A,476) Electronic record. The official agency record in any proceeding is the electronic record maintained in EFS and any paper filings accepted by the commission that are not stored in electronic form.

[**ARC 8256C**, IAB 10/16/24, effective 11/20/24]

199—14.8(17A,476) Maps, plan and profile drawings, and other oversized documents. Any map, plan and profile drawing, or oversized document that is to be filed with the commission should be electronically filed as a PDF (Portable Document Format) or such electronic format as designated by the commission. If the map, drawing, or oversized document cannot be printed on 11- by 17-inch or smaller-sized paper in legible and usable form, as determined by the commission, the original and four paper copies of each map, drawing, or other document filed pursuant to this rule should also be filed unless more copies are directed by commission order or request. Maps and other documents should be drawn to a scale appropriate for the level of detail to be shown. However, if the map, drawing, or other document is not electronically filed, then the number of paper copies filed is governed by other applicable rules, including the "hearings" rule in 199—Chapter 7, which concerns the required number of copies for evidence introduced at hearing, and 199—Chapter 26, which contains additional requirements regarding the number of paper copies of minimum filing requirements required to be filed in rate and tariff proceedings.

[**ARC 8256C**, IAB 10/16/24, effective 11/20/24]

199—14.9(17A,476) When electronic filings can be made; official filing date. Unless otherwise ordered, an electronic filing can be made at any time outside of any maintenance periods during which the system will not be available. The Notice of Electronic Filing generated when the document is accepted for filing will record the date of the filing of the document, which will be the official filing date of the document. Documents uploaded into EFS by 3:30 p.m. central time on a business day, if accepted for filing, will be considered filed on that day. Documents uploaded into EFS after 3:30 p.m. central time on a business day or at any time on a nonbusiness day may, if accepted, be considered filed on the next business day.

[**ARC 8256C**, IAB 10/16/24, effective 11/20/24]

199—14.10(17A,476) EFS unavailability; technical difficulties. Scheduled EFS maintenance and unscheduled EFS outages that are expected to last more than 30 minutes will be posted on the commission's website. It is the responsibility of the filer to ensure that a document is timely filed to comply with jurisdictional deadlines. A technical failure of EFS, the filer's own computer equipment, or any other part of the filing system will not excuse the filer from compliance with a jurisdictional filing deadline. If a filer is not able to meet a nonjurisdictional deadline because of a technical failure, the filer should, by the earliest available conventional or electronic means, file the document and seek appropriate relief from the commission.

[**ARC 8256C**, IAB 10/16/24, effective 11/20/24]

199—14.11(17A,476) Documents containing confidential material. Confidential documents will not be published in EFS. When filing a document containing confidential information, a person shall file one public version of the document with the confidential information redacted according to the commission's standards for electronic information and one version of the document containing the confidential information. The two versions of the document should be named according to the following convention: "Document Title—Public" and "Document Title—Confidential." It is the responsibility of the person submitting a public version of the electronic document to take appropriate measures to ensure that any embedded information for which confidential treatment is sought is nonviewable, nonsearchable, and nonreversible. Each page of the confidential version of the document shall be marked in a way that identifies it as belonging to the confidential version of the document. The confidential material itself is to be highlighted or otherwise distinguished on the page to identify what specific information is confidential. A filing including a document the filer asserts contains confidential information is also to include a separate document containing the request for confidential treatment pursuant to 199—Chapter 1. Documents that the filer asserts contain confidential information will not be electronically served by EFS, as provided in 199—Chapter 14.

[**ARC 8256C**, IAB 10/16/24, effective 11/20/24]

199—14.12(17A,476) Signatures.

14.12(1) *Filings by registered users.* The use of a user ID and password in accordance with the registration procedures specified in rule 199—14.6(17A,476) constitutes the filer's signature. Filers should use "/s/" followed by the signer's name to indicate a signature where applicable. All pleadings shall include a signature block containing the signer's name, title, address, email address, and telephone number.

14.12(2) *Filings by guest users.* The personal information provided to submit a filing as a guest user constitutes the filer's signature. Filers should use "/s/" followed by the signer's name to indicate a signature where applicable. All pleadings should also include a signature block containing the signer's name, title, address, email address, and telephone number.

[**ARC 8256C**, IAB 10/16/24, effective 11/20/24]

199—14.13(17A,476) Original documents. When a commission rule directs the filing of an original document not prepared by the filer or the party on whose behalf the document is filed, such as an invoice or other document, the filer should scan the original document and file the scanned document in EFS or request advance commission approval of other arrangements. The filer must retain the original document for a period of two years or until the conclusion of the proceeding or the conclusion of an appeal, whichever is greater.

[**ARC 8256C**, IAB 10/16/24, effective 11/20/24]

199—14.14(17A,476) Electronic service.

14.14(1) *Service on parties able to receive electronic service.* Unless otherwise provided by commission rule or order, whenever a document is filed electronically, a Notice of Electronic Filing will be generated and sent to the filer and to representatives of the other parties who are able to receive electronic service and who are on the service list. This notice will constitute valid service of electronically filed documents and commission orders on parties accepting electronic service. The notice will include a service list providing names, addresses, and email addresses of the persons who were sent the notice. No additional proof or certificate of service is necessary in matters in which all parties are able to receive electronic service. It is the responsibility of the filer to review the notice to ensure that all parties have been provided notice. All parties are responsible for ensuring that their email accounts are monitored regularly and that email notices sent to the account are opened in a timely manner.

14.14(2) *Service on parties for whom electronic service is not available.* The service list in each proceeding will be available in EFS. The list will identify the representatives for each party and will also indicate the parties for whom electronic service is not available. A filer is to serve a paper copy of any electronically filed document on parties entitled to paper service under the "general information" rule in 199—Chapter 7 unless the parties agree to other arrangements. The date of service is the day when the document served is deposited in the United States mail or overnight delivery, is delivered in person, or

otherwise as the parties may agree. A party serving a paper copy of any electronically filed document on a person for whom electronic service is not available is to file a certificate of service stating the manner in which service on such person was accomplished.

14.14(3) *Service of commission-generated documents.* Orders issued by the commission will be electronically filed. EFS will electronically transmit notice of posting of orders to all parties on the service list that are able to receive electronic service. This notice will constitute valid service of the order. The commission's customer service bureau will mail paper copies of orders to parties who are not able to receive electronic service and to others as ordered.

14.14(4) *Exceptions.* Electronic service through EFS to parties other than the consumer advocate division of the department of justice is not to be used to serve a document that:

a. The filer asserts contains confidential material, or

b. Initiates a proceeding, such as a complaint or application, except for orders opening inquiries, investigations, or rulemaking proceedings, or other similar proceedings where the commission has an electronic service list on file.

14.14(5) *Changes to service list.* Filers wishing to change information on the service list may contact the commission's customer service bureau. Other changes to the service list, such as a withdrawal of appearance or substitution of counsel, may be requested by means of an appropriate filing.

[**ARC 8256C**, IAB 10/16/24, effective 11/20/24]

These rules are intended to implement Iowa Code sections 17A.4 and 476.2.

[Filed 10/31/08, Notice 4/9/08—published 11/19/08, effective 12/24/08]

[Filed ARC 8256C (Notice ARC 8106C, IAB 7/10/24), IAB 10/16/24, effective 11/20/24]

CHAPTER 15
COGENERATION AND SMALL POWER PRODUCTION

[Ch 15 renumbered as Ch 7,10/20/75]
[Prior to 10/8/86, Commerce Commission[250]]

199—15.1(476) Definitions. Terms defined in the Public Utility Regulatory Policies Act of 1978 (PURPA), 16 U.S.C. 2601, et seq., shall have the same meaning for purposes of these rules as they have under PURPA, unless further defined in this chapter.

"AEP facility" means any of the following: (1) an electric production facility which derives 75 percent or more of its energy input from solar energy, wind, waste management, resource recovery, refuse-derived fuel, agricultural crops or residues, or wood burning; (2) a hydroelectric facility at a dam; (3) land, systems, buildings, or improvements that are located at the project site and are necessary or convenient to the construction, completion, or operation of the facility; or (4) transmission or distribution facilities necessary to conduct the energy produced by the facility to the purchasing utility.

"Alternate energy purchase (AEP) program" means a utility program that allows customers to contribute voluntarily to the development of alternate energy in Iowa.

"Avoided costs" means the incremental costs to an electric utility of electric energy or capacity or both which, but for the purchase from the qualifying facility or qualifying facilities, such utility would generate itself or purchase from another source.

"Backup power" means electric energy or capacity supplied by an electric utility to qualifying facilities and AEP facilities to replace energy ordinarily generated by a facility's own generation equipment during an unscheduled outage of the facility.

"Commission" means the Iowa utilities commission.

"Disconnection device" means a lockable visual disconnect or other disconnection device capable of isolating, disconnecting, and de-energizing the residual voltage in a distributed generation facility.

"Distributed generation facility" means a qualifying facility, an AEP facility, or an energy storage facility.

"Electric meter" means a device used by an electric utility that measures and registers the integral of an electrical quantity with respect to time.

"Interconnection costs" means the reasonable costs of connection, switching, metering, transmission, distribution, safety provisions and administrative costs incurred by the electric utility directly related to the installation and maintenance of the physical facilities necessary to permit interconnected operations with qualifying facilities and AEP facilities, to the extent the costs are in excess of the corresponding costs which the electric utility would have incurred if it had not engaged in interconnected operations, but instead generated an equivalent amount of electric energy itself or purchased an equivalent amount of electric energy or capacity from other sources. Interconnection costs do not include any costs included in the calculation of avoided costs.

"Interruptible power" means electric energy or capacity supplied by an electric utility subject to interruption by the electric utility under specified conditions.

"Maintenance power" means electric energy or capacity supplied by an electric utility during scheduled outages of qualifying facilities and AEP facilities.

"Purchase" means the purchase of electric energy or capacity or both from qualifying facilities and AEP facilities by an electric utility.

"Qualifying facility" means a cogeneration facility or a small power production facility which is a qualifying facility under 18 CFR Part 292, Subpart B.

"Rate" means any price, rate, charge, or classification made, demanded, observed or received with respect to the sale or purchase of electric energy or capacity, or any rule, regulation, or practice respecting any rate, charge, or classification, and any contract pertaining to the sale or purchase of electric energy or capacity.

"Sale" means the sale of electric energy or capacity or both by an electric utility to qualifying facilities and AEP facilities.

"Supplementary power" means electric energy or capacity supplied by an electric utility, regularly used by qualifying facilities and AEP facilities in addition to that which the facility generates itself.

"System emergency" means a condition on a utility's system which is likely to result in imminent significant disruption of service to customers or is imminently likely to endanger life or property.
[**ARC 3694C**, IAB 3/14/18, effective 4/18/18; Editorial change: IAC Supplement 7/24/24]

199—15.2(476) Scope.

15.2(1) *Applicability.*

a. Subrule 15.2(2) and rule 199—15.10(476) of this chapter apply to all electric utilities, all qualifying facilities, and all AEP facilities.

b. Rule 199—15.3(476) of this chapter applies to electric utilities which are subject to rate regulation by the commission.

c. Rules 199—15.4(476) and 199—15.5(476) of this chapter apply to qualifying facilities and electric utilities which are subject to rate regulation by the commission.

d. Rules 199—15.6(476) to 199—15.9(476) of this chapter apply to all qualifying facilities and AEP facilities, and electric utilities which are subject to rate regulation by the commission.

e. Rule 199—15.11(476) of this chapter lists additional requirements that apply to AEP facilities, and electric utilities which are subject to rate regulation by the commission, pursuant to Iowa Code sections 476.41 to 476.45.

15.2(2) *Negotiated rates or terms.* These rules do not:

a. Limit the authority of any electric utility, any qualifying facility, or any AEP facility to agree to a rate for any purchase, or terms or conditions relating to any purchase, which differ from the rate or terms or conditions which would otherwise be required by these rules; or

b. Affect the validity of any contract entered into between an electric utility and a qualifying facility or AEP facility for any purchase.
[Editorial change: IAC Supplement 7/24/24]

199—15.3(476) Information to commission. In addition to the information required to be supplied to the commission under 18 CFR 292.302, all rate-regulated electric utilities shall supply to the commission copies of contracts executed for the purchase or sale, for resale, of energy or capacity. If the purchases or sales are made other than pursuant to the terms of a written contract, then information as to the relevant prices and conditions shall be supplied to the commission. All information required to be supplied under this rule shall be filed with the commission by May 1 and November 1 of each year for all transactions occurring since the last filing was made.
[Editorial change: IAC Supplement 7/24/24]

199—15.4(476) Rate-regulated electric utility obligations under this chapter regarding qualifying facilities. For purposes of this rule, "electric utility" means a rate-regulated electric utility.

15.4(1) *Obligation to purchase from qualifying facilities.* Each electric utility shall purchase, in accordance with these rules, any energy and capacity which is made available from a qualifying facility:

a. Directly to the electric utility; or

b. Indirectly to the electric utility in accordance with subrule 15.4(4).

15.4(2) *Obligation to sell to qualifying facilities.* Each electric utility shall sell to any qualifying facility, in accordance with these rules and the other requirements of law, any energy and capacity requested by the qualifying facility.

15.4(3) *Obligation to interconnect.* Any electric utility shall make the interconnections with any qualifying facility as may be necessary to accomplish purchases or sales under these rules. The obligation to pay for any interconnection costs shall be determined in accordance with rule 199—15.8(476). However, no electric utility is required to interconnect with any qualifying facility if, solely by reason of purchases or sales over the interconnection, the electric utility would become subject to regulation as a public utility under Part II of the Federal Power Act.

15.4(4) *Transmission to other electric utilities.* If a qualifying facility agrees, an electric utility which would otherwise be obligated to purchase energy or capacity from the qualifying facility may transmit the energy or capacity to any other electric utility. Any electric utility to which the energy or capacity is transmitted shall purchase the energy or capacity under this subpart as if the qualifying facility were

supplying energy or capacity directly to the electric utility. The rate for purchase by the electric utility to which the energy is transmitted shall be adjusted up or down to reflect line losses and shall not include any charges for transmission.

15.4(5) *Parallel operation.* Each electric utility shall offer to operate in parallel with a qualifying facility, provided that the qualifying facility complies with any applicable standards established in accordance with these rules.

199—15.5(476) Rates for purchases from qualifying facilities by rate-regulated electric utilities. For purposes of this rule, "electric utility" or "utility" means a rate-regulated electric utility.

15.5(1) *Rates for purchases.* Rates for purchases shall:

a. Be just and reasonable to the electric consumer of the electric utility and in the public interest; and

b. Not discriminate against qualifying cogeneration and small power production facilities. Nothing in these rules requires any electric utility to pay more than the avoided costs, as set forth in these rules, for purchases.

15.5(2) *Relationship to avoided costs.* For purposes of this subrule, "new capacity" means any purchase from capacity of a qualifying facility, construction of which was commenced on or after November 9, 1978.

A rate for purchases satisfies the requirements of this rule if the rate equals the avoided costs determined after consideration of the factors set forth in subrule 15.5(6); except that a rate for purchases other than from new capacity may be less than the avoided cost if the commission determines that a lower rate is consistent with subrule 15.5(1) and is sufficient to encourage cogeneration and small power production.

Unless the qualifying facility and the utility agree otherwise, rates for purchases shall conform to the requirements of this rule regardless of whether the electric utility making purchases is simultaneously making sales to the qualifying facility.

In the case in which the rates for purchases are based upon estimates of avoided costs over the specific term of the contract or other legally enforceable obligation, the rates for purchases do not violate this rule if the rates for the purchases differ from avoided costs at the time of delivery.

15.5(3) *Standard rates for purchases.* Each electric utility shall file and maintain with the commission tariffs specifying standard rates for purchases from qualifying facilities with a design capacity of 100 kilowatts or less. These tariffs may differentiate between qualifying facilities using various technologies on the basis of the supply characteristics of the different technologies. All utilities shall include a seasonal differential in these rates for purchases to the extent avoided costs vary by season. All utilities shall make available time of day rates for those facilities with a design capacity of 100 kilowatts or less, provided that the qualifying facility shall pay, in addition to the interconnection costs set forth in these rules, all additional costs associated with the time of day metering.

The standard rates set forth in this rule shall indicate what portion of the rate is attributable to payments for the utility's avoided energy costs, and what portion of the rate, if any, is attributable to payments for capacity costs avoided by the utility. If no capacity credit is provided in the standard tariff, a qualifying facility may petition the commission for an allowance of the capacity credit. The petition shall be handled by the commission as a contested case proceeding, and the burden of proof shall be on the qualifying facility to demonstrate that capacity credit is warranted in the case in question.

The commission may require utilities interconnected with qualifying facilities to provide metering and other equipment necessary for the collection test and monitoring of information concerning the time and conditions under which energy and capacity are available from the qualifying facility. The costs of such metering shall be treated by the utility in the same manner as any other research expenditure.

15.5(4) *Other purchases.* Rates for purchases from qualifying facilities with a design capacity of greater than 100 kilowatts shall be determined in contested case proceedings before the commission, unless the rates are otherwise agreed upon by the qualifying facility and the utility involved.

15.5(5) *Purchases "as available" or pursuant to a legally enforceable obligation.* Each qualifying facility shall have the option either:

a. To provide energy as the qualifying facility determines the energy to be available for the purchases, in which case the rates for the purchases shall be based on the purchasing utility's avoided costs calculated at the time of delivery; or

b. To provide energy or capacity pursuant to a legally enforceable obligation for the delivery of energy or capacity over a specified term, in which case the rates for the purchases shall, at the option of the qualifying facility exercised prior to the beginning of the specified term, be based on either: The avoided costs calculated at the time of delivery; or the avoided costs calculated at the time the obligation is incurred.

15.5(6) *Factors affecting rates for purchases.* In determining avoided costs, the following factors shall, to the extent practicable, be taken into account:

a. The prevailing rates for capacity or energy on any interstate power grid with which the utility is interconnected.

b. The incremental energy costs or capacity costs of the utility itself or utilities in the interstate power grid with which the utility is interconnected.

c. The time of day or season during which capacity or energy is available, including:

(1) The ability of the utility to dispatch the qualifying facility;

(2) The expected or demonstrated reliability of the qualifying facility;

(3) The terms of any contract or other legally enforceable obligation, including the duration of the obligation, termination notice requirement and sanctions for noncompliance;

(4) The extent to which scheduled outages of the qualifying facility can be usefully coordinated with scheduled outages of the utility's facilities;

(5) The usefulness of energy and capacity supplied from a qualifying facility during system emergencies, including its ability to separate its load from its generation; and

(6) The individual and aggregate value of energy and capacity from qualifying facilities on the electric utility's system.

d. The costs or savings resulting from variations in line losses from those that would have existed in the absence of purchases from the qualifying facility, if the purchasing electric utility generated an equivalent amount of energy itself.

15.5(7) *Periods during which purchases not required.* Any electric utility will not be required to purchase electric energy or capacity during any period during which, due to operational circumstances, purchases from qualifying facilities will result in costs greater than those which the utility would incur if it did not make the purchases, but instead generated an equivalent amount of energy itself; provided, however, that any electric utility seeking to invoke this subrule must notify each affected qualifying facility within a reasonable amount of time to allow the qualifying facility to cease the delivery of energy or capacity to the electric utility.

a. Any electric utility which fails to comply with the provisions of this subrule will be required to pay the usual rate for the purchase of energy or capacity from the facility.

b. A claim by an electric utility that such a period has occurred or will occur is subject to verification by the commission.

[**ARC 0781C**, IAB 6/12/13, effective 7/17/13; Editorial change: IAC Supplement 7/24/24]

199—15.6(476) Rates for sales to qualifying facilities and AEP facilities by rate-regulated utilities. For purposes of this rule, "utility" means a rate-regulated electric utility. Rates for sales to qualifying facilities and AEP facilities shall be just, reasonable and in the public interest, and shall not discriminate against qualifying facilities and AEP facilities in comparison to rates for sales to other customers with similar load or other cost-related characteristics served by the utility. The rate for sales of backup or maintenance power shall not be based upon an assumption (unless supported by data) that forced outages or other reductions in electric output by all qualifying facilities and AEP facilities will occur simultaneously or during the system peak, or both, and shall take into account the extent to which scheduled outages of qualifying facilities and AEP facilities can be usefully coordinated with scheduled outages of the utility's facilities.

199—15.7(476) Additional services to be provided to qualifying facilities and AEP facilities by rate-regulated electric utilities. For purposes of this rule, "electric utility" or "utility" means a rate-regulated electric utility.

15.7(1) Upon request of qualifying facilities and AEP facilities, each electric utility shall provide supplementary power, backup, maintenance power, and interruptible power. Rates for such service shall meet the requirements of subrule 15.5(6), and shall be in accordance with the terms of the utility's tariff.

The commission may waive this requirement pursuant to rule 199—1.3(17A,474) only after notice in the area served by the utility and an opportunity for public comment. The waiver may be granted if compliance with this rule will:

a. Impair the electric utility's ability to render adequate service to its customers, or

b. Place an undue burden on the electric utility.

15.7(2) Reserved.

[Editorial change: IAC Supplement 7/24/24]

199—15.8(476) Interconnection costs. For purposes of this rule, "utility" means a rate-regulated electric utility.

15.8(1) Qualifying facilities and AEP facilities shall be obligated to pay interconnection costs, as described in 199—Chapter 45.

15.8(2) Reserved.

[**ARC 8859B**, IAB 6/16/10, effective 7/21/10]

199—15.9(476) System emergencies. For purposes of this rule, "electric utility" means a rate-regulated electric utility. Qualifying facilities and AEP facilities shall be required to provide energy or capacity to an electric utility during a system emergency only to the extent:

15.9(1) Provided by agreement between the qualifying facility or AEP facility and the electric utility; or

15.9(2) Ordered under Section 202(c) of the Federal Power Act. During any system emergency, an electric utility may immediately discontinue:

a. Purchases from qualifying facilities and AEP facilities if purchases would contribute to the emergency; and

b. Sales to qualifying facilities and AEP facilities, provided that the discontinuance is on a nondiscriminatory basis.

199—15.10(476) Standards for interconnection, safety, and operating reliability. For purposes of this rule, "electric utility" or "utility" means both rate-regulated and non-rate-regulated electric utilities.

15.10(1) *Acceptable standards.* The interconnection of distributed generation facilities and associated interconnection equipment to an electric utility system shall meet the applicable provisions of the publications listed below:

a. Standard for Interconnecting Distributed Resources with Electric Power Systems, IEEE Standard 1547. For guidance in applying IEEE Standard 1547, the utility may refer to:

(1) IEEE Recommended Practices and Requirements for Harmonic Control in Electrical Power Systems—IEEE Standard 519-2014; and

(2) IEC/TR3 61000-3-7 Assessment of Emission Limits for Fluctuating Loads in MV and HV Power Systems.

b. Iowa Electrical Safety Code, as defined in 199—Chapter 25.

c. National Electrical Code, ANSI/NFPA 70-2014.

15.10(2) *Modifications required.* Rescinded IAB 7/23/03, effective 8/27/03.

15.10(3) *Interconnection facilities.*

a. A distributed generation facility placed in service after July 1, 2015, is required to have installed a disconnection device. The disconnection device shall be installed, owned, and maintained by the owner of the distributed generation facility and shall be easily visible and adjacent to an interconnection customer's electric meter at the facility. Disconnection devices are considered easily visible and adjacent: for a home or business, up to ten feet away from the meter and within the line of sight of the meter, at a height of 30

inches to 72 inches above final grade; or for large areas with multiple buildings that require electric service, up to 30 feet away from the meter and within the line of sight of the meter, at a height of 30 inches to 72 inches above final grade. The disconnection device shall be labeled with a permanently attached sign with clearly visible letters that gives procedures/directions for disconnecting the distributed generation facility.

(1) If an interconnection customer with distributed generation facilities installed prior to July 1, 2015, adds generation capacity to its existing system that does not require upgrades to the electric meter or electrical service, a disconnection device is not required, unless required by the electric utility's tariff. The customer must notify the electric utility before the generation capacity is added to the existing system.

(2) If an interconnection customer with distributed generation facilities installed prior to July 1, 2015, upgrades or changes its electric service, the new or modified electric service must meet all current utility electric service rule requirements.

b. For all distributed generation installations, the customer shall be required to provide and place a permanent placard no more than ten feet away from the electric meter. The placard must be visible from the electric meter. The placard must clearly identify the presence and location of the disconnection device for the distributed generation facilities on the property. The placard must be made of material that is suitable for the environment and must be designed to last for the duration of the anticipated operating life of the distributed generation facility. If no disconnection device is present, the placard shall state "no disconnection device".

If the distributed generation facility is not installed near the electric meter, an additional placard must be placed at the electric meter to provide specific information regarding the distributed generation facility and the disconnection device.

c. The interconnection shall include overcurrent devices on the facility to automatically disconnect the facility at all currents that exceed the full-load current rating of the facility.

d. Distributed generation facilities with a design capacity of 100 kilowatts or less must be equipped with automatic disconnection upon loss of electric utility-supplied voltage.

e. Those facilities that produce a terminal voltage prior to the closure of the interconnection shall be provided with synchronism-check devices to prevent closure of the interconnection under conditions other than a reasonable degree of synchronization between the voltages on each side of the interconnection switch.

15.10(4) *Access.* If a disconnection device is required, the operator of the distributed generation facility, the utility, and emergency personnel shall have access to the disconnection device at all times. For distributed generation facilities installed prior to July 1, 2015, an interconnection customer may elect to provide the utility with access to a disconnection device that is contained in a building or area that may be unoccupied and locked or not otherwise accessible to the utility by installing a lockbox provided by the utility that allows ready access to the disconnection device. The lockbox shall be in a location determined by the utility, in consultation with the customer, to be accessible by the utility. The interconnection customer shall permit the utility to affix a placard in a location of the utility's choosing that provides instructions to utility operating personnel for accessing the disconnection device. If the utility needs to isolate the distributed generation facility, the utility shall not be held liable for any damages resulting from the actions necessary to isolate the generation facility.

15.10(5) *Inspections and testing.* The operator of the distributed generation facility shall adopt a program of inspection and testing of the generator and its appurtenances and the interconnection facilities in order to determine necessity for replacement and repair. Such a program shall include all periodic tests and maintenance prescribed by the manufacturer. If the periodic testing of interconnection-related protective functions is not specified by the manufacturer, periodic testing shall occur at least once every five years. All interconnection-related protective functions shall be periodically tested, and a system that depends upon a battery for trip power shall be checked and logged. The operator shall maintain test reports and shall make them available upon request by the electric utility. Representatives of the utility shall have access at all reasonable hours to the interconnection equipment specified in subrule 15.10(3) for inspection and testing with reasonable prior notice to the applicant.

15.10(6) *Emergency disconnection.* In the event that an electric utility or its customers experience problems of a type that could be caused by the presence of alternating currents or voltages with a frequency

higher than 60 Hertz, the utility shall be permitted to open and lock the interconnection switch pending a complete investigation of the problem. Where the utility believes the condition creates a hazard to the public or to property, the disconnection may be made without prior notice. However, the utility shall notify the operator of the distributed generation facility by written notice and, where possible, verbal notice as soon as practicable after the disconnections.

15.10(7) *Notification.* When the distributed generation facility is placed in service, owners of interconnected distributed generation facilities are required to notify local fire departments via U.S. mail of the location of distributed generation facilities and the associated disconnection device(s). The owner is required to provide any information related to the distributed generation facility as reasonably required by that local fire department including but not limited to:

a. A site map showing property address; service point from utility company; distributed generation facility and disconnect location(s); location of rapid shutdown and battery disconnect(s), if applicable; property owner's or owner's representative's emergency contact information; utility company's emergency telephone number; and size of the distributed generation facility.

b. Information to access the disconnection device.

c. A statement from the owner verifying that the distributed generation facility was installed in accordance with the current state-adopted National Electrical Code.

15.10(8) *Disconnections.* If an interconnection customer fails to comply with the foregoing requirements of this rule, the electric utility may require disconnection of the applicant's distributed generation facility until the facility complies with this rule. The disconnection process shall be specified in individual electric utility tariffs or in the interconnection agreement. If separate disconnection of only the distributed generation facility is not feasible or safe, the customer's electric service may be disconnected as provided in 199—Chapter 20.

15.10(9) *Reconnections.* If a customer's distributed generation facility or electric service is disconnected due to noncompliance with this rule, the customer shall be responsible for payment of any costs associated with reconnection once the facility is in compliance with the rules.

[**ARC 8859B**, IAB 6/16/10, effective 7/21/10; **ARC 1359C**, IAB 3/5/14, effective 4/9/14; **ARC 3694C**, IAB 3/14/18, effective 4/18/18]

199—15.11(476) Additional rate-regulated utility obligations regarding AEP facilities. For purposes of this rule, "MW" means megawatt, "MWH" means megawatt-hour, and "utility" means a rate-regulated electric utility.

15.11(1) *Obligation to purchase from AEP facilities.* Each utility shall purchase, pursuant to contract, its share of at least 105 MW of AEP generating capacity and associated energy production. The utility's share of 105 MW is based on the utility's estimated percentage share of Iowa peak demand, which is based on the utility's highest monthly peak shown in its 1990 FERC Form 1 annual report, and on its related Iowa sales and total company sales and losses shown in its 1990 FERC Form 1 and IE-1 annual reports. Each utility's share of the 105 MW is determined to be as follows:

	Percentage Share of Iowa Peak	Utility Share of 105 MW
Interstate Power and Light	47.43%	49.8 MW
MidAmerican Energy	52.57%	55.2 MW

A utility is not required to purchase from an AEP facility that is not owned or operated by an individual, firm, copartnership, corporation, company, association, joint stock association, city, town, or county that meets both of the following: (1) is not primarily engaged in the business of producing or selling electricity, gas, or useful thermal energy other than electricity, gas, or useful thermal energy sold solely from AEP facilities; and (2) does not sell electricity, gas, or useful thermal energy to residential users other than the tenants or the owner or operator of the facility.

15.11(2) *Purchases pursuant to a legally enforceable obligation.* Each AEP facility shall provide electricity on a best-efforts basis pursuant to a legally enforceable obligation for the delivery of electricity over a specified contract term.

15.11(3) *Annual reporting requirement.* Beginning April 1, 2004, each utility shall file an annual report listing nameplate MW capacity and associated monthly MWH purchased from AEP facilities, itemized by AEP facility.

15.11(4) *Tariff filings.* Rescinded IAB 6/16/10, effective 7/21/10.

15.11(5) *Net metering.* Each utility shall offer to operate in parallel through net metering (with a single meter monitoring only the net amount of electricity sold or purchased) with an AEP facility, provided that the facility complies with any applicable standards established in accordance with these rules.

In the alternative, by choice of the facility, the utility and facility shall operate in a purchase and sale arrangement whereby any electricity provided to the utility by the AEP facility is sold to the utility at the fixed or negotiated buy-back rate, and any electricity provided to the AEP facility by the utility is sold to the facility at the tariffed rate.

[**ARC 8859B**, IAB 6/16/10, effective 7/21/10]

199—15.12(476) Rates for purchases from qualifying alternate energy and small hydro facilities by rate-regulated electric utilities. Rescinded IAB 7/23/03, effective 8/27/03.

199—15.13(476) Rates for sales to qualifying alternate energy production and small hydro facilities by rate-regulated utilities. Rescinded IAB 7/23/03, effective 8/27/03.

199—15.14(476) Additional services to be provided to qualifying alternate energy production and small hydro facilities. Rescinded IAB 7/23/03, effective 8/27/03.

199—15.15(476) Interconnection costs. Rescinded IAB 7/23/03, effective 8/27/03.

199—15.16(476) System emergencies. Rescinded IAB 7/23/03, effective 8/27/03.

These rules are intended to implement Iowa Code sections 476.1, 476.8, 476.41 to 476.45, and 546.7, Section 210 of the Public Utility Regulatory Policies Act of 1978, and 18 CFR Part 292.

199—15.17(476) Alternate energy purchase programs.

Any consumer-owned utility, including any electric cooperative corporation or association or any municipally owned electric utility, may apply to the commission for a waiver under this rule.

This rule shall not apply to non-rate-regulated electric utilities physically located outside of Iowa that serve Iowa customers.

15.17(1) *Obligation to offer programs.*

a. Beginning January 1, 2004, each electric utility, whether or not subject to rate regulation by the commission, shall offer an alternate energy purchase program that allows customers to contribute voluntarily to the development of alternate energy in Iowa, and allows for the exceptions listed in paragraph 15.17(1)*"c."*

b. Each electric utility subject to rate regulation by the commission, except for utilities that elect rate regulation pursuant to Iowa Code section 476.1A, shall demonstrate on an annual basis that it produces or purchases sufficient energy from program AEP facilities located in Iowa to meet the needs of its Iowa program. These Iowa-based AEP facilities shall not include AEP facilities for which the utility has sought cost recovery under rule 199—20.9(476) prior to July 1, 2001.

c. The electric utility may partially or fully base its program on energy produced by AEP facilities located outside of Iowa under any of the following circumstances:

(1) The energy is purchased by the electric utility pursuant to a contract in effect prior to July 1, 2001, and continues until the expiration of the contract, including any options to renew that are exercised by the electric utility.

(2) The electric utility has a financial interest, as of July 1, 2001, in an AEP facility that is located outside of Iowa or in an entity that has a financial interest in an AEP facility located outside of Iowa; or

(3) The energy is purchased by an electric utility that is not subject to rate regulation by the commission, or which elects rate regulation pursuant to Iowa Code section 476.1A, and that is required to

purchase all of its electric power requirements from one or more suppliers that are physically located outside of Iowa.

15.17(2) *Customer notification.*

a. Each electric utility shall notify eligible customer classes of its alternate energy purchase program and proposed program modifications at least 60 days prior to implementation of the program or program modification. The notification shall include, as applicable:

(1) A description of the availability and purpose of the program or program modification, clarifying that customer contributions will not involve the direct sale of alternate energy to individual customers;

(2) The effective date of the program or program modification;

(3) Customer classes eligible for participation;

(4) Forms and levels of customer contribution available to program participants;

(5) A utility telephone number for answering customers' questions about the program; and

(6) Customer instructions that explain how to participate in the program.

b. In addition to the notification requirements under paragraph 15.17(2)*"a,"* each electric utility subject to rate regulation by the commission, excluding utilities that elect rate regulation pursuant to Iowa Code section 476.1A, shall:

(1) Include fuel report information described under subrule 15.17(5); and

(2) Submit the proposed notification to the commission for approval at least 30 days prior to the proposed date of issuance of the notification.

15.17(3) *Program plan filing requirements for rate-regulated utilities.* On or before October 1, 2003, each electric utility subject to rate regulation by the commission, excluding utilities that elect rate regulation pursuant to Iowa Code section 476.1A, shall file with the commission a plan for the utility's alternate energy purchase program. Initial program plans and any subsequent modifications will be subject to commission approval. Modification filings need only include information about elements of the program that are being modified. The initial program plan filing shall include:

a. The program tariff;

b. The program effective date;

c. A sample of the customer notification, including a description of the method of distribution;

d. Customer classes eligible for participation and the schedule for extending participation to all customer classes;

e. Identification of each AEP facility used for the program, including:

(1) Fuel type;

(2) Nameplate capacity;

(3) Estimated annual kWh output;

(4) Estimated in-service date;

(5) Ownership, including any utility affiliation;

(6) A copy of any contract for utility purchases from the facility;

(7) A description of the method or procedure used to select the facility;

(8) Facility location; and

(9) If the facility is located outside of Iowa, an explanation of how the facility qualifies under paragraph 15.17(1)*"c"*;

f. The forms and levels of customer contribution available to program participants, including, but not limited to:

(1) kWh rate premiums applied to percentages of participant kWh usage, with an explanation of how the kWh rate premiums are derived; or

(2) kWh rate premiums applied to fixed kWh blocks of participant usage, with an explanation of how the kWh rate premiums are derived; or

(3) Fixed contributions, with an explanation of how the fixed amounts are derived;

g. The maximum allowable time lag between the beginning of customer contributions and the in-service date for identified AEP facilities, and the procedures for suspending customer contributions if the maximum time lag is exceeded;

h. The intended treatment of program participants under 199—20.9(476) energy automatic adjustment and AEP automatic adjustment clauses;

i. An accounting plan for identifying and tracking participant contributions and program costs, including:

(1) Identification of incremental program costs not otherwise recovered through the utility's rates, including but not limited to: program start-up and administration costs; program marketing costs; and program energy and capacity costs associated with identified AEP facilities;

(2) Methods for quantifying, assigning, and allocating costs of the program and for segregating those costs in the utility's accounts; and

j. Marketing and customer information plan, including schedules and copies of all marketing and information materials, as available.

15.17(4) *Annual reporting requirements for rate-regulated utilities.* On or before April 1, 2005, and annually thereafter, each electric utility subject to rate regulation by the commission, excluding utilities that elect rate regulation pursuant to Iowa Code section 476.1A, shall file with the commission a report of program activity for the previous calendar year. The annual report shall include:

a. Program information including:

(1) The number of program participants, by customer class;

(2) Participant contribution revenues, by customer class, by form and level of contribution, and associated participant kWh sales;

(3) Program electricity generated from each program AEP facility and the associated costs; and

(4) Other program costs, by cost type.

b. An annual reconciliation of participant contributions and program costs.

(1) Program costs are incremental costs associated with the utility's alternate energy purchase program not otherwise recovered through the utility's base tariff rates, and electricity costs dedicated to the program and separated from the utility's 199—20.9(476) energy or AEP automatic adjustment clauses.

(2) The excess of participant contributions over program costs is an annual program surplus, and the excess of program costs over participant contributions is an annual program deficit.

(3) Annual program surpluses and deficits are cumulative over successive years.

(4) A program deficit may be recovered through the utility's 199—20.9(476) AEP automatic adjustment clause.

(5) Any program surplus shall be used to offset prior years' program deficits previously recovered through the AEP automatic adjustment clause, and the offset amount shall be credited through the utility's AEP automatic adjustment clause.

c. Identification of any other AEP or renewable energy requirements being met with program AEP facilities and identification of any revenues derived from the separate sale of the renewable energy attributes of program AEP facilities.

d. Documentation that shows the energy produced by the utility's program AEP facilities in Iowa (whether contracted, leased, or owned), not including AEP facilities for which the utility has sought cost recovery under 199—20.9(476) prior to July 1, 2001, is sufficient to meet the requirement of the utility's Iowa alternate energy purchase program.

e. A description of program marketing and customer information activities, including schedules and copies of all marketing and information materials related to the program.

f. Program modifications and uses for any program surplus that are under consideration, including procurement or assignment of additional electricity from AEP facilities.

g. A copy of the utility's annual fuel report to customers under subrule 15.17(5).

15.17(5) *Annual fuel reporting requirements for rate-regulated utilities.*

a. Each electric utility subject to rate regulation by the commission, excluding utilities that elect rate regulation pursuant to Iowa Code section 476.1A, shall annually report to all its Iowa customers its percentage mix of fuel and energy inputs used to produce electricity. The report shall, to the extent practical, specify percentages of electricity produced by coal, nuclear energy, natural gas, oil, AEP electricity produced for the utility's alternate energy purchase program, non-program AEP electricity, and

resources purchased from other companies. The percentages for AEP electricity shall further specify percentages of electricity produced by wind, solar, hydropower, biomass, and other technologies.

b. The report shall include an estimate of sulfur dioxide (SO_2), nitrogen oxide (NOx), and carbon dioxide (CO_2) emissions for each known fuel and energy input type. The emission estimate shall be expressed in pounds per 1000 kWh.

15.17(6) *Tariff filing requirements for non-rate-regulated utilities.*

a. On or before January 1, 2004, each electric utility that is not subject to rate regulation by the commission or that elects rate regulation pursuant to Iowa Code section 476.1A shall file with the commission a tariff for the utility's alternate energy purchase program. Initial tariff filings and any subsequent modifications shall be filed for informational purposes only. Tariff modification filings need only include information about elements of the program that are being modified. The initial tariff filings shall include, as applicable:

(1) The program tariff;

(2) The program effective date;

(3) A sample of the customer notification, including a description of the method of distribution;

(4) Customer classes eligible for participation;

(5) Identification of any specific AEP facilities to be included in the program, including: fuel type; nameplate capacity; estimated annual kWh output; estimated in-service date; ownership, including any utility affiliation; location; and, if the facility is located outside of Iowa, an explanation of how the facility qualifies under paragraph 15.17(1)*"c"*; and

(6) Forms and levels of customer contribution available to program participants.

b. Joint filings. An electric utility that is not subject to rate regulation by the commission or that elects rate regulation pursuant to Iowa Code section 476.1A may file its tariff jointly with other non-rate-regulated utilities or through an agent. A joint tariff filing shall contain the information required by paragraph 15.17(6)*"a,"* separately identified for each utility participating in the joint tariff. The information for each utility may be provided by reference to an attached document or to a section of the joint tariff filing. A joint tariff filing filed by an agent shall state the agent's relationship to each utility and include a document from each utility authorizing the agent to act on the utility's behalf.

[Editorial change: IAC Supplement 7/24/24]

199—15.18(476B) Certification of eligibility for wind energy tax credits under Iowa Code chapter 476B. Any person applying for certification of eligibility for state tax credits for wind energy pursuant to Iowa Code section 476B.5 as amended by 2005 Iowa Acts, chapter 179, section 166, is subject to this rule.

15.18(1) *Filing requirements.* Any person applying for certification of eligibility for wind energy tax credits must file with the commission an application that contains substantially all of the following information:

a. Information regarding the applicant, including the legal name, address, telephone number, and (as applicable) facsimile transmission number and electronic mail address of the applicant.

b. Information regarding the ownership of the facility, including the legal name of each owner, information demonstrating the legal status of each owner, and the percentage of equity interest held by each owner, and a statement attesting that owners meeting the eligibility requirements of Iowa Code section 476B.5 are not owners of more than two eligible renewable energy facilities. In determining whether the two-facility limit is exceeded, the commission will consider not only the legal entity that owns the utility, if other than a natural person, but the equity owners of the legal entity. If the owner of the facility is other than a natural person, information regarding the equity owners must be provided.

c. A description of the facility, including at a minimum the following information:

(1) Type of facility (that is, a qualified facility as defined in Iowa Code section 476B.1);

(2) Total nameplate generating capacity rating. For applications filed on or after March 1, 2008, the facility must have a combined nameplate capacity of no less than 2 megawatts and no more than 30 megawatts. For applications filed on or after July 1, 2009, by a private college or university, community college, institution under the control of the state board of regents, public or accredited nonpublic elementary and secondary school, or public hospital as defined in Iowa Code section 249J.3, the facility must have a combined nameplate capacity of no less than ¾ of a megawatt;

(3) A description of the location of the facility in Iowa, including an address or other geographic identifier;

(4) The date the facility is expected to be placed in service (that is, placed in service on or after July 1, 2005, but before July 1, 2012, for eligibility under Iowa Code chapter 476B as amended by 2005 Iowa Acts, chapter 179).

d. A signed statement from the owner attesting that the owner intends to either sell all the electricity generated by the facility, consume all the electricity on site, or a combination of both. For purposes of this rule, electricity consumed on site means any electricity produced by the facility and not sold.

e. If the owner intends to sell electricity generated by the facility, a copy of the executed power purchase agreement or other agreement to purchase electricity. If the power purchase agreement has not yet been finalized and executed, the commission will accept as an other agreement an executed agreement signed by at least two parties that includes both a commitment to purchase electricity from the facility upon completion of the project and most of the essential elements of a contract.

The commission will also accept a copy of an executed interconnection agreement service agreement, in lieu of a power purchase agreement, if the facility owner has instead agreed to sell electricity from the facility directly or indirectly to a wholesale power pool market.

f. A statement indicating the type of tax credit being sought; that is, indicating that the applicant is applying for tax credits pursuant to Iowa Code chapter 476B as amended by 2005 Iowa Acts, chapter 179 (1 cent per kWh, wind energy only tax credits).

15.18(2) *Review and notification.* Upon receipt of a complete application, the commission will review it to make a preliminary determination regarding whether the facility is an eligible renewable energy facility. The commission will notify the applicant by letter of the approval or denial of the application within 30 days of the date the application was filed. If the commission fails to send the letter within 30 days, the application will be deemed denied. An applicant who receives a determination denying an application may file an appeal with the commission within 30 days of the date of the denial, pursuant to the provisions of Iowa Code chapter 17A and Iowa Code section 476B.5. In the absence of a timely appeal, the preliminary determination shall be final.

15.18(3) *Incomplete application and additional information.* If an incomplete application is filed, the commission may, upon request and for good cause shown, grant an extension of time to allow the applicant to provide additional information. Also, the commission and its staff may request additional information at any time for purposes of determining initial or continuing eligibility for tax credits.

15.18(4) *Loss of eligibility status.* Within 18 months following commission approval of eligibility, the applicant shall file information demonstrating that the eligible facility is operational and producing usable energy. If the commission determines that the eligible facility was not operational within 18 months of commission approval, the facility will lose eligibility status.

However, if the facility is not operational within 18 months due to the unavailability of necessary equipment, the applicant may apply for a 12-month extension of the filing requirement, attesting to the unavailability of necessary equipment. After granting a 12-month extension, if the commission determines that the facility was not operational within 30 months of commission approval, the facility will lose eligibility status. Otherwise, the facility may reapply to the commission for new eligibility.

15.18(5) *Allocation of capacity among eligible applicants.* Iowa Code section 476B.5 establishes the maximum amount of nameplate generating capacity of facilities eligible for the tax credits. In the event the commission receives applications for tax credits that, in total, exceed the statutory limits, the commission will rule on the applications in the order they are received, based upon the date of receipt. Because the commission does not track the time of day that filings are made with the commission, if the commission receives more than one application on a particular date such that the combined capacity of the applications exceeds applicable statutory limits, the commission will allocate the final eligibility determinations proportionally among all applications received on that date. Alternatively, the commission may withhold this allocation unless a petition for allocation is filed with the commission by one of the applicants who filed its application on that particular date. If such a petition is submitted, the commission will notify all applicants who filed on that particular date, allowing each applicant to opt into the allocation within 45 days of the date of the filing of the petition. Applicants who opt in must comply with subrule 15.18(4) after

receiving eligibility under the allocation or lose their eligibility status. Applicants who do not opt in will maintain their original application date.

15.18(6) *Waiting list for excess applications.* The commission will maintain a waiting list of excess eligibility applications for facilities that might have received preliminary eligibility under subrule 15.18(2), but for the maximum capacity and capability restrictions under subrule 15.18(5). The priorities of the waiting list will be in the order the applications were received, based upon the dates of receipt. If additional capacity becomes available within the capacity restrictions under subrule 15.18(5), the commission will review the applications on the waiting list based on their priorities, before reviewing new applications. Applications will be removed from the waiting list after they are either approved or denied. Beginning August 31, 2007, each applicant on the waiting list shall annually provide the commission a statement of verification attesting that the information contained in the applicant's eligibility application remains true and correct, or stating that the information has changed and providing the new information.

This rule is intended to implement Iowa Code chapter 476B.

[**ARC 8060B**, IAB 8/26/09, effective 9/30/09; Editorial change: IAC Supplement 7/24/24]

199—15.19(476C) Certification of eligibility for wind energy and renewable energy tax credits under Iowa Code chapter 476C. Any person applying for certification of eligibility for state tax credits for wind energy or renewable energy pursuant to Iowa Code section 476C.3 is subject to this rule.

15.19(1) *Filing requirements.* Any person applying for certification of eligibility for wind energy or renewable energy tax credits must file with the commission an application that contains substantially all of the following information:

a. Information regarding the applicant, including the legal name, address, telephone number, and (as applicable) facsimile transmission number and electronic mail address of the applicant.

b. Information regarding the ownership of the facility, including the legal name of each owner, information demonstrating the legal status of each owner, and the percentage of equity interest held by each owner. The "legal status of each owner" refers to either ownership of a small wind energy system operating in a small wind innovation zone as defined in Iowa Code section 476.48(1) and 199—15.22(476), or, alternatively, the ownership requirements of Iowa Code section 476C.1(6)*"b,"* which provides that an eligible renewable energy facility must be at least 51 percent owned by one or more or any combination of the following:

(1) A resident of Iowa;

(2) An authorized farm corporation, authorized limited liability company, or authorized trust, as defined in Iowa Code section 9H.1;

(3) A family farm corporation, family farm limited liability company, or family farm trust, as defined in Iowa Code section 9H.1;

(4) A revocable trust as defined in Iowa Code section 9H.1;

(5) A testamentary trust as defined in Iowa Code section 9H.1;

(6) A small business as defined in Iowa Code section 15.102;

(7) An electric cooperative association organized pursuant to Iowa Code chapter 499 that sells electricity to end users located in Iowa or has one or more members organized pursuant to Iowa Code chapter 499, a municipally owned city utility as defined in Iowa Code section 362.2, or a public utility subject to rate regulation pursuant to Iowa Code chapter 476;

(8) A cooperative corporation organized pursuant to Iowa Code chapter 497 or a limited liability corporation organized pursuant to Iowa Code chapter 489 whose shares and membership are held by an entity that is not prohibited from owning agricultural land under Iowa Code chapter 9H; or

(9) A school district located in Iowa.

c. A statement attesting that each owner meeting the eligibility requirements of Iowa Code section 476C.1(6)*"b"* does not have an ownership interest in more than two eligible renewable energy facilities.

d. For any owner meeting the eligibility requirements of Iowa Code section 476C.1(6)*"b"* with an equity interest in the facility equal to or greater than 51 percent, a statement attesting that the owner does not have an equity interest greater than 10 percent in any other eligible renewable energy facility.

e. For any owner meeting the eligibility requirements of Iowa Code section 476C.1(6)*"b"* with an equity interest in the facility greater than 10 percent and less than 51 percent, a statement attesting that the

owner does not have an equity interest equal to or greater than 51 percent in any other eligible renewable energy facility.

f. A description of the facility, including at a minimum the following information:

(1) Type of facility (that is, a wind energy conversion facility, biogas recovery facility, biomass conversion facility, methane gas recovery facility, solar energy conversion facility, or refuse conversion facility, as defined in Iowa Code section 476C.1);

(2) Total nameplate generating capacity rating, plus maximum hourly output capability for any energy production capacity equivalent as defined in Iowa Code section 476C.1. For applications filed on or after July 1, 2011, the facility's combined nameplate capacity or energy production capacity equivalent must be no less than three-fourths of a megawatt if all or part of the facility's renewable energy production is used for the owners' on-site consumption, and no more than 60 megawatts if the facility is not a wind energy conversion facility;

(3) A description of the location of the facility in Iowa, including an address or other geographic identifier;

(4) The date the facility is expected to be placed in service; that is, placed in service on or after July 1, 2005, but before January 1, 2017, for eligibility under Iowa Code chapter 476C; and

(5) For eligibility under Iowa Code chapter 476C, demonstration that the facility's combined MW nameplate generating capacity and maximum hourly output capability of energy production capacity equivalent (as defined in Iowa Code section 476C.1(7)), divided by the number of separate owners meeting the requirements of Iowa Code chapter 476C, equals no more than 2.5 MW of capacity per eligible owner.

g. A signed statement from the owners attesting that the owners intend to either sell all the renewable energy produced by the facility, consume all the renewable energy on site, or use all the renewable energy through a combination of sale and consumption. For purposes of the signed statement, renewable energy consumed on site means any renewable energy produced by the facility and not sold.

h. If the owners intend to sell renewable energy produced by the facility, a copy of the power purchase agreement or other agreement to purchase electricity, hydrogen fuel, methane or other biogas, or heat for a commercial purpose, which shall designate either the producer or the purchaser as eligible to apply for the renewable energy tax credit. If the power purchase agreement or other agreement has not yet been finalized and executed, the commission will accept a binding statement from the applicant that designates which party will be eligible to apply for the renewable energy tax credit; that designation shall not be subject to change.

i. A statement indicating the type of tax credit being sought; that is, indicating that the applicant is applying for tax credits pursuant to Iowa Code chapter 476C (1.5 cents per kWh, wind and other renewable energy tax credits).

15.19(2) *Review and notification.* Upon receipt of a complete application, the commission will review it to make a preliminary determination regarding whether the facility is an eligible renewable energy facility. The commission will notify the applicant by letter of the approval or denial of the application within 30 days of the date the application was filed. If the commission fails to send the letter within 30 days, the application will be deemed denied. An applicant who receives a determination denying an application may file an appeal with the commission within 30 days of the date of the denial, pursuant to the provisions of Iowa Code chapter 17A and Iowa Code section 476C.3(2). In the absence of a timely appeal, the preliminary determination shall be final.

15.19(3) *Incomplete application and additional information.* If an incomplete application is filed, the commission may, upon request and for good cause shown, grant an extension of time to allow the applicant to provide additional information. Also, the commission and its staff may request additional information at any time for purposes of determining initial or continuing eligibility for tax credits.

15.19(4) *Loss of eligibility status.*

a. Within 30 months following commission approval of eligibility, the applicant shall file information demonstrating that the eligible facility is operational and producing usable energy. If the commission determines that the eligible facility was not operational within 30 months of commission approval, the facility will lose eligibility status.

b. If the facility is a wind energy conversion facility and is not operational within 18 months due to the unavailability of necessary equipment, the applicant may apply for a 12-month extension of the 30-month limit, attesting to the unavailability of necessary equipment. After granting the 12-month extension, if the commission determines that the facility was not operational within 42 months of commission approval, the facility will lose eligibility status.

c. Prior to expiration of the time periods specified in paragraphs 15.19(4)*"a"* and *"b,"* the applicant may apply for a further 12-month extension if the facility is still expected to become operational. Extensions may be renewed for succeeding 12-month periods if the applicant applies for the extension prior to expiration of the current extension period. If the applicant does not apply for further extension, the facility will lose eligibility status.

d. If the owners of a facility discontinue efforts to achieve operational status, the owners shall notify the commission. Upon the commission's receipt of such notification, the facility will lose eligibility status.

e. If the facility loses eligibility status, the applicant may reapply to the commission for new eligibility.

15.19(5) *Allocation of capacity among eligible applicants.* Iowa Code section 476C.3(4) establishes the maximum amounts of nameplate generating capacities and energy production capacity equivalents eligible for the tax credits. In the event the commission receives applications for tax credits that, in total, exceed the statutory limits, the commission will rule on the applications in the order they are received, based upon the date of receipt. Because the commission does not track the time of day that filings are made with the commission, if the commission receives more than one application on a particular date such that the combined capacity of the applications exceeds applicable statutory limits, the commission will allocate the final eligibility determinations proportionally among all applications received on that date. Alternatively, the commission may withhold this allocation unless a petition for allocation is filed with the commission by one of the applicants who filed its application on that particular date. If such a petition is submitted, the commission will notify all applicants who filed on that particular date, allowing each applicant to opt into the allocation within 45 days of the date of the filing of the petition. Applicants who opt in must comply with subrule 15.19(4) after receiving eligibility under the allocation or lose their eligibility status. Applicants who do not opt in will maintain their original application date.

15.19(6) *Waiting lists for excess applications.* The commission will maintain waiting lists of excess eligibility applications for facilities that might have received preliminary eligibility under subrule 15.19(2), but for the maximum capacity and capability restrictions under subrule 15.19(5). The priorities of the waiting lists will be in the order the applications were received, based upon the dates of receipt. If additional capacity becomes available within the capacity restrictions under subrule 15.19(5), the commission will review the applications on the waiting lists based on their priorities, before reviewing new applications. Applications will be removed from the waiting lists after they are either approved or denied. Beginning August 31, 2007, each applicant on a waiting list shall annually provide the commission a statement of verification attesting that the information contained in the applicant's eligibility application remains true and correct, or stating that the information has changed and providing the new information.

This rule is intended to implement Iowa Code chapter 476C.

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199—15.20(476B) Applications for wind energy tax credits under Iowa Code chapter 476B. The wind energy tax credits equal one cent per kilowatt-hour of electricity generated by eligible wind energy facilities under 199—15.18(476B), which is sold or used for on-site consumption by the owner, for tax years beginning on or after July 1, 2006. The owners of an eligible facility may apply for wind energy tax credits for up to ten tax years following the date the facility is placed in service. Wind energy tax credits will not be issued for wind energy sold or used for on-site consumption after June 30, 2022. For purposes of this rule, wind energy used for on-site consumption means any electricity produced by an eligible facility and not sold.

For the first tax year for which tax credits can be claimed, the kilowatt-hours generated by and purchased from an eligible facility may exceed 12 months' production.

EXAMPLE: An eligible facility was placed in service on April 1, 2006, and the taxpayer files on a calendar-year basis. The first year for which tax credits can be claimed is the year ending December 31, 2007, since that is the first tax year that began on or after July 1, 2006. The credits for the 2007 tax year can include energy produced and purchased between April 1, 2006, and December 31, 2007.

15.20(1) *Application process for wind energy tax credits.* A wind energy facility must be approved as eligible by the commission under 199—15.18(476B) in order to qualify for wind energy tax credits.

If the facility is located in a city or county neither of which has enacted an ordinance under Iowa Code section 427B.26, or if the facility is not eligible for special valuation pursuant to an ordinance adopted by the city or county under Iowa Code section 427B.26, the wind energy facility must also be approved by the city council or county board of supervisors of the city or county in which the facility is located, in accordance with Iowa Code section 476B.6(1) as amended by 2009 Iowa Acts, Senate File 456, section 4. Once the owners receive approval from their city council or county board of supervisors, additional approval from the city council or county board of supervisors is not required for subsequent tax years.

Tax credit applications for eligible facilities must be filed with the commission no later than 30 days after the close of the tax year for which the credits are to be applied. The tax credit applications must be filed in paper format and are not subject to the electronic filing requirements of 199—14.2(17A,476). The tax credit applications will be held confidential by the commission and the department of revenue as, among other things, documents containing customer-specific or personal information (199—paragraph 1.9(5)*"c"*) and information related to tax returns (Iowa Code section 422.20). The information will be held confidential by the commission upon filing, and by the department of revenue upon receipt from the commission, and will be subject to the provisions of 199—subparagraph 1.9(8)*"b"*(3). Accordingly, the applicant should mark each of the pages of the tax credit application "CONFIDENTIAL" in bold or large letters.

a. If a facility is jointly owned, then owners applying for the tax credits must file their application jointly. For each application, an original and two copies must be filed according to the following format, including a cover letter that cites this rule (199—15.20(476B)), and the following 13 information items separately identified by item number:

(1) A copy of the original application for facility eligibility under 199—15.18(476B), plus any subsequent amendments to the application.

(2) A copy of the commission's determination approving the facility as eligible for tax credits under 199—15.18(476B).

(3) Either a copy of the city council's or county board of supervisors' approval, from the city or county in which the facility is located, issued pursuant to Iowa Code section 476B.6(1) as amended by 2009 Iowa Acts, Senate File 456, section 4; or a statement explaining why such approval is not required under Iowa Code section 476B.6(1) as amended by 2009 Iowa Acts, Senate File 456, section 4.

(4) A statement attesting that neither the owners nor the purchaser have received renewable energy tax credits for the facility under 199—15.21(476C).

(5) For any electricity sold, a copy of the executed power purchase agreement or other agreement to purchase electricity. Alternatively, a copy of an executed interconnection agreement or transmission service agreement is acceptable if the owners have elected to sell electricity from the facility directly or indirectly to a wholesale power pool market.

(6) For any electricity sold, the owner must provide a statement attesting that the electricity for which tax credits are sought has been generated by the eligible facility and sold to an unrelated purchaser. For purposes of the wind energy tax credits, the definition of "related person" is the same as specified in department of revenue 701—subrules 42.25(2) and 52.26(2). That is, the definition of "related person" uses the same criteria set forth in Section 45(e)(4) of the Internal Revenue Code relating to the federal renewable electricity production credit. Persons shall be treated as related to each other if such persons are treated as a single employer under Treasury Regulation §1.52-1. In the case of a corporation that is a member of an affiliated group of corporations filing a federal consolidated return, such corporation shall be treated as selling electricity to an unrelated person if such electricity is sold to the person by another member of the affiliated group.

For any electricity used for on-site consumption, the owner must provide a signed statement attesting under penalty of perjury that the electricity for which tax credits are sought was generated by the eligible facility and not sold.

(7) The date that the eligible facility was placed in service (that is, between July 1, 2005, and July 1, 2012).

(8) The total number of kilowatt-hours of electricity generated by the facility during the tax year.

(9) For any electricity sold, invoices or other information that documents the number of kilowatt-hours of electricity generated by the eligible facility and sold to an unrelated purchaser during the tax year.

For any electricity used for on-site consumption, the number of kilowatt-hours of electricity generated by the eligible facility during the tax year and not sold.

(10) Information regarding the facility owners, including the name, address, and tax identification number of each owner, and the percentage of equity interest held by each owner during the period for which wind energy tax credits will be sought under Iowa Code chapter 476B as amended by 2009 Iowa Acts, Senate File 456. If an owner is other than a natural person, information regarding the equity owners must also be provided. This information shall be consistent with information provided in the original application for facility eligibility, as amended, under 199—15.18(476B).

(11) The type of tax for which the credits will be applied and the first tax year in which the credits will be applied.

(12) Identification of any applicants that are eligible to receive renewable electricity production credits authorized under Section 45 of the Internal Revenue Code. This identification should include a statement from the applicant attesting to the applicant's eligibility and any available supporting documentation.

(13) If any of the applicants is a partnership, limited liability company, S corporation, estate, trust, or any other reporting entity, all of whose income is taxed directly to its equity holders or beneficiaries for taxes imposed under Iowa Code chapter 422, division II or III, the application shall include a list of the partners, members, shareholders, or beneficiaries of the entity. This list shall include the name, address, tax identification number, and pro-rata share of earnings from the entity, for each of the partners, members, shareholders, or beneficiaries of the entity. The wind energy tax credits will flow through to the entity's partners, shareholders, or members in accordance with their pro-rata share of earnings from the entity.

If the entity is also eligible to receive renewable electricity production credits authorized under Section 45 of the Internal Revenue Code, the entity may designate specific partners if the business is a partnership, shareholders if the business is an S corporation, or members if the business is a limited liability company, to receive the wind energy tax credits issued under Iowa Code chapter 476B as amended by 2009 Iowa Acts, Senate File 456, and the percentage allocable to each. Such an entity may also designate a percentage of the tax credits allocable to an equity holder or beneficiary as a liquidating distribution or portion thereof, of a holder or beneficiary's interest in the applicant entity. Otherwise, in the absence of such designations, the wind energy tax credits will flow through to the entity's partners, shareholders, or members in accordance with their pro-rata share of earnings from the entity.

Alternatively, the tax credits will be issued directly to the entity if the entity is a partnership, limited liability company, S corporation, estate, trust, or any other reporting entity, all of whose income is taxed directly to its equity holders or beneficiaries for taxes imposed under Iowa Code chapter 422, division V, or under Iowa Code chapter 423, 432, or 437A.

b. The commission will forward the tax credit applications to the department of revenue for review and processing. Along with each forwarded application, the commission will provide staff analysis and opinion regarding:

(1) The completeness of the application.

(2) The facility's eligibility status under 199—15.18(476B).

(3) Whether the reported kilowatt-hours of electricity generated by the facility and sold or used by the owner for on-site consumption during the tax year seem accurate and eligible for wind energy tax credits.

15.20(2) *Review process and computation of wind energy tax credits.* The department of revenue will review the applications and opinions forwarded by the commission, calculate the tax credits, and issue wind energy tax credit certificates to the facility owners, in accordance with department of revenue

requirements and procedures under rules 701—42.25(422,476B), 701—52.26(422,476B), and 701—58.15(422,476B).

[**ARC 8060B**, IAB 8/26/09, effective 9/30/09; Editorial change: IAC Supplement 7/24/24]

199—15.21(476C) Applications for renewable energy tax credits under Iowa Code chapter 476C. The renewable energy tax credits equal 1.5 cents per kilowatt-hour of electricity, or 44 cents per 1,000 standard cubic feet of hydrogen fuel, or $4.50 per 1 million British thermal units of methane gas or other biogas used to generate electricity, or $4.50 per 1 million British thermal units of heat for a commercial purpose, generated by eligible renewable energy facilities under 199—15.19(476C), which is sold or used for on-site consumption by the owners, for tax years beginning on or after July 1, 2006. For renewable energy that is sold, either the owners of an eligible facility or a designated purchaser of renewable energy from the facility may apply for renewable energy tax credits for up to ten tax years following the date the facility is placed in service. For renewable energy used for on-site consumption, the owners of an eligible facility may apply for renewable energy tax credits for up to ten tax years following the date the facility is placed in service. Renewable energy tax credits will not be issued for renewable energy sold or used for on-site consumption after December 31, 2026. For purposes of this rule, renewable energy used for on-site consumption means any renewable energy produced by the facility and not sold.

For the first tax year for which tax credits can be claimed, the kilowatt-hours, standard cubic feet, or British thermal units generated by and purchased from an eligible facility may exceed 12 months' production.

EXAMPLE: An eligible facility was placed in service on April 1, 2006, and the taxpayer files on a calendar-year basis. The first year for which tax credits can be claimed is the year ending December 31, 2007, since that is the first tax year that began on or after July 1, 2006. The credit for the 2007 tax year can include renewable energy produced and purchased between April 1, 2006, and December 31, 2007.

15.21(1) *Application process for renewable energy tax credits.* A renewable energy facility must be approved as eligible by the commission under 199—15.19(476C) in order to qualify for renewable energy tax credits. Tax credit applications must be filed with the commission no later than 30 days after the close of the tax year for which the credits are to be applied. The tax credit applications must be filed in paper format and are not subject to the electronic filing requirements of 199—14.2(17A,476). The tax credit applications will be held confidential by the commission and the department of revenue as, among other things, documents containing customer-specific or personal information (199—paragraph 1.9(5)*"c"*) and information related to tax returns (Iowa Code section 422.20). The information will be held confidential by the commission upon filing, and by the department of revenue upon receipt from the commission, and will be subject to the provisions of 199—subparagraph 1.9(8)*"b"*(3). Accordingly, the applicant should mark each of the pages of the tax credit application "CONFIDENTIAL" in bold or large letters.

a. Either the facility owners or the purchaser of renewable energy shall be eligible to apply for the tax credits related to renewable energy that is sold, as designated under paragraph 15.19(1)*"h."* Only facility owners shall be eligible to apply for tax credits related to renewable energy used for on-site consumption. If a facility is jointly owned, then owners applying for the tax credits must file their application jointly. For each application, an original and two copies must be filed according to the following format, including a cover letter that cites this rule (199—15.21(476C)), and the following 12 information items separately identified by item number:

(1) A copy of the original application for facility eligibility under 199—15.19(476C), plus any subsequent amendments to the application.

(2) A copy of the commission's determination approving the facility as eligible for tax credits under 199—15.19(476C).

(3) A statement attesting that the owners have not received wind energy tax credits for the facility under 199—15.20(476B).

(4) For any renewable energy sold, a copy of the power purchase agreement or other agreement to purchase from the facility electricity, hydrogen fuel, methane or other biogas, or heat for a commercial purpose. The agreement shall designate whether the producer or purchaser of renewable energy will be eligible to apply for the tax credits and shall be consistent with the designation originally filed under paragraph 15.19(1)*"h."*

(5) For any renewable energy sold, the owners must provide a statement attesting that the electricity, hydrogen fuel, methane or other biogas, or heat for a commercial purpose, for which tax credits are sought, has been generated by the eligible facility and sold to an unrelated purchaser. For purposes of the renewable energy tax credits, persons are related to each other if either person owns an 80 percent or more equity interest in the other person. For any renewable energy used for on-site consumption, the owners must provide a signed statement attesting under penalty of perjury that the claimed amount of electricity, hydrogen fuel, methane or other biogas, or heat for a commercial purpose for which tax credits are sought has been generated by the eligible facility and not sold.

(6) The date that the eligible facility was placed in service (that is, between July 1, 2005, and January 1, 2017).

(7) The total number of kilowatt-hours of electricity, standard cubic feet of hydrogen fuel, British thermal units of methane gas or other biogas used to generate electricity, or British thermal units of heat for a commercial purpose generated by the eligible facility during the tax year.

(8) For any renewable energy sold, invoices or other information that documents the number of kilowatt-hours of electricity, standard cubic feet of hydrogen fuel, British thermal units of methane gas or other biogas used to generate electricity, or British thermal units of heat for a commercial purpose generated by the eligible facility and sold to an unrelated purchaser during the tax year. For any renewable energy used for on-site consumption, the number of kilowatt-hours of electricity, standard cubic feet of hydrogen fuel, British thermal units of methane gas or other biogas used to generate electricity, or British thermal units of heat for a commercial purpose generated by the eligible facility during the tax year and not sold.

(9) Information regarding the facility owners or designated eligible purchaser, including the name, address, and tax identification number of each owner or purchaser. If the application is filed by the facility owners, this shall also include the percentage of equity interest held by each owner during the period for which renewable energy tax credits will be sought under Iowa Code chapter 476C. This information shall be consistent with ownership information provided in the original application for facility eligibility, as amended, under 199—15.19(476C).

(10) The type of tax for which the credits will be applied and the first tax year in which the credits will be applied.

(11) Identification of any applicants that are eligible to receive renewable electricity production credits authorized under Section 45 of the Internal Revenue Code. This identification should include a statement from the applicant attesting to the applicant's eligibility and any available supporting documentation.

(12) If any of the applicants is a partnership, limited liability company, S corporation, estate, trust, or any other reporting entity all of whose income is taxed directly to its equity holders or beneficiaries for taxes imposed under Iowa Code chapter 422, division II or III, the application shall include a list of the partners, members, shareholders, or beneficiaries of the entity. This list shall include the name, address, tax identification number, and pro-rata share of earnings from the entity for each of the partners, members, shareholders, or beneficiaries of the entity. The renewable energy tax credits will flow through to the entity's partners, shareholders, or members in accordance with their pro-rata share of earnings from the entity.

If the entity is also eligible to receive renewable electricity production credits authorized under Section 45 of the Internal Revenue Code, the entity may designate specific partners if the business is a partnership, shareholders if the business is an S corporation, or members if the business is a limited liability company to receive the renewable energy tax credits issued under Iowa Code chapter 476C and the percentage allocable to each. Such an entity may also designate a percentage of the tax credits allocable to an equity holder or beneficiary as a liquidating distribution or portion thereof of a holder or beneficiary's interest in the applicant entity. Otherwise, in the absence of such designations, the renewable energy tax credits will flow through to the entity's partners, shareholders, or members in accordance with their pro-rata share of earnings from the entity.

Alternatively, the tax credits will be issued directly to the entity if the entity is a partnership, limited liability company, S corporation, estate, trust, or any other reporting entity, all of whose income is taxed

directly to its equity holders or beneficiaries for taxes imposed under Iowa Code chapter 422, division V, or under Iowa Code chapter 423, 432, or 437A.

b. The commission will forward the tax credit applications to the department of revenue for review and processing. Along with each forwarded application, the commission will provide staff analysis and opinion regarding:

(1) The completeness of the application.

(2) The facility's eligibility status under 199—15.19(476C).

(3) Whether the reported kilowatt-hours of electricity, standard cubic feet of hydrogen fuel, British thermal units of methane gas or other biogas used to generate electricity, or British thermal units of heat for a commercial purpose generated by the facility and sold or used by the owners for on-site consumption during the tax year seem accurate and eligible for renewable energy tax credits.

15.21(2) *Review process and computation of renewable energy tax credits.* The department of revenue will review the applications and opinions forwarded by the commission, calculate the tax credits, and issue renewable energy tax credit certificates to the facility owners or designated purchaser, in accordance with department of revenue requirements and procedures under 701—42.26(422,476C), 701—52.27(422,476C), and 701—58.16(422,476C).

[**ARC 8060B**, IAB 8/26/09, effective 9/30/09; **ARC 9752B**, IAB 9/21/11, effective 10/26/11; **ARC 1716C**, IAB 11/12/14, effective 12/17/14; Editorial change: IAC Supplement 7/24/24]

199—15.22(476) Small wind innovation zones.

15.22(1) *Definitions.* For purposes of this rule:

"Electric utility" means a public utility that furnishes electricity to the public for compensation.

"Model interconnection agreement" means the applicable standard interconnection agreement under 199—Chapter 45.

"Model ordinance" means the model ordinance developed pursuant to Iowa Code section 476.48(3), which when adopted will be posted on the websites of the Iowa League of Cities at www.iowaleague.org and the Iowa State Association of Counties at www.iowacounties.org.

"Small wind energy system" means a wind energy conversion system that collects and converts wind into energy to generate electricity, which has a nameplate generating capacity of 100 kilowatts or less. A small wind energy system located in a small wind innovation zone but in the exclusive service territory of an electric utility that is not subject to 199—Chapter 45 and has not adopted the standard forms, procedures, and interconnection agreements in 199—Chapter 45 is not eligible for the streamlined application process referred to in Iowa Code section 476.48(2)*"a."*

"Small wind innovation zone" means a political subdivision of this state, including but not limited to a city, county, township, school district, community college, area education agency, institution under the control of the state board of regents, or any other local commission, association, or tribal council which adopts, or is encompassed within a local government which adopts, the model ordinance.

15.22(2) *Application for small wind innovation zone designation.* A political subdivision of this state, including but not limited to a city, county, township, school district, community college, area education agency, institution under the control of the state board of regents, or any other local commission, association, or tribal council, may apply to the commission for designation as a small wind innovation zone under Iowa Code section 476.48. The application must include the following information:

a. The name, location, description, and legal boundary of the political subdivision seeking designation as a small wind innovation zone;

b. Contact information for the applicant filing on behalf of the political subdivision, including legal name, address, telephone number, and, as applicable, facsimile transmission number and electronic mail address;

c. If the political subdivision is other than a local government:

(1) Identification of the local government (or governments) that encompasses the political subdivision;

(2) Confirmation that all identified local governments have either adopted or are about to adopt the model ordinance, including copies of model ordinances adopted by the local governments, or copies of pending amendments to existing zoning ordinances intended to comply with the model ordinance; and

(3) Dates the model ordinances were adopted or anticipated dates of adoption of pending amendments to existing zoning ordinances intended to comply with the model ordinance;

d. If the political subdivision is a local government:

(1) A copy of the model ordinance adopted by the local government or copy of a pending amendment to an existing zoning ordinance intended to comply with the model ordinance; and

(2) Date the model ordinance was adopted or anticipated date of adoption of the pending amendment to an existing zoning ordinance intended to comply with the model ordinance;

e. Identification of the electric utilities that provide service within the political subdivision; and

f. Documentation from each electric utility that provides service within the political subdivision confirming that the electric utility is serving the political subdivision and that the utility is either:

(1) A utility subject to the provisions of 199—Chapter 45; or

(2) A utility not subject to the provisions of 199—Chapter 45, but which nonetheless agrees to use the standard forms, procedures, and standard interconnection agreements of 199—Chapter 45 for small wind energy systems in its service territory within the political subdivision; or

(3) A utility that is not subject to the provisions of 199—Chapter 45 and has not adopted them.

NOTE: Electric utilities shall provide political subdivisions the documentation required in paragraph 15.22(2)*"f."*

15.22(3) *Motion for modification of a model interconnection agreement in a small wind innovation zone.* An electric utility that uses the standard interconnection agreements in 199—Chapter 45 and the owner of a small wind energy system in a small wind innovation zone may jointly seek to modify their version of the model interconnection agreement by jointly filing a motion for commission approval. The motion must include the following information:

a. The name, location, and description of the political subdivision designated as a small wind innovation zone;

b. The interconnecting electric utility;

c. Information regarding the owner of the small wind energy system, including legal name, address, telephone number, and, as applicable, facsimile transmission number and electronic mail address;

d. Description of the small wind energy system, including location and nameplate generating capacity;

e. A copy of the modified interconnection agreement clearly identifying the proposed modifications;

f. A description of the reasons and circumstances that require the modifications; and

g. Signed statements from the electric utility and the owner of the small wind energy system attesting that the proposed modifications to the interconnection agreement are mutually agreeable.

15.22(4) *Annual reporting requirement.* A current listing of small wind innovation zones shall be maintained on the commission's website at www.state.ia.us/iuc. Beginning April 1, 2011, each electric utility that has one or more small wind innovation zones in its service territory shall file an annual report for the previous calendar year listing the nameplate kW capacity of each small wind energy system that was interconnected (or previously interconnected) with the utility and produced electricity in each of the small wind innovation zones served by the utility. The information shall be provided in the following format:

Small Wind Innovation Zone	Customer Name	Nameplate kW Capacity

[**ARC 8949B**, IAB 7/28/10, effective 9/1/10; Editorial change: IAC Supplement 7/24/24]

These rules are intended to implement Iowa Code sections 476.1, 476.8, 476.41 to 476.45, and 546.7, Section 210 of the Public Utility Regulatory Policies Act of 1978, and 18 CFR Part 292.

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[Editorial change: IAC Supplement 7/24/24]

CHAPTER 16
ACCOUNTING
[Prior to 10/8/86, Commerce Commission[250]]

199—16.1(476) Accounting—general information.

16.1(1) *Application of rules.* These rules shall apply to any utility operating within the state of Iowa under the jurisdiction of the commission pursuant to Iowa Code chapter 476, subject to the following conditions:

a. A utility may request a waiver of any of the rules in this chapter by filing a request for waiver pursuant to 199—1.3(17A,474,476,78GA,HF2206).

b. The adoption of these rules shall in no way preclude the commission from altering or amending them, or from making such modifications with respect to their application as may be found necessary to meet exceptional conditions.

c. These rules shall in no way relieve any utility from any of its duties under the laws of this state.

16.1(2) *Effect of rules.* In prescribing uniform systems of accounts for public utilities, the commission does not commit itself to the approval or acceptance of any item set out in any account for the purpose of fixing rates or in determining other matters before the commission. The prescribed systems of accounts are designed to set out the facts in connection with all sources of funds including incomes and amounts due and receivable from each source, and the amount expended and due for each purpose distinguishing clearly all payments for operating expenses from those of new construction, extensions and additions to property; and to provide for balance sheets showing various assets and liabilities and various forms of proprietary interest under uniform classifications; and, therefrom, the commission will determine, in connection with such matters as may be under advisement from time to time, what consideration shall be given to the various items in the several accounts.

16.1(3) *Implementation of rules.* Rescinded IAB 6/25/03, effective 7/30/03.

[Editorial change: IAC Supplement 7/24/24]

199—16.2(476) Uniform systems of accounts—electric. The uniform systems of accounts for public utilities and licensees subject to the provisions of the Federal Power Act, 18 CFR Part 101 published in the Federal Energy Regulatory Commission's rules and regulations, in effect on April 1, 2000, and the January 1, 2002, uniform systems of accounts for rural electric cooperatives prescribed for electric borrowers of the Rural Utilities Service, as applicable, are adopted with the following modifications:

16.2(1) Definition 7 published in 18 CFR Part 101 is changed to read: "Commission" means the commission except where reference is made to the licensing authority of the Federal Energy Regulatory Commission (as in definitions 22 and 27), where Commission shall mean the Federal Energy Regulatory Commission. This change does not apply to definitions found in Rural Utilities Service uniform systems of accounts for rural electric cooperatives.

16.2(2) Definition 29 published in 18 CFR Part 101 is changed to read: "Public Utility" means any natural or legal person, or other entity, defined as a public utility and made subject to the authority of the commission by Iowa Code section 476.1. This change does not apply to definitions found in Rural Utilities Service uniform systems of accounts for rural electric cooperatives.

16.2(3) Rescinded IAB 6/25/03, effective 7/30/03.

16.2(4) General instruction 1-B of the uniform systems of accounts for electric utilities is modified by adding the following sentence: "Utilities subject to rate regulation by the commission shall keep all the accounts of these systems of accounts which are applicable to their affairs, and utilities not subject to rate regulation shall keep the accounts of these systems of accounts for operating revenues only."

16.2(5) General instruction 1-D of the uniform systems of accounts for electric utilities is modified by adding the following sentence: "It is recommended but not required that electric utilities not subject to rate regulation, other than electric cooperatives, keep all applicable accounts in accordance with the Federal Energy Regulatory Commission uniform systems of accounts, 18 CFR Part 101." Rural electric cooperatives not subject to rate regulation may choose to keep all applicable accounts in accordance with the Rural Utilities Service uniform systems of accounts.

16.2(6) General instruction 2-D of the uniform systems of accounts for electric utilities is modified by adding the following sentence: "This shall not prohibit the electric utilities from using such additional accounts as they are required or permitted to keep for their reporting to other regulatory authorities or to their stockholders providing the commission is notified of the nature, amount and purpose of such accounts in the annual report to the commission and at such other times as may be requested by the commission."

16.2(7) The definitions for the uniform systems of accounts for electric utilities, when used in account 424, Promotional Practices, are modified to include the following definitions:

a. The word *"affiliate"* shall mean any person doing business in this state who directly or indirectly controls or is controlled by or is under common control with a public utility.

b. The word *"appliance"* or *"equipment"* shall mean any device, including a fixture, which consumes electric energy and any ancillary device required for its operation.

c. The word *"consideration"* shall mean any cash, donation, gift, allowance, rebate, bonds, merchandise (new or used), property (tangible or intangible), labor, service conveyance, commitment, right, or other thing of value.

d. The word *"financing"* shall include acquisition of equity or debt interests, loans, guarantee of loans, advances, sale and repurchase agreements, sale and lease-back agreements, sales on open account, conditional or installment sales contracts, or other investment or extensions of credit.

e. The word *"person"* shall include an individual, group, firm, partnership, corporation, cooperative, association, or other organization, but not including state or local political subdivisions or municipal corporations.

f. The words *"public utility"* or *"utility"* shall include persons defined to be public utilities in Iowa Code section 476.1.

g. The words *"promotional practices"* shall mean any consideration offered or granted by a public utility or its affiliate to any person for the purpose, express or implied, of inducing such person to select or use the service or additional service of such utility, or to select or install any appliance or equipment designed to use such utility service; provided that the words "promotional practices" shall not include the following activities:

(1) Providing repairs and service to appliances or equipment of customers of a public utility in an emergency or to restore service or to prevent hazardous conditions or service interruptions.

(2) Inspection and adjustment of appliances or equipment by a public utility.

(3) Repairs and other maintenance to appliances or equipment by a public utility that could be performed by an independent appliance dealer or service shop if charges are at a cost or above.

(4) Providing service, wiring, piping, appliances, or equipment in accordance with tariffs, rules, or regulations of a public utility on file with and approved by the commission.

(5) Providing appliances, equipment, or instructional services to an educational institution for the purpose of instructing students in the use or repair of such appliances or equipment.

(6) Providing discounts or financing to employees of a public utility to encourage their use of the utility's service.

(7) Merchandising and related inventorying of appliances or equipment for sale at retail and making and fulfilling reasonable warranties against defects in material and workmanship in appliances or equipment existing at the time of delivery; the elimination of hazardous conditions which due to a grandfather provision would not be corrected by the customer and yet would require correction to protect the public and minimize company liability.

(8) The replacement of or alterations to a customer's obsolete or inefficient system.

(9) Technical, informational, or educational assistance offered to persons on the use of energy furnished by a public utility or on the use of maintenance of appliances or equipment.

(10) Lunches, gifts, door prizes, etc., presented for attendance at informational meetings, conferences, etc., valued at $10 or less shall not be considered to be a promotional practice.

(11) Providing appliances or equipment incidental to exhibitions, demonstrations, tests, or experiments of reasonable duration.

(12) Any promotional practice, or program which includes a promotional practice, designed to develop or implement programs that promote energy efficiency and are part of the utility's energy efficiency plan developed pursuant to 199—Chapter 35.

16.2(8) The uniform systems of accounts for electric utilities are modified to include the following:

a. 424 Promotional Practices. This account shall include the cost of labor, materials used, and expenses or losses incurred by the utility or an affiliate (where such costs are charged back to the company) on promotional practices. Promotional practices, or programs which include promotional practices, and the labor, materials, and expenses related to promotional practices which are exempted by subrule 16.7(2) need not be included in this account. The account shall include, but not be limited to, the following items:

(1) The financing of land or the construction of any building when the same is not owned or otherwise possessed by the utility or its affiliate, without commission written approval.

(2) The furnishing of consideration to any person for work done or to be done on property not owned or otherwise possessed by the utility or its affiliate, except for the following: Studies to determine comparative capital or operating costs and expenses, or to show the desirability and feasibility of selecting one form of energy over another, contributions for research and development of new energy sources, etc.

(3) The acquisition from any person of any tangible or intangible property or service for a consideration in excess of the value thereof or the furnishing to any person of any tangible property or service for a consideration of less than the value thereof. "Value" in this instance is defined as the fair market price of the property or service under competitive market conditions and under arm's length conditions.

(4) The furnishing of consideration to any person for the sale, installation, or use of appliances or equipment of one form of energy over another. Employees who are paid a commission in lieu of salary for the initial sale of appliances are exempted.

(5) The provision of free, or at less than cost or value, wiring, piping, appliances, or equipment to any person; provided that a utility, engaged in an appliance merchandising sales program, shall not be precluded from conducting legitimate closeouts of appliances, clearance sales, or sales of damaged or returned appliances. All items required by service rules of this commission are exempted.

(6) The provision of free, or at less than cost or value, installation, operation, repair, modification, or maintenance of appliances, equipment, wiring or piping to any person. This would not include services provided for the convenience and safety of customers such as gas leak testing, lighting of furnaces, etc.

(7) The granting of a trade-in allowance on the purchase of any appliance or equipment in excess of the reasonable value of the trade-in based on the past experience of a company or the granting of a trade-in allowance for such appliance or equipment when such allowance varies by the type of energy consumed in the trade-in.

(8) The financing of the acquisition of any appliance or equipment at a rate of interest or on terms significantly more favorable than those generally applicable to sales by nonutility dealers in such appliances or equipment.

(9) The furnishing of consideration to any person for any advertising or publicity purpose, except where appropriately classified to another account.

(10) The guaranteeing of the maximum cost of electric utility service, except under published tariffs.

(11) Labor items related to promotional practices:

1. Salary of employees engaged directly or indirectly in promotional practices defined.
2. Clerical and stenographic work performed in relation to promotional practices.
3. Fees paid to consultants, agents, attorneys, etc., on related promotional practices.

(12) Materials and expenses related to promotional practices:

1. Amounts spent on postage, office supplies, displays, posters, exhibits, etc.
2. Films, movies, photographs prepared for promotional activities.
3. Expenses paid such as lodging, food, entertainment expenses.
4. Transportation by company auto or plane and public transportation of any mode.

b. 426 Miscellaneous Income Deductions. Immediately following the current text and item list, add the following:

(1) Promotional advertising expenses.

(2) Institutional or goodwill advertising expenses.

(3) Rate justification advertising expenses.

c. 426.4 Political Advertising Expenses.

(1) This account shall include the cost of labor, materials used, and expenses incurred in advertising whether on a national, regional, or local basis, which are designed to influence public opinion with respect to the election or appointment of public officials or the adoption, repeal, revocation, or modification of referenda, legislation, or ordinances. The account shall also include expenditures for influencing the decisions of public officials, not including expenditures as are directly related to appearances before regulatory or other governmental bodies in connection with the utility's existing or proposed operations.

(2) Entries relating to political advertising included in this account shall contain or refer to supporting documents which identify the specific advertising message. If references are used, copies or scripts of the advertising message shall be readily available to staff, consumer advocate, or any party involved in a discovery proceeding.

(3) Where political advertising is undertaken by an association on behalf of its members or by a holding company on behalf of its subsidiaries, the amount of expenses for such advertising charged to any member or subsidiary which is an Iowa electric utility and included in this account shall be determined in accordance with the text of this account as set forth in paragraph 16.2(8)*"c."*

(4) Labor items related to political advertising:

1. Preparing material for newspapers, periodicals, billboards, etc., and preparing and conducting promotional motion pictures, radio, and television programs.
2. Preparing booklets, bulletins, etc., used in direct mail.
3. Preparing window and other displays.
4. Clerical and stenographic work.
5. Investigating advertising agencies and media and conducting negotiations in connection with the placement and subject matter of advertising.

(5) Material and expenses related to political advertising:

1. Advertising in newspapers, periodicals, billboards, radio, etc.
2. Advertising matters such as posters, bulletins, booklets, and related items.
3. Fees and expenses of advertising agencies and commercial artists.
4. Novelties for general distribution.
5. Postage on direct-mail advertising.
6. Printing of booklets, dodgers, bulletins, etc.
7. Supplies and expenses in preparing advertising materials.
8. Office supplies and expenses.

NOTE: Franchise advertising and related expenses shall be charged to account 913.5. See paragraph 16.2(8)*"k"* or FERC account 302.

d. 426.7 Promotional Advertising Expenses.

(1) This account shall include the cost of labor, materials used, and expenses incurred in advertising designed to promote or retain the use of utility service, except advertising the sale of merchandise, load factor advertising, or advertising which is part of a promotional practice, or a program which includes a promotional practice, designed to develop or implement programs that promote energy efficiency and are part of the utility's energy efficiency plan developed pursuant to 199—Chapter 35.

(2) Entries relating to promotional advertising included in this account shall contain or refer to supporting documents which identify the specific advertising message. If references are used, copies or scripts of the advertising message shall be readily available to staff, consumer advocate, or any party involved in a discovery proceeding.

(3) Where promotional advertising is undertaken by an association on behalf of its members or by a holding company on behalf of its subsidiaries, the amount of expenses for such advertising charged to any member or subsidiary which is an Iowa electric utility and included in this account shall be determined in accordance with the text of this account as set forth in paragraph 16.2(8)*"d."*

(4) Labor items related to promotional advertising:

1. Direct supervision of advertising activities.

2. Preparing material for newspapers, periodicals, billboards, etc., and preparing and conducting motion pictures, radio, and television programs.

3. Preparing booklets, bulletins, etc., used in direct mail.

4. Preparing window and other displays.

5. Clerical and stenographic work.

6. Investigating advertising agencies and media and conducting negotiations in connection with the placement and subject matter of advertising.

(5) Materials and Expenses related to promotional advertising:

1. Advertising in newspapers, periodicals, billboards, radio, etc.

2. Advertising matters such as posters, bulletins, booklets, and related items.

3. Fees and expenses of advertising agencies and commercial artists.

4. Novelties for general distribution.

5. Postage on direct-mail advertising.

6. Premiums distributed generally, such as recipe books, etc., when not offered as inducement to purchase appliances.

7. Printing of booklets, dodgers, bulletins, etc.

8. Supplies and expenses in preparing advertising materials.

9. Office supplies and expenses.

NOTE A: The cost of advertisements which sets forth the value or advantages of utility service (without reference to specific appliances or if reference is made to appliances from dealers or refers to appliances not carried for sale by the utility), shall be considered sales promotion advertising and charged to this account. However, advertisements which are limited to specific makes of appliances sold by the utility and prices, terms, etc., thereof, without referring to the value or advantages of utility service, shall be considered as merchandise advertising, and the cost shall be charged to FERC account 416, Costs and Expenses of Merchandising, Jobbing, and Contract Work.

NOTE B: Advertisements which substantially mention or refer to the value or advantages of utility service, together with specific reference to makes or appliances sold by the utility and the price, terms, etc., thereof, and designed for the joint purpose of increasing the use of utility service and the sales of appliances, shall be considered as a combination advertisement, and the costs shall be distributed between this account and FERC account 416, Costs and Expenses of Merchandising, Jobbing, and Contract Work, on the basis of space, time, or other proportional factors.

e. 426.8 Institutional or Goodwill Advertising Expenses.

(1) This account shall include the cost of labor, materials used, and expenses incurred in advertising which is designed to create, enhance, or sustain the utility's image or goodwill to the general public or its customers.

(2) Entries relating to institutional or goodwill advertising included in this account shall contain or refer to supporting documents which identify the specific advertising message. If references are used, copies or scripts of the advertising message shall be readily available to staff, consumer advocate, or any party involved in a discovery proceeding.

(3) Where institutional or goodwill advertising is undertaken by an association on behalf of its members or by a holding company on behalf of its subsidiaries, the amount of expense for such advertising charged to any member or subsidiary which is an Iowa electric utility and included in this account shall be determined in accordance with the text of this account as set forth in paragraph 16.2(8)*"e."*

(4) Labor items related to institutional or goodwill advertising:

1. Supervision of advertising activities.

2. Preparing material for newspapers, periodicals, billboards, etc., and preparing or conducting motion pictures, radio, and television programs.

3. Preparing booklets, bulletins, etc., used in direct mail.

4. Preparing window and other displays.

5. Clerical and stenographic work.

6. Investigating advertising agencies and media and conducting negotiations in connection with the placement and subject matter of advertising.

(5) Materials and expenses related to institutional or goodwill advertising:

1. Advertising in newspapers, periodicals, billboards, radio, etc.
2. Advertising matters such as posters, bulletins, booklets, and related items.
3. Fees and expenses of advertising agencies and commercial artists.
4. Postage on direct-mail advertising.
5. Printing of booklets, dodgers, bulletins, etc.
6. Supplies and expenses in preparing advertising materials.
7. Office supplies and expenses.
8. Novelties for general distribution.

Below are examples of the advertising to be included in this account:

- Pronouncements primarily lauding the utility or the area or community it serves.
- Advertising activities to inform the ratepayers of the social and economic advantages or status of the area or community it serves.
- Advertising activities to inform the public of the utility's participation in programs to improve the economic condition of the area or community it serves.
- Advertising activities to inform the public of the utility's role of good citizenship.
- Information and routine data supplied by the utility to local governments, planning agencies, civic groups, businesses, and the general public which is not inclusive in account 909.3, Informational Consumer Advertising Expenses. See paragraph 16.2(8)*"i."*
- Advertising activities to inform the public of the utility's consciousness of, or involvement in, health, safety, conservation, or environmental programs, except as included in accounts 909.1, 909.2, and 909.3.

f. 426.9 Rate Justification Advertising Expenses.

(1) This account shall include the cost of labor, materials used, and expenses incurred in advertising, whether on a regional or local basis which is designed to promote public acceptance of utility rate increases or the utility's filed rates. The account shall also include all costs incurred by the utility for advertising in opposition to the decision of the regulatory agency. However, the expenses associated with simply informing customers that new rates have been requested shall be recorded in FERC account 928, Regulatory Commission Expenses.

(2) Entries relating to rate justification advertising included in this account shall contain or refer to supporting documents which identify the specific advertising message. If references are used, copies or scripts of the advertising message shall be readily available to staff, consumer advocate or any party involved in a discovery proceeding.

(3) Where advertising is undertaken by an association on behalf of its members or by a holding company on behalf of its subsidiaries, the amount of expense for such advertising charged to any member or subsidiary which is an Iowa electric utility and included in this account shall be determined in accordance with the text of this account as set forth in paragraph 16.2(8)*"f."*

(4) Labor items related to rate justification advertising:

1. Preparing material for newspapers, periodicals, billboards, etc., and preparing and conducting motion pictures, radio, and television programs.
2. Preparing booklets, bulletins, etc., used in direct mail.
3. Preparing window and other displays.
4. Clerical and stenographic work.
5. Investigating advertising agencies and media and conducting negotiations in connection with the placement and subject matter of advertising.

(5) Materials and expenses related to rate justification advertising:

1. Advertising in newspapers, periodicals, billboards, radio, etc.
2. Advertising matters such as posters, bulletins, booklets, and related items.
3. Fees and expenses of advertising agencies and commercial artists.
4. Postage on direct-mail advertising.
5. Printing of booklets, dodgers, bulletins, etc.
6. Supplies and expenses in preparing advertising materials.

7. Office supplies and expenses.

g. 909.1 Conservation Advertising Expenses.

(1) This account shall include the cost of labor, materials used, and expenses incurred in advertising activities which primarily inform the customer of the reasons for and methods whereby energy may be conserved and energy consumption reduced by the consumer. Include in this account advertising activity relating to the electric utility which is related directly to the company's provision of service to the customer during energy, fuel, and related shortages.

(2) Entries relating to conservation advertising included in this account shall contain or refer to supporting documents which identify the specific advertising message. If references are used, copies or scripts of the advertising message shall be readily available to staff, consumer advocate, or any party involved in a discovery proceeding.

(3) Where conservation advertising is undertaken by an association on behalf of its members or by a holding company on behalf of its subsidiaries, the amount of expense for such advertising charged to any member or subsidiary which is an Iowa electric utility and included in this account shall be determined in accordance with the text of this account as set forth in paragraph 16.2(8)*"g."*

(4) Labor items related to conservation advertising:

1. Direct supervision of advertising activities.
2. Preparation of materials for newspapers, periodicals, billboards, etc., and preparing and conducting motion pictures, radio, and television programs.
3. Preparation of booklets, bulletins, etc., used in direct mail.
4. Preparation of window and other displays.
5. Clerical and stenographic work.
6. Investigating advertising agencies and media and conducting negotiations in connection with the placement and subject matter of advertising.

(5) Materials and expenses related to conservation advertising:

1. Advertising in newspapers, periodicals, billboards, radio, etc.
2. Fees and expenses of advertising agencies and commercial artists.
3. Postage on direct-mail advertising.
4. Printing of booklets, dodgers, bulletins, etc.
5. Supplies and expenses in preparing advertising materials.
6. Office supplies and expenses.
7. Novelties for general distribution.

Below are examples of the advertising to be included in this account:

- Instructions in the proper use of equipment owned by the utility or the customer which will result in less consumption of energy.
- Advertising designed to convince consumers to turn down thermostats, turn off lights when not in use, and turn off appliances, television sets, etc., when not in use.

h. 909.2 Environmental Advertising Expenses.

(1) This account shall include the cost of labor, materials used, and expenses incurred in advertising activities which primarily are designed to inform the public concerning the methods by which customers can participate with the utility in preserving and improving the environment. However, advertising which is primarily designed to laud the utility's achievements or projects purporting to preserve or enhance the environment, shall be recorded in account 426.8. See paragraph 16.2(8)*"e."*

(2) Entries relating to environmental advertising included in this account shall contain or refer to supporting documents which identify the specific advertising message. If references are used, copies or scripts of the advertising message shall be readily available to staff, consumer advocate or any party involved in a discovery proceeding.

(3) Where environmental advertising is undertaken by an association on behalf of its members or by a holding company on behalf of its subsidiaries, the amount of expenses for such advertising charged to any member or subsidiary which is an Iowa electric utility and included in this account shall be determined in accordance with the text of this account as set forth in paragraph 16.2(8)*"h."*

(4) Labor items related to environmental advertising:

1. Direct supervision of advertising activities.
2. Preparation of materials for newspapers, periodicals, billboards, etc., and preparing and conducting motion pictures, radio, and television programs.
3. Preparation of booklets, bulletins, etc., used in direct mail.
4. Preparation of window and other displays.
5. Clerical and stenographic work.
6. Investigating advertising agencies and media and conducting negotiations in connection with the placement and subject matter of advertising.

(5) Materials and expenses related to environmental advertising:

1. Advertising in newspapers, periodicals, billboards, etc.
2. Fees and expenses of advertising agencies and commercial artists.
3. Postage on direct-mail advertising.
4. Printing of booklets, dodgers, bulletins, etc.
5. Supplies and expenses in preparing advertising materials.
6. Office supplies and expenses.
7. Novelties for general distribution.

i. 909.3 Informational Consumer Advertising Expenses.

(1) This account shall include the cost of labor, materials used, and expenses incurred in advertising activities which primarily convey information as to what the utility urges or suggests customers should do in utilizing electric service to protect their health and safety, and to utilize their electric equipment safely and economically.

(2) Entries relating to informational advertising included in this account shall contain or refer to supporting documents which identify the specific advertising message. If references are used, copies or scripts of the advertising message shall be readily available to staff, consumer advocate, or any party involved in a discovery proceeding.

(3) Where informational advertising is undertaken by an association on behalf of its members or by a holding company on behalf of its subsidiaries, the amount of expense for such advertising charged to any member or subsidiary which is an Iowa electric utility and included in this account shall be determined in accordance with the text of this account as set forth in paragraph 16.2(8)*"i."*

(4) Labor items related to informational consumer advertising:

1. Direct supervision of advertising activities.
2. Preparing materials for newspapers, periodicals, billboards, etc., and preparing and conducting motion pictures, radio, and television programs.
3. Preparing booklets, bulletins, etc., used in direct mail.
4. Preparing window and other displays.
5. Clerical and stenographic work.
6. Investigating advertising agencies and media and conducting negotiations in connection with the placement and subject matter of advertising.

(5) Materials and expenses related to informational consumer advertising:

1. Advertising in newspapers, periodicals, billboards, radio, etc.
2. Fees and expenses of advertising agencies and commercial artists.
3. Postage on direct-mail advertising.
4. Printing of booklets, dodgers, bulletins, etc.
5. Supplies and expenses in preparing advertising materials.
6. Office supplies and expenses.
7. Novelties for general distribution.

Below are examples of the advertising to be included in this account:

- Instructions in the proper use of equipment owned by the utility or the customer which make use of the utility's service.
- Information as to new rates, billing practices, new inspection, or meter-reading schedules.
- Notification of emergency conditions and procedures to be followed during the emergency.
- Advice concerning hazards associated with the utility's electric service.

(6) Exclude from this account and charge to FERC account 930.2, Miscellaneous General Expenses, the cost of publication of stockholder reports, dividend notices, bond redemption notices, financial statements, and other notices of a general corporate character. Also, exclude all expenses of promotional, institutional, or goodwill, and political advertising. See paragraphs 16.2(8)*"c,"*, 16.2(8)*"d,"* and 16.2(8)*"e,"* which refer to accounts 426.4, Political Advertising Expenses, 426.7, Promotional Advertising Expenses, and 426.8, Institutional or Goodwill Advertising Expenses, respectively.

Advertising expense directly related to obtaining a franchise or renewing an old franchise shall be charged to FERC account 302, Franchise and Consents. Such amounts shall be maintained in a separate subaccount for ready identification.

Advertising expense directly related to securing of new debt financing shall be charged to FERC account 181, Unamortized Debt Expense. Such amounts shall be maintained in a separate subaccount for ready identification.

Advertising expense directly related to securing of new equity financing shall be charged to FERC account 214, Capital Stock Expense. Such amounts shall be maintained in a separate subaccount for ready identification.

j. 909.4 Load Factor Advertising Expenses.

(1) This account shall include the cost of labor, materials used, and expenses incurred in advertising activities designed to improve load factor so that plant and equipment already installed can be operated more efficiently and to a greater degree of capability, thereby resulting in lower overall costs to the consumer.

(2) This shall include advertising expenditures which are designed to further industrial and commercial development of the company's service area.

(3) Entries relating to load factor advertising included in this account shall contain or refer to supporting documents which identify the specific advertising message. If references are used, copies or scripts of the advertising message shall be readily available to staff, consumer advocate, or any party involved in a discovery proceeding.

(4) Where load factor advertising is undertaken by an association on behalf of its members or by a holding company on behalf of its subsidiaries, the amount of expense for such advertising charged to any member or subsidiary which is an Iowa electric utility and included in this account shall be determined in accordance with the text of this account as set forth in paragraph 16.2(8)*"j."*

(5) Labor items relating to load factor advertising:

1. Direct supervision of advertising activities.
2. Preparation of advertising materials for newspapers, periodicals, billboards, etc., and preparing and conducting motion pictures, radio, and television programs.
3. Preparation of booklets, bulletins, etc., used in direct mail.
4. Preparation of window and other displays.
5. Clerical and stenographic work.
6. Investigating advertising agencies and media and conducting negotiations in connection with the placement and subject matter of advertising.

(6) Materials and expenses related to load factor advertising:

1. Advertising in newspapers, periodicals, billboards, radio, etc.
2. Fees and expenses of advertising agencies and commercial artists.
3. Postage on direct-mail advertising.
4. Printing of booklets, dodgers, bulletins, etc.
5. Supplies and expenses in preparing advertising materials.
6. Office supplies and expenses.
7. Novelties for general distribution.

Below is an example of the advertising to be included in this account:

- Encouragement for manufacturers to go to night operations.

k. 913 Advertising Expenses. Delete the entire current text of FERC account 913 and add subaccount 913.5, Franchise Advertising Expenses.

(1) This account shall include only reasonable advertising expenditures for the purpose of obtaining approval, modification, or revocation of franchises.

(2) Entries relating to reasonable franchise advertising included in this account shall contain or refer to supporting documents which identify the specific advertising message. If references are used, copies or scripts of the advertising matter shall be readily available to staff, consumer advocate, or any party involved in a discovery proceeding.

(3) Labor items related to franchise advertising:

1. Preparing material for newspapers, periodicals, billboards, etc., and preparing and conducting motion pictures, radio, and television programs.
2. Preparing booklets, bulletins, etc., used in direct mail.
3. Preparing window and other displays.
4. Clerical and stenographic work.
5. Investigating advertising agencies and media and conducting negotiations in connection with the placement and subject matter of advertising.

(4) Materials and expenses related to franchise advertising:

1. Advertising in newspapers, periodicals, billboards, radio, etc.
2. Advertising matters such as posters, bulletins, booklets, and related items.
3. Fees and expenses of advertising agencies and commercial artists.
4. Novelties for general distribution.
5. Postage on direct-mail advertising.
6. Printing of booklets, bulletins, etc.
7. Supplies and expenses in preparing advertising materials.
8. Office supplies and expenses.

l. 930.2 Miscellaneous Expenses.

16.2(9) FERC accounts 421.1 or 421.2 as they are defined and exist in the uniform systems of accounts shall be used to account for the gain or loss on the sale, conveyance, exchange, or transfer of utility or other property, including land and land rights, unless otherwise authorized or required by the commission for good cause shown.

16.2(10) FERC account 105 of the uniform systems of accounts 18 CFR Part 101 is modified in subparagraph "D" by deleting the following language: "in account 411.6 or 411.7, as appropriate except when determined to be significant by the commission. Upon such a determination, the amounts shall be transferred to account 256, Deferred Gains from Disposition of Utility Plant, or account 187, Deferred Losses from Disposition of Utility Plant, and amortized to accounts 411.6, Gains from Disposition of Utility Plant, or 411.7, Losses from Disposition of Utility Plant, as appropriate," and substituting in lieu thereof: "in account 421.1 or 421.2, as appropriate unless otherwise authorized or required by the commission for good cause shown."

[Editorial change: IAC Supplement 7/24/24]

199—16.3(476) Uniform systems of accounts—gas. The uniform systems of accounts for natural gas companies subject to the provisions of the Natural Gas Act, 18 CFR Part 201 published in the Federal Energy Regulatory Commission's rules and regulations, in effect on April 1, 2002, is adopted with the following modifications:

16.3(1) Definition 7 is changed to read: "Commission" means the commission except where reference is made to the authority of the Federal Energy Regulatory Commission (FERC) under the Natural Gas Act and where the commission does not have the same or similar authority under Iowa Code chapter 476, where "Commission" shall mean FERC.

16.3(2) Definition 22 is changed to read: "Natural gas company" means a person furnishing gas by piped distribution system to the public for compensation.

16.3(3) Rescinded IAB 6/25/03, effective 7/30/03.

16.3(4) General instruction 1-B of the uniform systems of accounts for gas utilities is modified to add the following sentence: "Gas utilities subject to rate regulation by the commission shall keep all the accounts of these systems of accounts which are applicable to their affairs, and gas utilities not subject to rate regulation shall keep the accounts of these systems of accounts for operating revenues only."

16.3(5) General instruction 1-D of the uniform systems of accounts for gas utilities is modified by adding the following sentence: "It is recommended but not required that gas utilities not subject to rate regulation keep all applicable accounts in accordance with the FERC uniform systems of accounts 18 CFR Part 201."

16.3(6) General instruction 2-D of the uniform systems of accounts for gas utilities is modified by adding the following sentence: "This shall not prohibit the gas utilities from using additional accounts as they are required or permitted to keep for their reporting to other regulatory authorities or to their stockholders, providing the commission is notified of the nature, amount and purpose of such accounts in the annual report to the commission and at such other times as may be requested."

16.3(7) The definitions for the uniform systems of accounts for gas utilities, when used in account 424, Promotional Practices, are modified to include the following definitions:

a. The word *"affiliate"* shall mean any person doing business in this state who directly or indirectly controls or is controlled by or is under common control with a public utility.

b. The word *"appliance"* or *"equipment"* shall mean any device, including a fixture, which consumes electric energy and any ancillary device required for its operation.

c. The word *"consideration"* shall mean any cash, donation, gift, allowance, rebate, bonds, merchandise (new or used), property (tangible or intangible), labor, service conveyance, commitment, right, or other thing of value.

d. The word *"financing"* shall include acquisition of equity or debt interests, loans, guarantee of loans, advances, sale and repurchase agreements, sale and lease-back agreements, sales on open account, conditional or installment sales contracts, or other investment or extensions of credit.

e. The word *"person"* shall include any individual, group, firm, partnership, corporation, cooperative, association, or other organization, but not including state or local political subdivisions or municipal corporations.

f. The words *"public utility"* or *"utility"* shall include persons defined to be public utilities in Iowa Code section 476.1.

g. The words *"promotional practices"* shall mean any consideration offered or granted by a public utility or its affiliate to any person for the purpose, express or implied, of inducing such person to select or use the service or additional service of such utility, or to select or install any appliance or equipment designed to use such utility service; provided that the words *"promotional practices"* shall not include the following activities:

(1) Providing repairs and service to appliances or equipment of customers of a public utility in an emergency or to restore service or to prevent hazardous conditions or service interruptions.

(2) Inspection and adjustment of appliances or equipment by a public utility.

(3) Repairs and other maintenance to appliances or equipment by a public utility that could be performed by an independent appliance dealer or service shop if charges are at cost or above.

(4) Providing service, wiring, piping, appliances, or equipment in accordance with tariffs, rules, or regulations of a public utility on file with and approved by the commission.

(5) Providing appliances, equipment, or instructional services to an educational institution for the purpose of instructing students in the use or repair of such appliances or equipment.

(6) Providing discounts or financing to employees of a public utility to encourage their use of the utility's service.

(7) Merchandising and related inventory of appliances or equipment for sale at retail and making and fulfilling reasonable warranties against defects in material and workmanship in appliances or equipment existing at the time of delivery; the elimination of hazardous conditions which due to a grandfather provision would not be corrected by the customer and yet would require correction to protect the public and minimize company liability.

(8) The replacement of or alterations to a customer's obsolete or inefficient system.

(9) Technical, informational, or educational assistance offered to persons on the use of energy furnished by a public utility or on the use of maintenance of appliances or equipment.

(10) Lunches, gifts, door prizes, etc., presented for attendance at informational meetings, conferences, etc., valued at $10 or less shall not be considered to be a promotional practice.

(11) Providing appliances or equipment incidental to exhibitions, demonstrations, tests, or experiments of reasonable duration.

(12) Any promotional practice, or program which includes a promotional practice, designed to develop or implement programs that promote energy efficiency.

16.3(8) The uniform systems of accounts for gas utilities are modified to include the following:

a. 424 Promotional Practices. This account shall include the cost of labor, materials used, and expenses or losses incurred by the utility or an affiliate (where such costs are charged back to the company) on promotional practices. Promotional practices, or programs which include promotional practices, and the labor, materials, and expenses related to promotional practices, which are exempted by subrule 16.7(2) need not be included in this account. The account shall include, but not be limited to, the following items:

(1) The financing of land or the construction of any building when the same is not owned or otherwise possessed by the utility or its affiliate without commission written approval.

(2) The furnishing of consideration to any person for work done or to be done on property not owned or otherwise possessed by the utility or its affiliate, except for the following: Studies to determine comparative capital or operating costs and expenses, or to show the desirability and feasibility of selecting one form of energy over another, contributions for research and development of new energy sources, etc.

(3) The acquisition from any person of any tangible or intangible property or service for a consideration in excess of the value thereof or the furnishing to any person of any tangible property or service for a consideration of less than the value thereof. "Value" in this instance is defined as the fair market price of the property or service under competitive market conditions and under arm's length conditions.

(4) The furnishing of consideration to any person for the sale, installation, or use of appliances or equipment of one form of energy over another. Employees who are paid a commission in lieu of salary for the initial sale of appliances are exempted.

(5) The provision of free, or at less than cost or value, wiring, piping, appliances, or equipment to any person; provided that a utility, engaged in an appliance merchandising sales program, shall not be precluded from conducting legitimate closeouts of appliances, clearance sales, or sales of damaged or returned appliances. All items required by service rules of this commission are exempted.

(6) The provision of free, or at less than cost or value, installation, operation, repair, modification, or maintenance of appliances, equipment, wiring or piping to any person. This would not include services provided for the convenience and safety of customers such as gas leak testing, lighting of furnaces, etc.

(7) The granting of a trade-in allowance on the purchase of any appliance or equipment in excess of the reasonable value of the trade-in based on the past experience of a company or the granting of a trade-in allowance for such appliance or equipment when such allowance varies by the type of energy consumed in the trade-in.

(8) The financing of the acquisition of any appliance or equipment at a rate of interest or on terms significantly more favorable than those generally applicable to sales by nonutility dealers in such appliances or equipment.

(9) The furnishing of consideration to any person for any advertising or publicity purpose, except where appropriately classified to another account.

(10) The guaranteeing of the maximum cost of gas utility service, except under published tariffs.

(11) Labor items related to promotional practices:

1. Salary of employees engaged directly or indirectly in promotional practices defined.
2. Clerical and stenographic work performed in relation to promotional practices.
3. Fees paid to consultants, agents, attorneys, etc., on related promotional practices.

(12) Materials and expenses related to promotional practices:

1. Amounts spent on postage, office supplies, displays, posters, exhibits, etc.
2. Films, movies, photographs prepared for promotional activities.
3. Expenses paid such as lodging, food, entertainment expenses.
4. Transportation by company auto or plane and public transportation of any mode.

b. 426 Miscellaneous Income Deductions. Immediately following the current text and item list, add the following:

(1) Promotional advertising expenses.

(2) Institutional or goodwill advertising expenses.

(3) Rate justification advertising expenses.

c. 426.4 Political Advertising Expenses.

(1) Account 426.4 pertains to items in subparagraph 16.3(8)*"a"*(12)"1" and paragraph 16.3(8)*"b"* listed above. This account shall include the cost of labor, materials used, and expenses incurred in advertising, whether on a national, regional, or local basis, which are designed to influence public opinion with respect to the election or appointment of public officials or the adoption, repeal, revocation, or modification of referenda, legislation, or ordinances. The account shall also include expenditures for influencing the decisions of public officials not including such expenditures which are directly related to appearances before regulatory or other governmental bodies in connection with the utility's existing or proposed operations.

(2) Entries relating to political advertising included in this account shall contain or refer to supporting documents which identify the specific advertising message. If references are used, copies or scripts of the advertising message shall be readily available to staff, consumer advocate, or any party involved in a discovery proceeding.

(3) Where political advertising is undertaken by an association on behalf of its members or by a holding company on behalf of its subsidiaries, the amount of expenses for such advertising charged to any member or subsidiary which is an Iowa gas utility and included in this account shall be determined in accordance with the text of this account as set forth in paragraph 16.3(8)*"c."*

(4) Labor items related to political advertising:

1. Preparing material for newspapers, periodicals, billboards, etc., and preparing and conducting promotional motion pictures, radio, and television programs.
2. Preparing booklets, bulletins, etc., used in direct mail.
3. Preparing window and other displays.
4. Clerical and stenographic work.
5. Investigating advertising agencies and media and conducting negotiations in connection with the placement and subject matter of advertising.

(5) Materials and expenses related to political advertising:

1. Advertising in newspapers, periodicals, billboards, radio, etc.
2. Advertising matters such as posters, bulletins, booklets, and related items.
3. Fees and expenses of advertising agencies and commercial artists.
4. Novelties for general distribution.
5. Postage on direct-mail advertising.
6. Printing of booklets, dodgers, bulletins, etc.
7. Supplies and expenses in preparing advertising materials.
8. Office supplies and expenses.

NOTE: Franchise advertising and related expenses shall be charged to account 913.5 shown in paragraph 16.3(8)*"j"* or FERC account 302.

d. 426.7 Promotional Advertising Expenses.

(1) This account shall include the cost of labor, materials used, and expenses incurred in advertising designed to promote or retain the use of utility service, except advertising the sale of merchandise, load factor advertising, or advertising which is part of a promotional practice, or a program which includes a promotional practice, designed to develop or implement programs that promote energy efficiency and are part of the utility's energy efficiency plan developed pursuant to 199—Chapter 35.

(2) Entries relating to promotional advertising included in this account shall contain or refer to supporting documents which identify the specific advertising message. If references are used, copies or scripts of the advertising message shall be readily available to staff, consumer advocate, or any party involved in a discovery proceeding.

(3) Where promotional advertising is undertaken by an association on behalf of its members or by a holding company on behalf of its subsidiaries, the amount of expenses for such advertising charged to any

member or subsidiary which is an Iowa gas utility and included in this account shall be determined in accordance with the text of this account as set forth in paragraph 16.3(8)*"d."*

(4) Labor items related to promotional advertising:

1. Direct supervision of advertising activities.
2. Preparing material for newspapers, periodicals, billboards, etc., and preparing and conducting motion pictures, radio, and television programs.
3. Preparing booklets, bulletins, etc., used in direct mail.
4. Preparing window and other displays.
5. Clerical and stenographic work.
6. Investigating advertising agencies and media and conducting negotiations in connection with the placement and subject matter of advertising.

(5) Materials and expenses related to promotional advertising:

1. Advertising in newspapers, periodicals, billboards, radio, etc.
2. Advertising matters such as posters, bulletins, booklets, and related items.
3. Fees and expenses of advertising agencies and commercial artists.
4. Novelties for general distribution.
5. Postage on direct-mail advertising.
6. Premiums distributed generally, such as recipe books, etc., when not offered as inducement to purchase appliances.
7. Printing of booklets, dodgers, bulletins, etc.
8. Supplies and expenses in preparing advertising materials.
9. Office supplies and expenses.

NOTE A: The cost of advertisements which set forth the value or advantages of utility service (without reference to specific appliances or if reference is made to appliances from dealers or refers to appliances not carried for sale by the utility) shall be considered sales promotion advertising and charged to this account. However, advertisements which are limited to specific makes of appliances sold by the utility and prices, terms, etc., thereof, without referring to the value or advantages of utility service, shall be considered as merchandise advertising, and the cost shall be charged to account 416, Costs and Expenses of Merchandising, Jobbing, and Contract Work.

NOTE B: Advertisements which substantially mention or refer to the value or advantages of utility service, together with specific reference to makes or appliances sold by the utility and the price, terms, etc., thereof, and designed for the joint purpose of increasing the use of utility service and the sales of appliances, shall be considered as a combination advertisement, and the costs shall be distributed between this account and account 416, Costs and Expenses of Merchandising, Jobbing, and Contract Work, on the basis of space, time, or other proportional factors.

e. 426.8 Institutional or Goodwill Advertising Expenses.

(1) This account shall include the cost of labor, materials used, and expenses incurred in advertising which is designed to create, enhance, or sustain the utility's image or goodwill to the general public or its customers.

(2) Entries relating to institutional or goodwill advertising included in this account shall contain or refer to supporting documents which identify the specific advertising message. If references are used, copies or scripts of the advertising message shall be readily available to staff, consumer advocate, or any party involved in a discovery proceeding.

(3) Where institutional or goodwill advertising is undertaken by an association on behalf of its members or by a holding company on behalf of its subsidiaries, the amount of expense for such advertising charged to any member or subsidiary which is an Iowa gas utility and included in this account shall be determined in accordance with the text of this account as set forth in paragraph 16.3(8)*"e."*

(4) Labor items related to institutional or goodwill advertising:

1. Supervision of advertising activities.
2. Preparing material for newspapers, periodicals, billboards, etc., and preparing and conducting motion pictures, radio, and television programs.
3. Preparing booklets, bulletins, etc., used in direct mail.

4. Preparing window and other displays.
5. Clerical and stenographic work.
6. Investigating advertising agencies and media and conducting negotiations in connection with the placement and subject matter of advertising.

(5) Materials and expenses related to institutional or goodwill advertising:

1. Advertising in newspapers, periodicals, billboards, radio, etc.
2. Advertising matters such as posters, bulletins, booklets, and related items.
3. Fees and expenses of advertising agencies and commercial artists.
4. Postage on direct-mail advertising.
5. Printing of booklets, dodgers, bulletins, etc.
6. Supplies and expenses in preparing advertising materials.
7. Office supplies and expenses.
8. Novelties for general distribution.

Below are examples of the advertising to be included in this account:

- Pronouncements primarily lauding the utility or the area or community it serves.
- Advertising activities to inform the ratepayers of the social and economic advantages or status of the area or community it serves.
- Advertising activities to inform the public of the utility's participation in programs to improve the economic condition of the area or community the utility serves.
- Advertising activities to inform the public of the utility's role of good citizenship.
- Information and routine data supplied by the utility to local governments, planning agencies, civic groups, businesses, and the general public which are not inclusive in account 909.3, Informational Consumer Advertising Expenses. See paragraph 16.3(8)*"i."*
- Advertising activities to inform the public of the utility's consciousness of, or involvement in, health, safety, conservation, or environmental programs, except as included in accounts 909.1, 909.2 and 909.3. See paragraphs 16.3(8)*"g,"* 16.3(8)*"h,"* and 16.3(8)*"i,"* respectively.

f. 426.9 Rate Justification Advertising Expenses.

(1) This account shall include the cost of labor, materials used, and expenses incurred in advertising, whether on a regional or local basis, which is designed to promote public acceptance of utility rate increases or the utility's filed rates. The account shall also include all costs incurred by the utility for advertising in opposition to the decision of the regulatory agency. However, the expenses associated with simply informing customers that new rates have been requested shall be recorded in FERC account 928, Regulatory Commission Expenses.

(2) Entries relating to rate justification advertising included in this account shall contain or refer to supporting documents which identify the specific advertising message. If references are used, copies or scripts of the advertising message shall be readily available to staff, consumer advocate, or any party involved in a discovery proceeding.

(3) Where advertising is undertaken by an association on behalf of its members or by a holding company on behalf of its subsidiaries, the amount of expense for such advertising charged to any member or subsidiary which is an Iowa gas utility and included in this account shall be determined in accordance with the text of this account as set forth in paragraph 16.3(8)*"f."*

(4) Labor items related to rate justification advertising:

1. Preparing material for newspapers, periodicals, billboards, etc., and preparing and conducting motion pictures, radio, and television programs.
2. Preparing booklets, bulletins, etc., used in direct mail.
3. Preparing window and other displays.
4. Clerical and stenographic work.
5. Investigating advertising agencies and media and conducting negotiations in connection with the placement and subject matter of advertising.

(5) Materials and expenses related to rate justification advertising:

1. Advertising in newspapers, periodicals, billboards, radio, etc.
2. Advertising matters such as posters, bulletins, booklets, and related items.

3. Fees and expenses of advertising agencies and commercial artists.
4. Postage on direct-mail advertising.
5. Printing of booklets, dodgers, bulletins, etc.
6. Supplies and expenses in preparing advertising materials.
7. Office supplies and expenses.

g. 909.1 Conservation Advertising Expenses.

(1) This account shall include the cost of labor, materials used, and expenses incurred in advertising activities which primarily inform the customer of the reasons for and methods whereby energy may be conserved and energy consumption reduced by the consumer. Include in this account advertising activity relating to the gas utility, which is related directly to the company's provision of service to the customer during energy, fuel, and related shortages.

(2) Entries relating to conservation advertising included in this account shall contain or refer to supporting documents which identify the specific advertising message. If references are used, copies or scripts of the advertising message shall be readily available to staff, consumer advocate, or any party involved in a discovery proceeding.

(3) Where conservation advertising is undertaken by an association on behalf of its members or by a holding company on behalf of its subsidiaries, the amount of expense for such advertising charged to any member or subsidiary which is an Iowa gas utility and included in this account shall be determined in accordance with the text of this account as set forth in paragraph 16.3(8)*"g."*

(4) Labor items related to conservation advertising:

1. Direct supervision of advertising activities.
2. Preparation of materials for newspapers, periodicals, billboards, etc., and preparing and conducting motion pictures, radio, and television programs.
3. Preparation of booklets, bulletins, etc., used in direct mail.
4. Preparation of window and other displays.
5. Clerical and stenographic work.
6. Investigating advertising agencies and media and conducting negotiations in connection with the placement and subject matter of advertising.

(5) Materials and expenses related to conservation advertising:

1. Advertising in newspapers, periodicals, billboards, radio, etc.
2. Fees and expenses of advertising agencies and commercial artists.
3. Postage on direct-mail advertising.
4. Printing of booklets, dodgers, bulletins, etc.
5. Supplies and expenses in preparing advertising materials.
6. Office supplies and expenses.
7. Novelties for general distribution.

Below are examples of the advertising to be included in this account:

- Instructions in the proper use of equipment owned by the utility or the customer which will result in less consumption of energy.
- Advertising designed to convince consumers to turn down thermostats, turn off appliances, etc., when not in use.

h. 909.2 Environmental Advertising Expenses.

(1) This account shall include the cost of labor, materials used, and expenses incurred in advertising activities which primarily are designed to inform the public concerning the methods by which customers can participate with the utility in preserving and improving the environment. However, advertising which is primarily designed to laud the utility's achievements or projects purporting to preserve or enhance the environment shall be recorded in account 426.8. See paragraph 16.2(3)*"e."*

(2) Entries relating to environmental advertising included in this account shall contain or refer to supporting documents which identify the specific advertising message. If references are used, copies or scripts of the advertising message shall be readily available to staff, consumer advocate, or any party involved in a discovery proceeding.

(3) Where environmental advertising is undertaken by an association on behalf of its members or by a holding company on behalf of its subsidiaries, the amount of expenses for such advertising charged to any member or subsidiary which is an Iowa gas utility and included in this account shall be determined in accordance with the text of this account as set forth in paragraph 16.3(8)*"h."*

(4) Labor items related to environmental advertising:

1. Direct supervision of advertising activities.
2. Preparation of materials for newspapers, periodicals, billboards, etc., and preparing and conducting motion pictures, radio, and television programs.
3. Preparation of booklets, bulletins, etc., used in direct mail.
4. Preparation of window and other displays.
5. Clerical and stenographic work.
6. Investigating advertising agencies and media and conducting negotiations in connection with the placement and subject matter of advertising.

(5) Materials and expenses related to environmental advertising:

1. Advertising in newspapers, periodicals, billboards, etc.
2. Fees and expenses of advertising agencies and commercial artists.
3. Postage on direct-mail advertising.
4. Printing of booklets, dodgers, bulletins, etc.
5. Supplies and expenses in preparing advertising materials.
6. Office supplies and expenses.
7. Novelties for general distribution.

i. 909.3 Informational Consumer Advertising Expenses.

(1) This account shall include the cost of labor, materials used, and expenses incurred in advertising activities which primarily convey information as to what the utility urges or suggests customers should do in utilizing gas service to protect their health and safety, and to utilize their gas equipment safely and economically.

(2) Entries relating to informational advertising included in this account shall contain or refer to supporting documents which identify the specific advertising message. If references are used, copies or scripts of the advertising message shall be readily available to staff, consumer advocate, or any party involved in a discovery proceeding.

(3) Where informational advertising is undertaken by an association on behalf of its members or by a holding company on behalf of its subsidiaries, the amount of expense for such advertising charged to any member or subsidiary which is an Iowa gas utility and included in this account shall be determined in accordance with the text of this account as set forth in paragraph 16.3(8)*"i."*

(4) Labor items related to informational consumer advertising:

1. Direct supervision of advertising activities.
2. Preparing materials for newspapers, periodicals, billboards, etc., and preparing and conducting motion pictures, radio, and television programs.
3. Preparing booklets, bulletins, etc., used in direct mail.
4. Preparing window and other displays.
5. Clerical and stenographic work.
6. Investigating advertising agencies and media and conducting negotiations in connection with the placement and subject matter of advertising.

(5) Materials and expenses related to informational consumer advertising:

1. Advertising in newspapers, periodicals, billboards, radio, etc.
2. Fees and expenses of advertising agencies and commercial artists.
3. Postage on direct-mail advertising.
4. Printing of booklets, dodgers, bulletins, etc.
5. Supplies and expenses in preparing advertising materials.
6. Office supplies and expenses.
7. Novelties for general distribution.

Below are examples of the advertising to be included in this account:

- Instructions in the proper use of equipment owned by the utility or the customer which makes use of the utility's service.
- Information as to new rates, billing practices, new inspection, or meter-reading schedules.
- Notification of emergency conditions and procedures to be followed during the emergency.
- Advice concerning hazards associated with the utility's gas service.

(6) Exclude from this account and charge to FERC account 930.2, Miscellaneous General Expenses, the cost of publication of stockholder reports, dividend notices, bond redemption notices, financial statements, and other notices of a general corporate character. Also, exclude all expenses of promotional, institutional, or goodwill, and political advertising. See paragraphs 16.3(8)*"c,"* 16.3(8)*"d,"* and 16.3(8)*"e,"* which refer to accounts 426.4, Political Advertising Expenses, 426.7, Promotional Advertising Expenses, and 426.8, Institutional or Goodwill Advertising Expenses, respectively.

Advertising expense directly related to obtaining a franchise or renewing an old franchise shall be charged to FERC account 302, Franchise and Consents. Such amounts shall be maintained in a separate subaccount for ready identification.

Advertising expense directly related to securing of new debt financing shall be charged to FERC account 181, Unamortized Debt Discount and Expense. Such amounts shall be maintained in a separate subaccount for ready identification.

Advertising expense directly related to securing of new equity financing shall be charged to FERC account 214, Capital Stock Expense. Such amounts shall be maintained in a separate subaccount for ready identification.

j. 913.5 Franchise Advertising Expenses.

(1) This account shall include only reasonable advertising expenditures for the purpose of obtaining approval, modification, or revocation of franchises.

(2) Entries relating to reasonable franchise advertising included in this account shall contain or refer to supporting documents which identify the specific advertising message. If references are used, copies or scripts of the advertising matter shall be readily available to staff, consumer advocate, or any party involved in a discovery proceeding.

(3) Labor items related to franchise advertising:

1. Preparing material for newspapers, periodicals, billboards, etc., and preparing and conducting motion pictures, radio, and television programs.
2. Preparing booklets, bulletins, etc., used in direct mail.
3. Preparing window and other displays.
4. Clerical and stenographic work.
5. Investigating advertising agencies and media and conducting negotiations in connection with the placement and subject matter of advertising.

(4) Materials and expenses related to franchise advertising:

1. Advertising in newspapers, periodicals, billboards, radio, etc.
2. Advertising matters such as posters, bulletins, booklets, and related items.
3. Fees and expenses of advertising agencies and commercial artists.
4. Novelties for general distribution.
5. Postage on direct-mail advertising.
6. Printing of booklets, bulletins, etc.
7. Supplies and expenses in preparing advertising materials.
8. Office supplies and expenses.

k. 930.2 Miscellaneous General Expenses.

16.3(9) FERC accounts 421.1 or 421.2 as they are defined and exist in the uniform systems of accounts shall be used to account for the gain or loss on the sale, conveyance, exchange, or transfer of utility or other property, including land and land rights, unless otherwise authorized or required by the commission for good cause shown.

16.3(10) FERC accounts 105 and 105.1 of the uniform systems of accounts 18 CFR Part 201 are modified in subparagraph "D" by deleting the following language: "in FERC account 411.6 or 411.7, as appropriate except when determined to be significant by the commission. Upon such a determination, the

amounts shall be transferred to FERC account 256, Deferred Gains from Disposition of Utility Plant, or FERC account 187, Deferred Losses from Disposition of Utility Plant, and amortized to FERC account 411.6, Gains from Disposition of Utility Plant, or FERC account 411.7, Losses from Disposition of Utility Plant, as appropriate," and substituting in lieu thereof: "in FERC account 421.1 or 421.2, as appropriate, unless otherwise authorized or required by the commission for good cause shown."
[Editorial change: IAC Supplement 7/24/24]

199—16.4(476) Uniform systems of accounts—water. The 1996 uniform systems of accounts for Class A, B, and C water utilities published by the National Association of Regulatory Utility Commissioners (NARUC) uniform systems of accounts are adopted with the following modifications:

16.4(1) Accounting instruction 2-D of the NARUC uniform systems of accounts for water utilities is modified by adding the sentence: "This shall not prohibit water utilities from using such additional accounts as they are required or permitted to keep for their reporting to other regulatory authorities or to their stockholders, providing the commission is notified of the nature, amount, and purpose of such accounts in the annual report to the commission and at such other times as may be requested by the commission."

16.4(2) Account 414, as defined and existing in the NARUC uniform systems of accounts 414.A, shall be used to account for the gain or loss on the sale, conveyance, exchange, or transfer of utility or other property to another, unless otherwise authorized or required by the commission for good cause shown.
[Editorial change: IAC Supplement 7/24/24]

199—16.5(476) Uniform systems of accounts—telephone. Local exchange utilities subject to regulation by the commission shall keep accounts consistent with generally accepted accounting principles (GAAP) or the accounting regulations adopted by the Federal Communications Commission. Each local exchange utility shall indicate in its annual report which method of accounting it has adopted and the location of the accounting records associated with Iowa operations.
[Editorial change: IAC Supplement 7/24/24]

199—16.6(476) Uniform systems of accounts—telegraph. Rescinded **ARC 3316C**, IAB 9/13/17, effective 10/18/17.

199—16.7(476) Filing of promotional practices.

16.7(1) Each public utility subject to rate regulation shall file with the commission written documentation describing any proposed new promotional practice as defined in the commission's uniform system of accounts no less than 30 days prior to the practice's expected implementation. All practices for which the costs are to be charged to account 424 (electric and gas) shall be set forth. The accounts currently being charged with these practices shall be so listed. The company shall show the following data for each promotional practice.

a. The name, number, or letter designation of each such promotional practice.

b. The class of persons to which such promotional practice is being offered or granted.

c. Whether such promotional practice is being uniformly offered or granted to the persons within such class.

d. A description of such promotional practice, which shall include a statement of the terms and conditions governing same.

e. A description of the advertising or publicity employed with respect to such promotional practice.

f. If such promotional practice is offered or granted, in whole or in part, by an affiliate or other person, the identity of such affiliate or person and the nature of such party's participation shall be disclosed.

g. The expiration date of the practice, if known, or an estimated date.

h. Other information relevant to a complete understanding of such promotional practice.

i. The date or estimated date of the beginning of such promotional practices.

16.7(2) Any promotional practice, or program which includes a promotional practice, designed to develop or implement programs that promote energy efficiency and are part of the utility's energy

efficiency plan developed pursuant to 199—Chapter 35 shall be deemed not to be a promotional practice for purposes of this rule.
[**ARC 3316C**, IAB 9/13/17, effective 10/18/17; Editorial change: IAC Supplement 7/24/24]

199—16.8(476) Compiling advertisements and expenses. The burden of compiling and classifying advertisements and promotional expenses consistent with the directions of accounts 426, 426.4, et seq., 913.1, et seq., Uniform systems of Accounts — Electric and Gas, 31.324, et seq., 31.642, et seq., Uniform systems of Accounts — Telephone, and 910 Uniform systems of Accounts — Water shall be borne by public utility companies. In this connection the burden of proof as to the accuracy of such classifications and expenses, as with other cost items, shall reside with the utility.

Where a given advertisement or group of advertisements may fall within more than one of the categories defined by accounts 426.4, et seq., 913.1, et seq., Uniform systems of Accounts — Electric and Gas, 31.323, et seq., 31.642, et seq., Uniform systems of Accounts — Telephone, and 910 Uniform systems of Accounts — Water, the utilities shall apportion the expenses of such advertisements between the categories.

Every advertisement published, broadcast, or otherwise displayed or disseminated to the public by a public utility which is to be paid for by the utility's customers and is not required by the commission or other state or federal regulation shall include the following statement: "The cost of this ad will be paid for by the customers of (Company Name)." This requirement shall not apply to advertisements for products or services that are or become subject to competition as determined by the commission or are treated and accounted for as part of a utility's unregulated operations. When a public utility determines that the costs of an ad are to be charged in part to the customers and in part to the public utility, the public utility shall display the following notice: "x**%** of the cost of this ad will be paid for by the customers of (Company Name)." Any statement included in advertisements under this rule shall not affect the ability of the commission to determine the proper ratemaking treatment of the cost of the advertisement.
[Editorial change: IAC Supplement 7/24/24]

199—16.9(476) Postemployment benefits other than pensions.

16.9(1) Accrual accounting for postemployment benefits other than pensions in accordance with Statement of Financial Accounting Standard No. 106 (SFAS 106) will be permitted where:

a. The accrued postemployment benefit obligations have been funded in a segregated and restricted account or alternative arrangements have been approved by the commission.

b. The net periodic postemployment benefit cost and accumulated postemployment benefit obligations have been determined by an actuarial study completed in accordance with the specific methods required and outlined by SFAS 106.

c. The transition obligation is amortized in accordance with SFAS 106.

16.9(2) The requirements of this rule do not apply to a local exchange utility regulated by the commission if the utility accounts for its postemployment benefits other than pensions in a manner consistent with the regulations of the Federal Communications Commission.
[Editorial change: IAC Supplement 7/24/24]

These rules are intended to implement Iowa Code sections 476.1, 476.2, 476.8, 476.9, 476.17, and 546.7.

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1 Effective date 1/9/85 of rule 16.8 delayed 70 days by the Administrative Rules Review Committee.

2 Subrules 16.5(48) to 16.5(85) shall be effective on the date when Part 32 becomes effective as FCC rules, except subrule 16.5(49), paragraph *"c"* is effective 9/2/87.

CHAPTER 17
ASSESSMENTS

[Prior to 10/8/86, Commerce Commission[250]]

199—17.1(475A,476,546) Purpose. The purpose of this chapter is to describe the method the commission uses to assess expenses incurred by the commission and the consumer advocate on utilities and other parties pursuant to Iowa Code sections 476.10 and 476.95B and chapter 477C.

[**ARC 8202C**, IAB 8/21/24, effective 9/25/24]

199—17.2(475A,476) Definitions.

17.2(1) The following definitions apply to the rules in this chapter:

"Direct assessment" means the charge to a person bringing a proceeding or matter before the commission or to persons participating in proceedings or matters before the commission and includes expenses incurred by the commission attributable to the commission's duties related to such proceeding or matter.

"Expenses of the commission" includes expenses of the entire agency.

"Gross operating revenues from intrastate operations" includes all revenues from Iowa intrastate utility operations during the last calendar year, except:

1. Uncollectible revenues,
2. Amounts included in the accounts for interdepartmental sales and rents, and
3. Gross receipts received by a cooperative corporation or association for wholesale transactions with members of the cooperative corporation or association, provided that the members are subject to assessment by the commission based upon the members' gross operating revenues, or provided that such member is an association whose members are subject to assessment by the commission based upon the members' gross operating revenues.

"Individual" means a human being as distinguished from legal entities.

"Industry direct assessment" means the charge to the utilities in a specific industry for expenses associated with regulation of that specific industry that are not directly assessed. An industry direct assessment includes a direct assessment in a specific industry for which no person is directly assessed under rule 199—17.4(476). The industries assessed are as follows:

1. Electric utilities are assessed for expenses associated with electric service, including expenses associated with the commission's participation in or consideration of regional and federal issues.
2. Natural gas utilities are assessed for expenses associated with natural gas service, including expenses associated with the commission's participation in or consideration of regional and federal issues.
3. Water utilities are assessed for expenses associated with water service, including expenses associated with the commission's participation in or consideration of regional and federal issues.
4. Sanitary sewer utilities are assessed for expenses associated with sanitary sewer services.
5. Storm water drainage utilities are assessed for expenses associated with storm water drainage services.
6. Telecommunications companies, including all companies providing local exchange service and interexchange service in Iowa whether by landline or voice over Internet protocol, are assessed for expenses associated with telecommunications service, including expenses associated with the commission's participation in or consideration of regional and federal issues.

"Overhead expenses" means all operating costs of the commission not directly attributable to a proceeding or matter, or a specific industry, that are included in direct and industry direct assessments.

"Person" includes individuals and legal entities as defined in Iowa Code section 4.1(20), except the definition does not include the consumer advocate.

"Remainder assessment" means the charge to all persons providing service over which the commission has jurisdiction for the total expenses incurred during each fiscal year in the performance of the commission's duties under law after deducting the direct assessments, industry direct assessments, and other revenues.

17.2(2) Industry direct assessments and remainder assessments for gas and electric utilities exempted from rate regulation by the commission and for providers of telecommunications service that register with

the commission pursuant to Iowa Code section 476.95A that are exempted from rate regulation under Iowa Code chapter 476 are computed at one-half of the rate used in computing industry direct assessments and remainder assessments for other persons.
[**ARC 8202C**, IAB 8/21/24, effective 9/25/24]

199—17.3(476) Expenses to be included in direct assessments. Direct assessments include the following expenses:

17.3(1) Salaries of commission employees and related costs borne by the state.

17.3(2) Travel expenses incurred in an investigation or in rendering services by the commission or by others employed by the commission. Travel expenses include costs of transportation, lodging, meals, and other normal expenses attributable to traveling.

17.3(3) Costs of consultants, contractors, facilities, and equipment if directly related to a proceeding or matter.

17.3(4) Overhead expenses of the commission.
[**ARC 8202C**, IAB 8/21/24, effective 9/25/24]

199—17.4(476) Direct assessments under Iowa Code section 476.10.

17.4(1) The following persons will not be directly assessed for participating in a commission proceeding or matter unless the commission issues an order finding that the person may be directly assessed for that participation:

a. An individual who files a complaint against a public utility, so long as the individual's participation in the proceeding is in good faith.

b. An individual who files a protest or inquiry or intervenes in a proceeding involving a rate change by a public utility, so long as the individual's participation in the proceeding is in good faith.

c. Any person filing written or oral comments in a rulemaking proceeding.

d. An intervenor in a commission proceeding. However, the commission may decide to directly assess a person who intervenes if the commission determines that the person's intervention or participation is not in good faith, the commission determines the intervention significantly expands the scope of the proceeding without contribution to the public interest, or the commission determines there are unusual circumstances warranting assessment.

17.4(2) In deciding whether to directly assess a person and, if so, the amount to be directly assessed, the commission may consider the factors contained in Iowa Code section 476.10 and other factors deemed appropriate by the commission in that particular case.
[**ARC 8202C**, IAB 8/21/24, effective 9/25/24]

199—17.5(476) Reporting of operating revenues. On or before April 1 of each year, every public utility shall file with the commission a report that includes the utility's gross operating revenues from Iowa intrastate operations during the preceding calendar year. Such revenues are to be reported on the accrual basis or the cash basis consistent with the report filed with the commission.
[**ARC 8202C**, IAB 8/21/24, effective 9/25/24]

199—17.6(475A,476) Compilation and billing of assessment.

17.6(1) The commission determines its own expenses to be billed and adds the certified expenses incurred by the consumer advocate. The commission does not review the expenses certified to it by the consumer advocate.

17.6(2) Unless otherwise ordered by the commission, bills must be paid within 30 days of receipt unless an objection is filed in writing pursuant to Iowa Code section 476.10. In the event an objection is filed under rule 199—17.9(475A,476), the portion of the bill not contested is to be paid within 30 days of receipt.

17.6(3) A person participating in a commission proceeding or matter may file a request in that proceeding or matter for the commission to determine how the expenses of that proceeding or matter will be assessed.
[**ARC 8202C**, IAB 8/21/24, effective 9/25/24]

199—17.7(476) Assessments under Iowa Code section 476.95B. In making assessments under Iowa Code section 476.95B, the commission will allocate costs and expenses to all parties and participants, but such allocation will not necessarily be an equal allocation. The allocation will be made on a case-by-case basis and may be based on Iowa revenues, grouping of parties and participants on the basis of similarity of positions, and other factors deemed appropriate by the commission in that particular case. The allocation will be included in the commission's final order in the docket, unless otherwise ordered by the commission.
[**ARC 8202C**, IAB 8/21/24, effective 9/25/24]

199—17.8(477C) Assessments of expenses for dual party relay service program and equipment distribution program.

17.8(1) Iowa Code section 477C.7 governs the payment of assessments by wireless carriers and wireline local exchange carriers to fund the dual party relay service program and equipment distribution program. Those carriers shall pay assessments in the amount of three cents per month for each telecommunications service phone number. "Telecommunications service phone number" means a revenue-producing telephone number.

17.8(2) Wireless carriers and wireline local exchange carriers shall file the number of telecommunications service phone numbers with the commission. The number of telecommunications service phone numbers may be filed as confidential and may be withheld from public inspection pursuant to the procedures in 199—Chapter 1.

17.8(3) The commission may audit the payment of Iowa Code section 477C.7 assessments for any purpose the commission deems necessary, including but not limited to examining whether wireless carriers and wireline local exchange carriers providing telecommunications services in Iowa are paying assessments in appropriate amounts.
[**ARC 8202C**, IAB 8/21/24, effective 9/25/24]

199—17.9(475A,476) Objection procedures.

17.9(1) A person subject to an assessment shall either pay the amount assessed or file an objection to the assessment as set forth in this rule within 30 days of the date the commission provides notice of the amount due to the person.

17.9(2) A properly filed objection is in writing; sets forth the specific grounds upon which the person claims the assessment is excessive, unreasonable, erroneous, unlawful, or invalid; and identifies whether the person objects to the assessment of expenses certified by the commission, to the assessment of expenses certified by the consumer advocate, or both. If the person wishes to orally present argument to the commission, the request for oral argument should be included in the objection. Absent a request for oral argument, the commission will consider the objection based solely on the submission of written evidence and argument. The person may include with the objection such evidence or information the person believes relevant to support the person's claim.

17.9(3) The consumer advocate or the commission may informally resolve an objection. In the event an objection is informally resolved, the fact that a resolution has occurred will be filed in the docket.

17.9(4) If the objection concerns the assessment of expenses certified by the consumer advocate, within 30 days from the date of the objection, the consumer advocate may file responsive argument, evidence, and other information with the commission. In the event the person filing an objection has not requested oral argument, the consumer advocate may request oral argument.

17.9(5) If oral argument is requested or if the objecting person or the consumer advocate requests additional opportunity to submit written argument and evidence, the commission will issue a scheduling order. At the time and place for oral argument, the objecting person and the consumer advocate, if applicable, will be afforded the opportunity to present argument to the commission.

17.9(6) Following the final submission of written material or oral argument, the commission will issue an order in accordance with its findings. In the event the commission affirms the assessment, in whole or in part, the person shall pay the amount identified in the commission's order within 30 days from the date of the order unless otherwise ordered by the commission.

17.9(7) The objection procedures set forth in this rule do not apply to challenges to a direct assessment made in a final commission order, including those issued under subrule 17.6(3). The judicial

review procedures in Iowa Code chapter 17A and the rehearing provisions in Iowa Code section 476.12 are the exclusive methods for challenging a direct assessment determination made in a final commission order.

17.9(8) Commission expenses incurred in an objection proceeding will be included in industry direct assessments.

[**ARC 8202C**, IAB 8/21/24, effective 9/25/24]

199—17.10(476,477C) Refunds. If a person makes a payment in excess of the assessed amount, the commission may issue a refund to the person for the excess amount or credit the excess amount toward the person's next assessment. For overpayments of less than $50, absent exigent circumstances, the commission will not issue a refund and will hold the excess amount as a credit toward the person's next assessment through the fiscal year in which the overpayment occurred. If a credit remains at the end of the fiscal year in which the overpayment occurred, the commission will issue a refund for any excess amount remaining.

[**ARC 8202C**, IAB 8/21/24, effective 9/25/24]

These rules are intended to implement Iowa Code chapters 475A, 476, 477C, 478, 479, 479A, and 479B.

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CHAPTER 18
UTILITY RECORDS
[Prior to 10/8/86, Commerce Commission[250]]

199—18.1(476) Definitions. The following terms, when used in this chapter, have the meanings shown below:

"FERC rules" means the rules and regulations of the Federal Energy Regulatory Commission under the Federal Power Act and Natural Gas Act as published in the CFR.

"NARUC guidelines" means the guidelines published by the National Association of Regulatory Utility Commissioners.

"RUS rules" means the rules and regulations of the Rural Utilities Service of the United States Department of Agriculture, 7 CFR Part 1767, applicable to electric and telephone borrowers of the RUS under the terms of their mortgages to the RUS.

[**ARC 7637C**, IAB 2/21/24, effective 3/27/24]

199—18.2(476) Location of records. All records kept pursuant to any rules of the commission, or necessary for the administration thereof, shall be kept or made accessible within this state unless otherwise authorized by the commission, including:

18.2(1) The utility's tariffs.

18.2(2) A record of the telephone number and business location of the utility's administrative, technical, and operating personnel within the state.

18.2(3) The most recent inspection report.

18.2(4) The most recent rate case filing.

18.2(5) Annual reports for the past five years.

18.2(6) Shareholder's reports for the past five years.

18.2(7) Form IG-1 (gas utilities).

18.2(8) Form IE-1 (electric utilities).

18.2(9) Information regarding the location of other books, records, and accounts to be maintained or made accessible pursuant to statute or rule.

[**ARC 7637C**, IAB 2/21/24, effective 3/27/24; Editorial change: IAC Supplement 7/24/24]

199—18.3(476) Availability of records. All records kept pursuant to any rules of the commission that are of a general corporate nature or otherwise pertain to the utility's operations as a whole shall be made available for examination by the commission during normal business hours, unless otherwise authorized by the commission. Upon receipt by a utility of a formal request in writing from the commission for records or information pertaining to records required by any commission rule, the utility shall provide the requested information to the commission within 15 days of receiving the written request from the commission unless the utility files an objection to the request or a request for an extension of time within seven days of the utility's receipt of the information request. The objection or request for extension of time shall be filed in writing and state the concise grounds for relief. If the commission finds that the objection or request for extension of time does not have merit, the information originally requested shall be provided immediately upon receiving notice of the commission's decision.

[**ARC 7637C**, IAB 2/21/24, effective 3/27/24; Editorial change: IAC Supplement 7/24/24]

199—18.4(476) Electric utilities other than rural electric cooperatives.

18.4(1) *Units of property.* Rate-regulated electric utilities shall maintain an accounting system for Units of Property in Accounting for Additions and Retirements of Electric Plant in accordance with the "Uniform systems of accounts—electric rules" rule in 199—Chapter 16.

18.4(2) *Preservation of records.* All electric utilities subject to regulation by the commission shall preserve the records of their operations in accordance with the provisions of Part 125 of the FERC rules, 18 CFR Part 125, Preservation of Records of Public Utilities and Licensees, as issued on August 15, 2000. Rate-regulated companies shall further ensure the preservation of records of associated companies, whether or not the associated companies are themselves utilities, as necessary to support the cost of services rendered to the utility by the associated companies.

[**ARC 7637C**, IAB 2/21/24, effective 3/27/24; Editorial change: IAC Supplement 7/24/24]

199—18.5(476) Rural electric cooperatives.

18.5(1) *Units of property.* Rural electric cooperatives (RECs) subject to rate regulation by the commission shall adopt the RUS rules contained in 7 CFR Part 1767 published May 27, 2008. The REC shall maintain sufficient records to support additions to plant, retirement units, and replacements of electric plant, in accordance with 7 CFR Section 1767.10, Definitions; 7 CFR Section 1767.15, General Instructions; 7 CFR Section 1767.16, Electric Plant Instructions; and 7 CFR Section 1767.20, Plant Accounts.

18.5(2) *Preservation of records.* RECs shall preserve the records of their operations in accordance with the provisions of the RUS rules contained in RUS Bulletin 180-2, Record Retention Recommendations for RUS Electric Borrowers, issued June 26, 2003.

[**ARC 7637C**, IAB 2/21/24, effective 3/27/24; Editorial change: IAC Supplement 7/24/24]

199—18.6(476) Gas utilities.

18.6(1) *Units of property.* Rate-regulated gas utilities shall maintain an accounting system for Units of Property in Accounting for Additions and Retirements of Gas Plant in accordance with the "Uniform systems of accounts—electric rules" rule in 199—Chapter 16.

18.6(2) *Preservation of records.* All gas utilities subject to regulation by the commission shall preserve the records of their operations in accordance with the provisions of FERC rules, 18 CFR Part 225, Preservation of Records of Natural Gas Companies, as issued August 15, 2000. Rate-regulated companies shall further ensure the preservation of records of associated companies, whether or not the associated companies are themselves utilities, as necessary to support the cost of services rendered to the utility by the associated companies.

[**ARC 7637C**, IAB 2/21/24, effective 3/27/24; Editorial change: IAC Supplement 7/24/24]

199—18.7(476) Water, sanitary sewage, and storm water drainage utilities.

18.7(1) *Units of property.* Rate-regulated water, sanitary sewage, and storm water drainage utilities shall maintain an accounting system for Units of Property in Accounting for Additions and Retirements of Water Plant in accordance with the "Uniform systems of accounts—electric rules" rule in 199—Chapter 16.

18.7(2) *Preservation of records.* All water, sanitary sewage, and storm water drainage utilities subject to regulation by the commission shall preserve the records of their operations in accordance with the provisions of the NARUC guidelines: Regulations to Govern the Preservation of Records of Electric, Gas and Water Utilities, revised October 2007 edition. Regulated water, sanitary sewage, and storm water drainage utilities shall further ensure the preservation of records of associated companies, whether or not the associated companies are themselves utilities, as necessary to support the cost of services rendered to the utility by the associated companies.

[**ARC 7637C**, IAB 2/21/24, effective 3/27/24; Editorial change: IAC Supplement 7/24/24]

These rules are intended to implement Iowa Code sections 476.31 and 546.7.

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[Editorial change: IAC Supplement 7/24/24]

CHAPTER 19
SERVICE SUPPLIED BY GAS UTILITIES

[Prior to 10/8/86, Commerce Commission [250]]

199—19.1(476) General information.

19.1(1) *Authorization of rules.* Iowa Code chapter 476 provides that the Iowa utilities commission shall establish all needful, just and reasonable rules, not inconsistent with law, to govern the exercise of its powers and duties, the practice and procedure before it, and to govern the form, contents and filing of reports, documents and other papers necessary to carry out the provisions of this law.

Iowa Code chapter 479 provides that the Iowa utilities commission shall have full authority and power to promulgate rules as it deems proper and expedient in the supervision of the transportation or transmission and underground storage of gas within the state of Iowa.

The application of the rules in this chapter to municipally owned utilities furnishing gas is limited by Iowa Code section 476.1B.

19.1(2) *Application of rules.* The rules shall apply to any gas utility operating within the state of Iowa as defined in Iowa Code chapter 476 and shall supersede any tariff on file with this commission which is in conflict with these rules. These rules are intended to promote safe and adequate service to the public, to provide standards for uniform and reasonable practices by utilities, and to establish a basis for determining the reasonableness of such demands as may be made by the public upon the utilities. A request to waive the application of any rule on a permanent or temporary basis may be made in accordance with rule 199—1.3(17A,474,476). The adoption of these rules shall in no way preclude the commission from altering or amending them, pursuant to statute, or from making such modifications with respect to their application as may be found necessary to meet exceptional conditions. These regulations shall in no way relieve any utility from any of its duties under the laws of this state.

19.1(3) *Definitions.* The following words and terms, when used in these rules shall have the meaning indicated below:

The abbreviations used, and their meanings, are as follows:

Btu—British thermal unit

LP-Gas—Liquefied Petroleum Gas

psig—Pounds per Square Inch, Gauge

W.C.—Water Column

"Appliance" refers to any device which utilizes gas fuel to produce light, heat or power.

"CFR" means the Code of Federal Regulations, which contains the general administrative rules adopted by federal departments and agencies, in effect as of December 22, 2021, unless a separate effective date is identified in a specific rule.

"Commission" means the Iowa utilities commission.

"Complaint" as used in these rules is a statement or question by anyone, whether a utility customer or not, alleging a wrong, grievance, injury, dissatisfaction, illegal action or procedure, dangerous condition or action, or utility failure to fulfill an obligation.

"Cubic foot" of gas has the following meanings:

1. Where gas is supplied and metered to customers at the pressure (as defined in 19.7(2)) normally used for domestic customers' appliances, a cubic foot of gas shall be that quantity of gas which, at the temperature and pressure existing in the meter, occupies one cubic foot, except that where a temperature compensated meter is used, the temperature base shall be 60°F.

2. When gas is supplied to customers at other than the pressure in (1) above, the utility shall specify in its rules the base for measurement of a cubic foot of gas (see 19.2(4)*"c"*(6)). Unless otherwise stated by the utility, such cubic foot of gas shall be that quantity of gas which, at a temperature of 60°F and a pressure of 14.73 pounds per square inch absolute, occupies one cubic foot.

3. The standard cubic foot of gas for testing the gas itself for heating value shall be that quantity of gas, saturated with water vapor, which, at a temperature of 60°F and a pressure of 30 inches of mercury, occupies one cubic foot. (Temperature of mercury = 32°F acceleration due to gravity = 32.17 ft. per second per second density = 13.595 grams per cubic centimeter.)

"Customer" means any person, firm, association, or corporation, any agency of the federal, state or local government, or legal entity responsible by law for payment for the gas service or heat from the gas utility.

"Delinquent" or *"delinquency"* means an account for which a service bill or service payment agreement has not been paid in full on or before the last day for timely payment.

"Gas," unless otherwise specifically designated, means manufactured gas, natural gas, other hydrocarbon gases, or any mixture of gases produced, transmitted, distributed or furnished by any gas utility.

"Gas plant" means all facilities including all real estate, fixtures and property owned, controlled, operated or managed by a gas utility for the production, storage, transmission and distribution of gas and heat.

"Heating and calorific values." The following values shall be used:

1. *"British thermal unit"* (Btu) is the quantity of heat that must be added to one avoirdupois pound of pure water to raise its temperature from 58.5°F to 59.5°F under standard pressure.

2. *"Dry calorific value"* of a gas (total or net) is the value of the total or the net calorific value of the gas divided by the volume of dry gas in a standard cubic foot.

NOTE: The amount of dry gas in a standard cubic foot is .9826 cubic foot.

3. *"Net calorific value"* of a gas is the number of British thermal units evolved by the complete combustion, at constant pressure, of one standard cubic foot of gas with air, the temperature of the gas, air, and products of combustion being 60°F and all water formed by the combustion reaction remaining in the vapor state.

NOTE: The net calorific value of a gas is its total calorific value minus the latent heat of evaporation at standard temperature of the water formed by the combustion reaction.

4. *"Therm"* means 100,000 British thermal units.

5. *"Total calorific value"* of a gas is the number of British thermal units evolved by the complete combustion, at constant pressure, of one standard cubic foot of gas with air, the temperature of the gas, air and products of combustion being 60°F and all water formed by the combustion reaction condensed to the liquid state.

"Interruption of service" means any disturbance of the gas supply whereby gas service to a customer cannot be maintained.

"Loss factor" as used in rule 199—19.10(476) means test-year purchases less test-year sales. A five-year average of purchases less sales may be used if the test year is determined by the commission to be abnormal.

"Main" means a gas pipe, owned, operated, or maintained by a utility, which is used for the purpose of transmission or distribution of gas, but does not include "service line".

"Meter," without other qualification, shall mean any device or instrument which is used by a utility in measuring a quantity of gas.

"Meter shop" is a shop where meters are inspected, repaired and tested, and may be at a fixed location or may be mobile.

"Pressure," unless otherwise stated, is expressed in pounds per square inch above atmospheric pressure, i.e., gauge pressure (abbreviation-psig).

"Rate-regulated utility" means any utility as defined in the definition of "utility" below which is subject to rate regulation provided for in Iowa Code chapter 476.

"Service line" means a distribution line that transports gas from a common source of supply to a customer meter or the connection to a customer's piping, whichever is farther downstream, or the connection to a customer's piping if there is not a customer meter. A customer meter is the meter that measures the transfer of gas from a utility to a customer.

"Tap" or *"town border station"* means the delivery point or measuring station at which a gas distribution utility receives gas from a natural gas transmission company.

"Tariff" means the entire body of rates, tolls, rentals, charges, classifications, rules, procedures, policies, etc., adopted and filed with the commission by a gas utility in fulfilling its role of furnishing gas service.

"Timely payment" is a payment on a customer's account made on or before the date shown on a current bill for service or on a form which records an agreement between the customer and a utility for a series of partial payments to settle a delinquent account, as the date which determines application of a late payment charge to the current bill or future collection efforts.

"Utility" means any person, partnership, business association, or corporation, domestic or foreign, owning or operating any facilities for furnishing gas or heat to the public for compensation.

[**ARC 6044C**, IAB 11/17/21, effective 12/22/21; Editorial change: IAC Supplement 7/24/24]

199—19.2(476) Records, reports, and tariffs.

19.2(1) *Location and retention of records.* Unless otherwise specified in this chapter, all records required by these rules shall be kept and preserved in accordance with the applicable provisions of Chapter 18 of the commission's rules, Utility Records.

19.2(2) *Tariffs to be filed with the commission.* The schedules of rates and rules of rate-regulated gas utilities shall be filed with the commission and shall be classified, designated, arranged and submitted so as to conform to the requirements of this chapter. Provisions of the schedules shall be definite and so stated as to minimize ambiguity or the possibility of misinterpretation. The form, identification and content of tariffs shall be in accordance with these rules.

Utilities which are not subject to the rate regulation provided for by Iowa Code chapter 476 shall not be required to file schedules of rates, rules, or contracts primarily concerned with a rate schedule with the commission, but nothing contained in these rules shall be deemed to relieve any utility of the requirement of furnishing any of these same schedules or contracts which are needed by the commission in the performance of the commission's duties upon request to do so by the commission.

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

a. The tariff shall be filed electronically using the commission's electronic filing system. The filed tariff shall be capable of being reproduced on 8½- × 11-inch paper so customers may reproduce copies of the tariff. A tariff filed with the commission may be the same format as is required by a federal agency provided that the rules of the commission as to title page; identity of superseding, replacing or revision sheets; identity of amending sheets; identity of the filing utility, issuing official, date of issue, effective date; and the words "Gas Tariff Filed with Commission" shall apply in the modification of the federal agency format for the purposes of filing with this commission.

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

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

(Name of Public Utility)
Gas Tariff
Filed with
Iowa Utilities Commission

(date)

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

Tariff No. _____
Supersedes Tariff No. _____

(3) When a new part of a tariff eliminates an existing part of a tariff it shall so state and clearly identify the part eliminated.

(4) Any tariff modifications as defined in "3" above replacing tariff sheets shall be marked in the right margin with symbols as herein described to indicate the place, nature and extent of the change in text.

Symbol	*Meaning*
(C)	A change in regulation
(D)	A discontinued rate, treatment or regulation
(I)	An increased rate or new treatment resulting in increased rate
(N)	A new rate, treatment or regulation
(R)	A reduced rate or new treatment resulting in a reduced rate

Symbol	*Meaning*
(T)	A change in text but no change in rate, treatment or regulation

c. All sheets except the title page shall have, in addition to the above-stated requirements, the following information:

(1) Name of utility under which shall be set forth the words "Filed with Commission." If the utility is not a corporation, and a trade name is used, the name of the individual or partners must precede the trade name.

(2) Issuing official and issue date.

(3) Effective date (to be left blank by rate-regulated utilities).

d. All sheets except the title page shall have the following form:

(Company Name) (Part identification)
Gas Tariff (This sheet identification)
Filed with commission (Canceled sheet identification, if any)
(Content of tariff)
Issued: (Date) Effective:
Issued by: (Name, title) (Proposed Effective Date:)

The issued date is the date the tariff or the amended sheet content was adopted by the utility.

The effective date will be left blank by rate-regulated utilities and shall be determined by the commission. The utility may propose an effective date.

19.2(4) *Content of tariffs.* A tariff filed with the commission shall contain:

a. A table of contents containing a list of rate schedules and other sections in the order in which they appear showing the sheet number of the first page of each section.

b. All rates of utilities subject to rate regulation for service with indication of each rate for the type of gas and the class of customers to which each rate applies. There shall also be shown the prices per unit of service, the number of units per billing period to which the prices apply, the period of billing, the minimum bill, the method of measuring demands and consumptions, including the method of calculating or estimating loads or minimums, delivery pressure, and any special terms or conditions applicable. All rates should be separated into "gas" and "nongas" components, and books and records shall be maintained on this basis. Books and records shall be available to the commission for audits upon request. The gas components will be the result of the utility's periodic review of gas procurement practices rule (199—19.11(476)) and PGA (rule 199—19.10(476)) proceeding. The nongas components will be established through rate case proceedings under Iowa Code section 476.3 or 476.6. The period during which the net amount may be paid before the account becomes delinquent shall be specified. In any case where net and gross amounts are billed, the difference between net and gross is a late payment charge and shall be so specified.

Customer charges for all special services relating to providing the basic utility service including, but not limited to, reconnect charge and different categories of service calls shall be specified.

c. A copy of the utility's rules, or terms and conditions, describing the utility's policies and practices in providing service shall include:

(1) A statement as to the equivalent total heating value of the gas in Btu's per cubic foot on which their customers are billed. If necessary, this may be listed by district, division or community.

(2) The list of the items which the utility furnishes, owns, and maintains on the customer's premises, such as service pipe, meters, regulators, vents and shut-off valves.

(3) General statement indicating the extent to which the utility will provide service in the adjustment of customer appliances at no additional customer charge.

(4) General statement of the utility's policy in making adjustments for wastage of gas when such wastage occurs without the knowledge of the customer.

(5) A statement indicating the minimum number of days allowed for payment after the due date of the customer's bill before service will be discontinued for nonpayment.

(6) A statement indicating the volumetric measurement base to which all sales of gas at other than standard delivery pressure are corrected.

(7) Forms of standard contracts required of customers for the various types of service available.

(8) All tariffs must provide that, notwithstanding any other provision of this tariff or contract with reference thereto, all rates and charges contained in this tariff or contract with reference thereto may be modified at any time by a subsequent filing made pursuant to the provisions of Iowa Code chapter 476.

(9) A copy of each type of customer bill.

(10) Definitions of classes of customer.

(11) Rules for extending service in accordance with 19.3(10).

(12) Rules with which prospective customers must comply as a condition of receiving service, and the terms of contracts required.

(13) Rules governing the establishment and maintenance of credit by customers for payment of service bills.

(14) Rules governing disconnecting and reconnecting service.

(15) Notice required from customer for having service discontinued.

(16) Rules covering temporary, emergency, auxiliary, and stand-by service.

(17) Rules shall show any limitations on loads and cover the type of equipment which may or may not be connected.

(18) Rate-regulated utilities shall include a list of service areas and the applicable rates in such form as to facilitate ready determination of the rates available in each municipality and in such unincorporated communities as have service.

(19) Rules on meter reading, billing periods, bill issuance, timely customer payment, notice of delinquency and service disconnection for nonpayment of bill.

(20) Rules on how a customer or prospective customer should file a complaint with the utility, and how the complaint will be processed.

(21) Rules on how a customer, disconnected customer or potential customer for residential service may negotiate for a payment agreement on amount due, determination of even payment amounts, and time allowed for payments.

(22) If a sliding scale or automatic adjustment is applicable to regulated rates or charges of billed customers, the manner and method of such adjustment calculation shall be covered through a detailed explanation.

19.2(5) *Annual, periodic and other reports to be filed with the commission.*

a. System map verification. A utility shall file annually with the commission a verification that it has a correct set of utility system maps for each operating or distribution area. The maps shall show:

(1) Peak shaving facilities location.

(2) Feeder and distribution mains indicating size and pressure.

(3) System metering (town border stations and other supply points).

(4) Regulator stations in system indicating inlet and outlet pressures.

(5) Calorimeter location.

(6) State boundary crossing.

(7) Franchise area.

(8) Names of all communities (post offices) served.

b. Incident reports. Rescinded IAB 1/30/08, effective 3/5/08.

c. Construction programs. Rescinded IAB 11/19/97, effective 12/24/97.

d. Reports of gas service. Each utility shall compile a monthly record of gas service. The record shall be completed within 30 days after the end of the month covered. The compilation is to be kept available, for inspection by the commission or its staff, at the utility's principal office within the state of Iowa. Such record shall contain:

(1) The daily and monthly average of total heating values of gas in accordance with 19.7(6).

(2) The monthly acquisition and disposition of gas.

(3) Interruptions of service occurring during the month in accordance with 19.7(7). If there were no interruptions, then it should be so stated.

(4) The number of customer pressure investigations made and the results.

(5) The number of customer meters tested and test results tabulated as follows: The number that falls into limits 0 to + 2%, + 2 to + 4%, 0 to - 2%, - 2 to - 4%, over + 4%, under - 4%, and "Does Not Register" in accuracy.

(6) Progress on leak survey programs including the number of leaks found classified as to hazard and nature, and if known, the cause and type of pipe involved.

(7) Number of district regulators checked and nature of repairs required.

(8) Number of house regulators checked and nature of repairs required.

(9) Description of any unusual operating difficulties.

(10) Type of odorant and monthly average pounds per million cubic feet used in each individual distribution system.

A summary of the 12 monthly gas service records for each calendar year shall be attached to and submitted with the utility's annual fiscal plant and statistical report to the commission.

e. 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 shall be filed with the commission.

f. Filing customer bill forms. A copy of each type of customer bill form in current use shall be filed with the commission.

g. Reports to federal agencies. Copies of reports submitted to the U.S. Department of Transportation pursuant to 49 CFR Part 191, Part 192, or Part 199 shall be filed with the commission no later than ten days following the submission. Utilities operating in other states shall provide to the commission data for Iowa only.

h. Change in rate. A notification to the commission shall be made of any planned change in rate of service by a utility even though the change in rate of service is provided for in its tariff filing with the commission. This information shall reflect the amount of increase or decrease and the effective date of application. An up-to-date tariff sheet shall be supplied to the Iowa utilities commission for its copy of the tariff showing the current rates.

i. List of persons authorized to receive commission inquiries. Each utility shall file with the commission in the annual report required by 199—subrule 23.1(2) a list of names, titles, addresses, and telephone numbers of persons authorized to receive, act upon, and respond to communications from the commission in connection with: (1) general management duties; (2) customer relations (complaints); (3) engineering operations; (4) meter tests and repairs; (5) pipeline permits (gas). Each utility shall file with the commission a telephone contact number or numbers where the commission can obtain current information 24 hours a day about incidents and interruptions of service from a knowledgeable person. The contact information required by this paragraph shall be kept current as changes or corrections are made.

j. Residential customer statistics. Each rate-regulated gas utility shall file with the commission on or before the fifteenth day of each month one copy of the following residential customer statistics for the preceding month:

(1) Number of accounts;

(2) Number of accounts certified as eligible for energy assistance since the preceding October 1;

(3) Number of accounts past due;

(4) Number of accounts eligible for energy assistance and past due;

(5) Total revenue owed on accounts past due;

(6) Total revenue owed on accounts eligible for energy assistance and past due;

(7) Number of disconnection notices issued;

(8) Number of disconnection notices issued on accounts eligible for energy assistance;

(9) Number of disconnections for nonpayment;

(10) Number of reconnections;

(11) Number of accounts determined uncollectible; and

(12) Number of accounts eligible for energy assistance and determined uncollectible.

k. Monthly, periodic and annual reports. Each utility shall file such other monthly, periodic and annual reports as are requested by the commission. Monthly and periodic reports shall be due in the

commission's office within 30 days after the end of the reporting period. All annual reports shall be filed with this commission by April 1 of each year for the preceding calendar year.

This rule is intended to implement Iowa Code section 476.2.

[**ARC 7962B**, IAB 7/15/09, effective 8/19/09; **ARC 9501B**, IAB 5/18/11, effective 6/22/11; **ARC 1359C**, IAB 3/5/14, effective 4/9/14; **ARC 2711C**, IAB 9/14/16, effective 10/19/16; **ARC 3453C**, IAB 11/8/17, effective 12/13/17; **ARC 4380C**, IAB 3/27/19, effective 5/1/19; **ARC 6044C**, IAB 11/17/21, effective 12/22/21; Editorial change: IAC Supplement 7/24/24]

199—19.3(476) General service requirements.

19.3(1) *Disposition of gas.* The meter and any service line pressure regulator shall be owned by the utility. The utility shall place a visible seal on all meters and service line regulators in customer use, such that the seal must be broken to gain entry.

a. All gas sold by a utility shall be on the basis of meter measurement except:

(1) Where the consumption of gas may be readily computed without metering; or

(2) For temporary service installations.

b. The amount of all gas delivered to multioccupancy premises within a single building, where units are separately rented or owned, shall be measured on the basis of individual meter measurement for each unit, except in the following instances:

(1) Where gas is used in centralized heating, cooling or water-heating systems;

(2) Where a facility is designated for elderly or handicapped persons;

(3) Where submetering or resale of service was permitted prior to 1966; or

(4) Where individual metering is impractical. "Impractical" means: (1) where conditions or structural barriers exist in the multioccupancy building that would make individual meters unsafe or physically impossible to install; (2) where the cost of providing individual metering exceeds the long-term benefits of individual metering; or (3) where the benefits of individual metering (reduced and controlled energy consumption) are more effectively accomplished through a master meter arrangement.

If a multioccupancy building is master-metered, the end user occupants may be charged for natural gas as an unidentified portion of the rent, condominium fee, or similar payment, or, if some other method of allocating the cost of the gas service is used, the total charge for gas service shall not exceed the total gas bill charged by the utility for the same period.

c. Master metering to multiple buildings is prohibited, except for multiple buildings owned by the same person or entity. Multioccupancy premises within a multiple building complex may be master-metered pursuant to this paragraph only if the requirements of paragraph 19.3(1)*"b"* have been met.

d. For purposes of this subrule, a "master meter" means a single meter used in determining the amount of natural gas provided to a multioccupancy building or multiple buildings.

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

f. All gas consumed by the utility shall be on the basis of meter measurement except where consumption may be readily computed without metering or where metering is impractical.

19.3(2) *Condition of meter.* Rescinded IAB 11/12/03, effective 12/17/03. See 199 IAC 19.6(7).

19.3(3) *Meter reading records.* The meter reading records shall show:

a. Customer's name, address, rate schedule, or identification of rate schedule.

b. Identifying number or description of the meter(s).

c. Meter readings.

d. If the reading has been estimated.

e. Any applicable multiplier or constant, or reference thereto.

19.3(4) *Meter charts.* Rescinded IAB 11/8/17, effective 12/13/17.

19.3(5) *Meter register.* If it is necessary to apply a multiplier to the meter readings, the multiplier must be marked on the face of the meter register or stenciled in weather-resistant paint upon the front cover of the meter. Customers shall have continuous visual access to meter registers as a means of verifying the accuracy of bills presented to them and for implementing such energy conservation initiatives as they desire, except in the individual locations where the utility has experienced vandalism to windows in the protective enclosures. Where remote meter reading is used, whether outdoor on premises or off-premises-automated, the customers shall have a readable meter register at the meter as a means of verifying the

accuracy of bills presented to them. A utility may comply with the requirements of this subrule by making the required information available via the Internet or other equivalent means.

In instances when a building owner has determined that unrestricted access to tenant metering installation would create a vandalism or safety hazard, the utility is exempted from the access provision above.

Continuing efforts should be made to eliminate or minimize the number of restricted locations. The utility should assist affected customers in obtaining meter register information.

19.3(6) *Prepayment meters.* Prepayment meters shall not be geared or set so as to result in the charge of a rate or amount higher than would be paid if a standard type meter were used, except under tariffs approved by the commission.

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

An effort shall be made to obtain readings of the meters on corresponding days of each meter reading period. The utility rules may permit the customer to supply the meter readings by telephone, by electronic means, or on a form supplied by the utility. The utility may arrange for customer meter reading forms to be delivered to the utility by United States mail, electronically, or by hand delivery. The utility may arrange for the meter to be read by electronic means. Unless the utility has a plan to test check meter readings, a utility representative shall physically read the meter at least once each 12 months and when the utility is notified there is a change of customer.

19.3(8) *Readings and estimates.* When a customer is connected or disconnected or the meter reading date causes a given billing period to deviate by more than 10 percent (counting only business days) from the normal meter reading period, such bill shall be prorated on a daily basis.

When access to meters cannot be gained, the utility may leave with the customer a meter reading form. The customer may provide the meter reading by telephone, electronic mail (if it is allowed by the utility), or by mail. If the meter reading information is not returned in time for the billing operation, an estimated bill may be provided. If an actual meter reading cannot be obtained, the utility may provide an estimated bill without reading the meter or supplying a meter reading form to the customer. Only in unusual cases or when approval is obtained from the customer shall more than three consecutive estimated bills be provided.

The utility shall incorporate normalized weather data in its calculation of an estimated bill.

Utilities shall file with the commission their procedures for calculating estimated bills, including their procedures for determining the reasonable degree-day data to use in the calculations. Utilities shall inform the commission when changes are made to the procedures for calculating estimated bills.

19.3(9) *Temporary service.* Rescinded IAB 11/8/17, effective 12/13/17.

19.3(10) *Plant additions, distribution main extensions, and service lines.*

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

"Advance for construction," as used in this subrule, means cash payments or equivalent surety made to the utility by an applicant for an extensive plant addition or a distribution main extension, portions of which may be refunded depending on any subsequent service line attached to the extensive plant addition or distribution main extension. Cash payments or equivalent surety shall include a grossed-up amount for the income tax effect of such revenue. The amount of tax shall be reduced by the present value of the tax benefits to be obtained by depreciating the property in determining the tax liability.

"Agreed-upon attachment period," as used in this subrule, means a period of not less than 30 days nor more than one year mutually agreed upon by the utility and the applicant within which the customer will

attach. If no time period is mutually agreed upon, the agreed-upon attachment period shall be deemed to be 30 days.

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

"Distribution main extension," as used in this subrule, means a segment of pipeline installed to convey gas to individual service lines or other distribution mains.

"Estimated annual revenues," as used in this subrule, shall be calculated based upon the following factors, including, but not limited to: The size of the facility to be used by the customer, the size and type of equipment to be used by the customer, the average annual amount of service required by the equipment, and the average number of hours per day and days per year the equipment will be in use.

"Estimated base revenues," as used in this subrule, shall be calculated by subtracting the cost of purchased gas and energy efficiency charges from estimated annual revenues.

"Estimated construction costs," as used in this subrule, shall be calculated using average current costs in accordance with good engineering practices and upon the following factors: amount of service required or desired by the customer requesting the distribution main extension or service line; size, location, and characteristics of the distribution main extension or service line, including appurtenances; and whether the ground is frozen or whether other adverse conditions exist. In no event shall estimated construction costs include costs associated with facilities built for the convenience of the utility. The customer shall be charged actual permit fees in addition to estimated construction costs. Permit fees are to be paid regardless of whether the customer is required to pay an advance for construction or a nonrefundable contribution in aid of construction, and the cost of any permit fee is not refundable.

"Plant addition," as used in this subrule, means any additional plant, other than a distribution main or service line, required to be constructed to provide service to a customer.

"Service line," as used in this subrule, means the piping that extends from the distribution main to the meter set riser.

"Similarly situated customer," as used in this subrule, means a customer whose annual consumption or service requirements, as defined by estimated annual revenue, are approximately the same as the annual consumption or service requirements of other customers.

"Utility," as used in this subrule, means a rate-regulated utility.

b. Plant additions. The utility shall provide all gas plant at its cost and expense without requiring an advance for construction from customers or developers except in those unusual circumstances where extensive plant additions are required before the customer can be served. A written contract between the utility and the customer which requires an advance for construction by the customer to make plant additions shall be available for commission inspection.

c. Distribution main extensions. Where the customer will attach to the distribution main extension within the agreed-upon attachment period after completion of the distribution main extension, the following shall apply:

(1) The utility shall finance and make the distribution main extension for a customer without requiring an advance for construction if the estimated construction costs to provide a distribution main extension are less than or equal to three times estimated base revenue calculated on the basis of similarly situated customers. The utility may use a feasibility model, rather than three times estimated base revenue, to determine what, if any, advance for construction is required of the customer. The utility shall file a summary explaining the inputs into the feasibility model and a description of the model as part of the utility's tariff. Whether or not the construction of the distribution main extension would otherwise require a payment from a customer, the utility shall charge the customer for actual permit fees, and the permit fees are not refundable.

(2) If the estimated construction cost to provide a distribution main extension is greater than three times estimated base revenue calculated on the basis of similarly situated customers, the applicant for a distribution main extension shall contract with the utility and make, no more than 30 days prior to commencement of construction, an advance for construction equal to the estimated construction cost less

three times estimated base revenue to be produced by the customer. The utility may use a feasibility model to determine whether an advance for construction is required. The utility shall file a summary explaining the inputs into the feasibility model and a description of the model as part of the utility's tariff. A written contract between the utility and the customer shall be available for commission inspection upon request. Whether or not the construction of the distribution main extension would otherwise require a payment from the customer, the utility shall charge the customer for actual permit fees, and the permit fees are not refundable.

(3) Where the customer will not attach within the agreed-upon attachment period after completion of the distribution main extension, the applicant for the distribution main extension shall contract with the utility and make, no more than 30 days prior to the commencement of construction, an advance for construction equal to the estimated construction cost. The utility may use a feasibility model to determine the amount of the advance for construction. The utility shall file a summary explaining the inputs into the feasibility model and a description of the model as part of the utility's tariff. A written contract between the utility and the customer shall be available for commission inspection upon request. Whether or not the construction of the distribution main extension would otherwise require a payment from the customer, the utility shall charge the customer for actual permit fees, and the permit fees are not refundable.

(4) Advances for construction may be paid by cash or equivalent surety and shall be refundable for ten years. The customer has the option of providing an advance for construction by cash or equivalent surety unless the utility determines that the customer has failed to comply with the conditions of a surety in the past.

(5) Refunds. When the customer is required to make an advance for construction, the utility shall refund to the depositor for a period of ten years from the date of the original advance a pro-rata share for each service line attached to the distribution main extension. The pro-rata refund shall be computed in the following manner:

1. If the combined total of three times estimated base revenue, or the amount allowed by the feasibility model, for the distribution main extension and each service line attached to the distribution main extension exceeds the total estimated construction cost to provide the distribution main extension, the entire amount of the advance for construction shall be refunded.

2. If the combined total of three times estimated base revenue, or the amount allowed by the feasibility model, for the distribution main extension and each service line attached to the distribution main extension is less than the total estimated construction cost to provide the distribution main extension, the amount to be refunded shall equal three times estimated base revenue, or the amount allowed by the feasibility model, when a service line is attached to the distribution main extension.

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

(6) The utility shall keep a record of each work order under which the distribution main extension was installed, to include the estimated revenues, the estimated construction costs, the amount of any payment received, and any refunds paid.

d. Service lines.

(1) The utility shall finance and construct a service line without requiring a nonrefundable contribution in aid of construction or any payment by the applicant where the length of the service line to the riser is up to 50 feet on private property or 100 feet on private property if polyethylene plastic pipe is used.

(2) Where the length of the service line exceeds 50 feet on private property or 100 feet if polyethylene plastic pipe is used, the applicant shall be required to provide a nonrefundable contribution in aid of construction, within 30 days after completion, for that portion of the service line on private property, exclusive of the riser, in excess of 50 feet or in excess of 100 feet if polyethylene plastic pipe is used. The nonrefundable contribution in aid of construction for that portion of the service line shall be computed as follows:

(Estimated Construction Costs) ×

$$\frac{\text{(Total Length in Excess of 50 Feet) or (Total Length in Excess of 100 Feet)}}{\text{(Total Length of Service Line)}}$$

(3) A utility may adopt a tariff or rule that allows the utility to finance and construct a service line of more than 50 feet, or 100 feet if polyethylene plastic pipe is used, without requiring a nonrefundable contribution in aid of construction from the customer if the tariff or rule applies equally to all customers.

(4) Whether or not the construction of the service line would otherwise require a payment from the customer, the utility shall charge the customer for actual permit fees.

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

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

g. Areas without service or with constrained service.

(1) A utility may finance and expand natural gas service into an area of the state with no natural gas service or where capacity constraints limit the expansion of service. A utility expanding service under this paragraph may do so without requiring an advance for construction from a customer or group of customers if a standard feasibility model approved by the commission shows the expansion is economically justified over a period not to exceed 20 years. The approved model will be adopted following a commission proceeding in which interested parties will have the opportunity to review and comment on a model jointly proposed by the regulated gas utilities. The approved model will be made available on the commission's website. The utility shall charge the customer or customers for actual permit fees, and the permit fees are not refundable.

(2) If the feasibility model does not show the expansion is economically justified without an advance for construction, a customer or group of customers may contract with the utility and make, no more than 30 days prior to commencement of construction, an advance for construction in an amount that would make the expansion economically justified.

(3) Upon making a determination that it intends to move forward with an expansion pursuant to this paragraph, the utility shall notify the commission by filing the inputs and results of the feasibility model and any associated contract or contracts with the commission. The utility shall maintain separate books and records for any expansion made pursuant to this paragraph until the utility's next general rate case proceeding.

19.3(11) *Cooperation and advance notice.* In order that full benefit may be derived from this chapter and in order to facilitate its proper application, all utilities shall observe the following cooperative practices:

a. Every utility shall give to other public utilities in the same general territory advance notice of any construction or change in construction or in operating conditions of its facilities concerned or likely to be concerned in situations of proximity, provided, however, that the requirements of this chapter shall not apply to routine extensions or minor changes in the local underground distribution facilities.

b. Every utility shall assist in promoting conformity with this chapter. An arrangement should be set up among all utilities whose facilities may occupy the same general territory, providing for the interchange of pertinent data and information including that relative to proposed and existing construction and changes in operating conditions concerned or likely to be concerned in situations of proximity.

This rule is intended to implement Iowa Code section 476.8.

[**ARC 7584B**, IAB 2/25/09, effective 4/1/09; **ARC 2711C**, IAB 9/14/16, effective 10/19/16; **ARC 3453C**, IAB 11/8/17, effective 12/13/17; Editorial change: IAC Supplement 7/24/24]

199—19.4(476) Customer relations.

19.4(1) *Customer information.* Each utility shall:

a. Maintain up-to-date maps, plans or records of its entire transmission and distribution systems, with such other information as may be necessary to enable the utility to advise prospective customers, and others entitled to the information, as to the facilities available for serving customers in its service area.

b. Assist the customer or prospective customer in selecting the most economical rate schedule available for the proposed type of service.

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

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

e. Upon request, inform its customers as to the method of reading meters.

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

g. Upon request, transmit a statement of either the customer's actual consumption, or degree day adjusted consumption, at the company's option, of natural gas for each billing period during the prior 12 months.

h. Furnish such additional information as the customer may reasonably request.

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

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

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

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

19.4(3) *Customer deposits.*

a. Each utility may require from any customer or prospective customer a deposit intended to guarantee partial payment of bills for service. Each utility shall allow a person other than the customer to pay the customer's deposit. In lieu of a cash deposit, the utility may accept the written guarantee of a surety or other responsible party as surety for an account. Upon termination of a guarantee contract, or whenever the utility deems the contract insufficient as to amount or surety, a cash deposit or a new or additional guarantee may be required for good cause upon reasonable written notice.

b. A new or additional deposit may be required from a customer when a deposit has been refunded or is found to be inadequate. Written notice shall be mailed advising the customer of any new or additional deposit requirement. The customer shall have no less than 12 days from the date of mailing to comply. The new or additional deposit shall be payable at any of the utility's business offices or local authorized agents.

An appropriate receipt shall be provided. No written notice is required to be given of a deposit required as a prerequisite for commencing initial service.

c. No deposit shall be required as a condition for service other than determined by application of either credit rating or deposit calculation criteria, or both, of the filed tariff.

d. The total deposit for any residential or commercial customer for a place which has previously received service shall not be greater than the highest billing of service for one month for the place in the previous 12-month period. The deposit for any residential or commercial customer for a place which has not previously received service or for an industrial customer, shall be the customer's projected one-month usage for the place to be served as determined by the utility, or as may be reasonably required by the utility in cases involving service for short periods or special occasions.

19.4(4) *Interest on customer deposits.* Interest shall be paid by the rate-regulated utility to each customer required to make a deposit. On or after April 21, 1994, rate-regulated utilities shall compute interest on customer deposits at 7.5 percent per annum, compounded annually. Interest for prior periods shall be computed at the rate specified by the rule in effect for the period in question. Interest shall be paid for the period beginning with the date of deposit to the date of refund or to the date that the deposit is applied to the customer's account, or to the date the customer's bill becomes permanently delinquent. The date of refund is that date on which the refund or the notice of deposit refund is forwarded to the customer's last-known address. The date a customer's bill becomes permanently delinquent, relative to an account treated as an uncollectible account, is the most recent date the account became delinquent.

19.4(5) *Customer deposit records.* Each utility shall keep records to show:

a. The name and address of each depositor.

b. The amount and date of the deposit.

c. Each transaction concerning the deposit.

19.4(6) *Customer's receipt for a deposit.* Each utility shall issue a receipt of deposit to each customer from whom a deposit is received, and shall provide means whereby a depositor may establish claim if the receipt is lost.

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

19.4(8) *Unclaimed deposits.* The utility shall make a reasonable effort to return each unclaimed deposit and accrued interest after the termination of the services for which the deposit was made. The utility shall maintain a record of deposit information for at least two years or until such time as the deposit, together with accrued interest, escheats to the state pursuant to Iowa Code section 556.4, at which time the record and deposit, together with accrued interest less any lawful deductions, shall be sent to the state treasurer pursuant to Iowa Code section 556.11.

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

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

b. The dates on which the meter was read at the beginning and end of the billing period.

c. The number and kind of units metered.

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

e. The account balance brought forward and the amount of each net charge for rate-schedule-priced utility service, sales tax, other taxes, late payment charge, and total amount currently due. In the case of prepayment meters, the amount of money collected shall be shown.

f. The last date for timely payment shall be clearly shown and shall be not less than 20 days after the bill is provided.

g. A distinct marking to identify an estimated bill.

h. A distinct marking to identify a minimum bill.

i. Any conversions from meter reading units to billing units, or any calculations to determine billing units from recording or other devices, or any other factors, such as sliding scale or automatic adjustment and amount of sales tax adjustments used in determining the bill.

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

19.4(11) *Payment agreements.*

a. Availability of a first payment agreement. When a residential customer cannot pay in full a delinquent bill for utility service or has an outstanding debt to the utility for residential utility service and is not in default of a payment agreement with the utility, a utility shall offer the customer an opportunity to enter into a reasonable payment agreement.

b. Reasonableness. Whether a payment agreement is reasonable will be determined by considering the current household income, ability to pay, payment history including prior defaults on similar agreements, the size of the bill, the amount of time and the reasons why the bill has been outstanding, and any special circumstances creating extreme hardships within the household. The utility may require the person to confirm financial difficulty with an acknowledgment from the department of human services or another agency.

c. Terms of payment agreements.

(1) First payment agreement. The utility shall offer the following conditions to customers who have received a disconnection notice or who have been previously disconnected and are not in default of a payment agreement:

1. For customers who received a disconnection notice or who have been disconnected less than 120 days and are not in default of a payment agreement, the utility shall offer an agreement with at least 12 even monthly payments. For customers who have been disconnected more than 120 days and are not in default of a payment agreement, the utility shall offer an agreement with at least 6 even monthly payments. The utility shall inform customers they may pay off the delinquency early without incurring any prepayment penalties.

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

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

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

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

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

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

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

9. Once the first payment required by the agreement is made by the customer or on behalf of the customer, the oral or electronic agreement is deemed accepted by the customer.

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

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

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

1.

The second payment agreement shall be for a term at least as long as the term of the first payment agreement.

2.

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

3.

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

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

d. Refusal by utility. A customer may offer the utility a proposed payment agreement. If the utility and the customer do not reach an agreement, the utility may refuse the offer orally, but the utility must provide a written refusal of the customer's final offer, stating the reason for the refusal, within three days of the oral notification. The written refusal shall be considered provided to the customer when addressed to the customer's last-known address and deposited in the U.S. mail with postage prepaid. If delivery is by other than U.S. mail, the written refusal shall be considered provided to the customer when handed to the customer or when delivered to the last-known address of the person responsible for the payment for the service.

A customer may ask the commission for assistance in working out a reasonable payment agreement. The request for assistance must be made to the commission within ten days after the written refusal is provided. During the review of this request, the utility shall not disconnect the service.

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

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

b. In any case where net and gross amounts are billed to customers, the difference between net and gross is a late payment charge and is valid only when part of a delinquent bill payment. A utility's late payment charge shall not exceed 1.5 percent per month of the past due amount. No collection fee may be levied in addition to this late payment charge. This rule does not prohibit cost-justified charges for disconnection and reconnection of service.

c. If the customer makes partial payment in a timely manner, and does not designate the service or product for which payment is made, the payment shall be credited pro rata between the bill for utility services and related taxes.

d. Each account shall be granted not less than one complete forgiveness of a late payment charge each calendar year. The utility's rules shall be definitive that on one monthly bill in each period of eligibility, the utility will accept the net amount of such bill as full payment for such month after expiration of the net payment period. The rules shall state how the customer is notified that the eligibility has been used. Complete forgiveness prohibits any effect upon the credit rating of the customer or collection of late payment charge.

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

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

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

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

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

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

When the budget billing amount is recomputed, the budget billing plan account balance shall be divided by 12, and the resulting amount shall be added to the estimated monthly budget billing amount. Except when a utility has a budget billing plan that recomputes the budget billing amount monthly, the customer shall be given the option of applying any credit to payments of subsequent months' budget billing amounts due or of obtaining a refund of any credit in excess of $25.

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

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

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

a. Therm consumption.

b. Meter reading.

c. Total amount of bill.

19.4(14) *Adjustment of bills.* Bills which are incorrect due to billing errors or faulty metering installation are to be adjusted as follows:

a. Fast metering. Whenever a metering installation is tested and found to have overregistered more than 2 percent, the utility shall recalculate the bills for service.

(1) The bills for service shall be recalculated from the time at which the error first developed or occurred if that time can be definitely determined.

(2) If the time at which the error first developed or occurred cannot be definitely determined, it shall be assumed that the overregistration has existed for the shortest time period calculated as one-half the time since the meter was installed or one-half the time elapsed since the last meter test unless otherwise ordered by the board.

(3) If the recalculated bills indicate that $5 or more is due an existing customer or $10 or more is due a person no longer a customer of the utility, the tariff shall provide for refunding of the full amount of the

calculated difference between the amount paid and the recalculated amount. Refunds shall be made to the two most recent customers who received service through the metering installation during the time the error existed. In the case of a previous customer who is no longer a customer of the utility, a notice of the amount subject to refund shall be mailed to such previous customer at the last-known address, and the utility shall, upon demand made within three months thereafter, refund the same.

Refunds shall be completed within six months following the date of the metering installation test.

b. Slow metering. Whenever a meter is found to be more than 2 percent slow, the tariff may provide for back billing the customer for the amount the test indicates has been undercharged for the period of inaccuracy.

When the average error cannot be determined by test because of failure of part or all of the metering equipment, the tariff may provide for use of the registration of check metering installation, if any, or for estimating the quantity consumed based on available data. The customer must be advised of the failure and of the basis for the estimate of quantity billed.

(1) The utility may not back bill due to underregistration unless a minimum back bill amount is specified in its tariff. The minimum amount specified for back billing shall not be less than, but may be greater than, $5 for an existing customer or $10 for a former customer. All recalculations resulting in an amount due equal or greater than the tariff specified minimum shall result in issuance of a back bill.

(2) The period for back billing shall not exceed the last six months the meter was in service unless otherwise ordered by the commission.

(3) Back billings shall be provided no later than six months following the date of the metering installation test.

c. Billing adjustments due to fast or slow meters shall be calculated on the basis that the meter should be 100 percent accurate. For the purpose of billing adjustment the meter error shall be one-half of the algebraic sum of the error at full-rated flow plus the error at check flow.

d. When a customer has been overcharged as a result of incorrect reading of the meter, incorrect application of the rate schedule, incorrect connection of the meter, or other similar reasons, the amount of the overcharge shall be adjusted, refunded, or credited to the customer. The time period for which the utility is required to adjust, refund, or credit the customer's bill shall not exceed five years unless otherwise ordered by the commission.

e. Undercharges. When a customer has been undercharged as a result of incorrect reading of the meter, incorrect application of the rate schedule, incorrect connection of the meter, or other similar reasons, the amount of the undercharge may be billed to the customer. The period for which the utility may adjust for the undercharge shall not exceed five years unless otherwise ordered by the commission. The maximum back bill shall not exceed the dollar amount equivalent to the tariffed rate for like charges (e.g., usage-based, fixed or service charges) in the 12 months preceding discovery of the error unless otherwise ordered by the commission.

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

19.4(15) *Refusal or disconnection of service.* A utility shall refuse service or disconnect service to a customer, as defined in subrule 19.1(3), in accordance with tariffs that are consistent with these rules.

a. The utility shall give written notice of pending disconnection except as specified in paragraph 19.4(15)*"b."* The notice shall set forth the reason for the notice and final date by which the account is to be settled or specific action taken. The notice shall be considered provided to the customer when addressed to the customer's last-known address and deposited in the U.S. mail with postage prepaid. If delivery is by other than U.S. mail, the notice shall be considered provided when delivered to the last-known address of the person responsible for payment for the service. The date for disconnection of service shall be not less than 12 days after the notice is provided. The date for disconnection of service for customers on shorter billing intervals under subrule 19.3(7) shall not be less than 24 hours after the notice is posted at the service premises.

One written notice, including all reasons for the notice, shall be given where more than one cause exists for disconnection of service. In determining the final date by which the account is to be settled or other specific action taken, the days of notice for the causes shall be concurrent.

b. Service may be disconnected without notice:

(1) In the event of a condition determined by the utility to be hazardous.

(2) In the event of customer use of equipment in a manner which adversely affects the utility's equipment or the utility's service to others.

(3) In the event of tampering with the equipment furnished and owned by the utility. For the purposes of this subrule, a broken or absent meter seal alone shall not constitute tampering.

(4) In the event of unauthorized use.

c. Service may be disconnected or refused after proper notice:

(1) For violation of or noncompliance with the utility's rules on file with the commission.

(2) For failure of the customer to furnish the service equipment, permits, certificates, or rights-of-way which are specified to be furnished, in the utility's rules filed with the commission, as conditions of obtaining service, or for the withdrawal of that same equipment, or for the termination of those same permissions or rights, or for the failure of the customer to fulfill the contractual obligations imposed as conditions of obtaining service by any contract filed with and subject to the regulatory authority of the commission.

(3) For failure of the customer to permit the utility reasonable access to the utility's equipment.

d. Service may be refused or disconnected after proper notice for nonpayment of a bill or deposit, except as restricted by subrules 19.4(16) and 19.4(17), provided that the utility has complied with the following provisions when applicable:

(1) Given the customer a reasonable opportunity to dispute the reason for the disconnection or refusal;

(2) Given the customer, and any other person or agency designated by the customer, written notice that the customer has at least 12 days in which to make settlement of the account to avoid disconnection and a written summary of the rights and responsibilities available. Customers billed more frequently than monthly pursuant to subrule 19.3(7) shall be given posted written notice that they have 24 hours to make settlement of the account to avoid disconnection and a written summary of the rights and responsibilities. All written notices shall include a toll-free or collect telephone number where a utility representative qualified to provide additional information about the disconnection can be reached. Each utility representative must provide the representative's name and have immediate access to current, detailed information concerning the customer's account and previous contacts with the utility.

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

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

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

a. Pay the bill in full; or

b. Enter into a reasonable payment plan with the utility (see #2 below); or

c. Apply for and become eligible for low-income energy assistance (see #3 below); or

d. Give the utility a written statement from a doctor or public health official stating that shutting off your gas service would pose an especial health danger for a person living at the residence (see #4 below); or

e. Tell the utility if you think part of the amount shown on the bill is wrong. However, you must still pay the part of the bill you agree you owe the utility (see #5 below).

2. How do I go about making a reasonable payment plan? (Residential customers only)

a. Contact the utility as soon as you know you cannot pay the amount you owe. If you cannot pay all the money you owe at one time, the utility may offer you a payment plan that spreads payments evenly over at least 12 months. The plan may be longer depending on your financial situation.

b. If you have not made the payments you promised in a previous payment plan with the utility and still owe money, you may qualify for a second payment agreement under certain conditions.

c. If you do not make the payments you promise, the utility may shut off your utility service on one day's notice unless all the money you owe the utility is paid or you enter into another payment agreement.

3. How do I apply for low-income energy assistance? (Residential customers only)

a. Contact the local community action agency in your area (see attached list) or visit humanrights.iowa.gov/dcaa/where-apply.

b. To avoid disconnection, you must apply for energy assistance or weatherization before your service is shut off. Notify your utility that you may be eligible and have applied for energy assistance. Once your service has been disconnected, it will not be reconnected based on approval for energy assistance.

c. Being certified eligible for energy assistance will prevent your service from being disconnected from November 1 through April 1.

d. If you have additional questions, contact the Division of Community Action Agencies at the Iowa Department of Human Rights, Lucas State Office Building, Des Moines, Iowa 50319; telephone (515)281-3861.

4. What if someone living at the residence has a serious health condition? (Residential customers only)

Contact the utility if you believe this is the case. Contact your doctor or a public health official and ask the doctor or health official to contact the utility and state that shutting off your utility service would pose an especial health danger for a person living at your residence. The doctor or public health official must provide a written statement to the utility office within 5 days of when your doctor or public health official notifies the utility of the health condition; otherwise, your utility service may be shut off. If the utility receives this written statement, your service will not be shut off for 30 days. This 30-day delay is to allow you time to arrange payment of your utility bill or find other living arrangements. After 30 days, your service may be shut off if payment arrangements have not been made.

5. What should I do if I believe my bill is not correct?

You may dispute your utility bill. You must tell the utility that you dispute the bill. You must pay the part of the bill you think is correct. If you do this, the utility will not shut off your service for 45 days from the date the bill was mailed while you and the utility work out the dispute over the part of the bill you think is incorrect. You may ask the Iowa Utilities Commission for assistance in resolving the dispute. (See #9 below.)

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

a. Your utility can shut off service between the hours of 6 a.m. and 2 p.m., Monday through Friday.

b. The utility will not shut off your service on nights, weekends, or holidays for nonpayment of a bill.

c. The utility will not shut off your service if you enter into a reasonable payment plan to pay the overdue amount (see #2 above).

d. The utility will not shut off your service if the temperature is forecasted to be 20 degrees Fahrenheit or colder during the following 24-hour period, including the day your service is scheduled to be shut off.

e. If you have qualified for low-income energy assistance, the utility cannot shut off your service from November 1 through April 1. However, you will still owe the utility for the service used during this time.

f. The utility will not shut off your service if you have notified the utility that you dispute a portion of your bill and you pay the part of the bill that you agree is correct.

g. If one of the heads of household is a service member deployed for military service, utility service cannot be shut off during the deployment or within 90 days after the end of deployment. In order for this exception to disconnection to apply, the utility must be informed of the deployment prior to disconnection. However, you will still owe the utility for service used during this time.

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

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

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

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

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

a. The utility will turn your service back on if you pay the whole amount you owe or agree to a reasonable payment plan (see #2 above).

b. If you make your payment during regular business hours, or by 7 p.m. for utilities permitting such payment or other arrangements after regular business hours, the utility must make a reasonable effort to turn your service back on that day. If service cannot reasonably be turned on that same day, the utility must do it by 11 a.m. the next day.

c. The utility may charge you a fee to turn your service back on. 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.

9. Is there any other help available besides my utility?

If the utility has not been able to help you with your problem, you may contact the Iowa Utilities Commission toll-free at 1-877-565-4450. You may also write the Iowa Utilities Commission at 1375 E. Court Avenue, Room 69, Des Moines, Iowa 50319-0069, or by email at customer@iuc.iowa.gov. Low-income customers may also be eligible for free legal assistance from Iowa Legal Aid, and may contact Legal Aid at 1-800-532-1275.

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

If an attempt at personal or telephone contact of a customer occupying a rental unit has been unsuccessful, the utility shall make a diligent attempt to contact the landlord of the rental unit, if known, to determine if the customer is still in occupancy and, if so, the customer's present location. The landlord shall also be informed of the date when service may be disconnected. The utility shall make a diligent attempt to inform the landlord at least 48 hours prior to disconnection of service to a tenant.

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

(5) Disputed bill. If the customer has received notice of disconnection and has a dispute concerning a bill for natural gas service, the utility may require the customer to pay a sum of money equal to the amount of the undisputed portion of the bill pending settlement and thereby avoid disconnection of service. A utility shall delay disconnection for nonpayment of the disputed bill for up to 45 days after the providing of the bill if the customer pays the undisputed amount. The 45 days shall be extended by up to 60 days if requested of the utility by the commission in the event the customer files a written complaint with the commission in compliance with 199—Chapter 6.

(6) Reconnection. Disconnection of a residential customer may take place only between the hours of 6 a.m. and 2 p.m. on a weekday and not on weekends or holidays. If a disconnected customer makes payment or other arrangements during normal business hours, or by 7 p.m. for utilities permitting such payment or other arrangements after normal business hours, all reasonable efforts shall be made to reconnect the customer that day. If a disconnected customer makes payment or other arrangements after 7 p.m., all reasonable efforts shall be made to reconnect the customer not later than 11 a.m. the next day.

(7) Severe cold weather. A disconnection may not take place where gas is used as the only source of space heating or to control or operate the only space heating equipment at a residence when the actual temperature or the 24-hour forecast of the National Weather Service for the residence's area is predicted to be 20 degrees Fahrenheit or colder. If the utility has properly posted a disconnect notice but is precluded

from disconnecting service because of severe cold weather, the utility may immediately proceed with appropriate disconnection procedures, without further notice, when the temperature in the residence's area rises above 20 degrees Fahrenheit and is forecasted to remain above 20 degrees Fahrenheit for at least 24 hours, unless the customer has paid in full the past due amount or is otherwise entitled to postponement of disconnection.

(8) Health of a resident. Disconnection of a residential customer shall be postponed if the disconnection of service would present an especial danger to the health of any permanent resident of the premises. An especial danger to health is indicated if a person appears to be seriously impaired and may, because of mental or physical problems, be unable to manage the person's own resources, to carry out activities of daily living or to be protected from neglect or hazardous situations without assistance from others. Indicators of an especial danger to health include but are not limited to: age, infirmity, or mental incapacitation; serious illness; physical disability, including blindness and limited mobility; and any other factual circumstances which indicate a severe or hazardous health situation.

The utility may require written verification of the especial danger to health by a physician or a public health official, including the name of the person endangered; a statement that the person is a resident of the premises in question; the name, business address, and telephone number of the certifying party; the nature of the health danger; and approximately how long the danger will continue. Initial verification by the verifying party may be by telephone if written verification is forwarded to the utility within five days.

Verification shall postpone disconnection for 30 days. In the event service is terminated within 14 days prior to verification of illness by or for a qualifying resident, service shall be restored to that residence if a proper verification is thereafter made in accordance with the foregoing provisions. If the customer does not enter into a reasonable payment agreement for the retirement of the unpaid balance of the account within the first 30 days and does not keep the current account paid during the period that the unpaid balance is to be retired, the customer is subject to disconnection pursuant to paragraph 19.4(15)*"f."*

(9) Winter energy assistance (November 1 through April 1). If the utility is informed that the customer's household may qualify for winter energy assistance or weatherization funds, there shall be no disconnection of service for 30 days from the date the utility is notified to allow the customer time to obtain assistance. Disconnection shall not take place from November 1 through April 1 for a resident who is a head of household and who has been certified to the public utility by the community action agency as eligible for either the low-income home energy assistance program or weatherization assistance program. A utility may develop an incentive program to delay disconnection on April 1 for customers who make payments throughout the November 1 through April 1 period. All such incentive programs shall be set forth in tariffs approved by the commission.

(10) Deployment. If the utility is informed that one of the heads of household as defined in Iowa Code section 476.20 is a service member deployed for military service, as defined in Iowa Code section 29A.90, disconnection cannot take place at the residence during the deployment or prior to 90 days after the end of the deployment.

e. Abnormal gas consumption. A customer who is subject to disconnection for nonpayment of bill, and who has gas consumption which appears to the customer to be abnormally high, may request the utility to provide assistance in identifying the factors contributing to this usage pattern and to suggest remedial measures. The utility shall provide assistance by discussing patterns of gas usage which may be readily identifiable, suggesting that an energy audit be conducted, and identifying sources of energy conservation information and financial assistance which may be available to the customer.

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

g. The utility shall, prior to November 1, mail customers a notice describing the availability of winter energy assistance funds and the application process. The notice must be of a type size that is easily legible and conspicuous and must contain the information set out by the state agency administering the assistance program. A utility serving fewer than 25,000 customers may publish the notice in a customer newsletter in lieu of mailing. A utility serving fewer than 6,000 customers may publish the notice in an advertisement in a local newspaper of general circulation or shopper's guide.

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

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

b. Failure to pay for merchandise purchased from the utility.

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

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

e. Failure to pay the back bill provided in accordance with paragraph 19.4(14)*"b"* (slow meters).

f. Failure to pay adjusted bills based on the undercharges set forth in paragraph 19.4(14)*"e."*

g. Failure of a residential customer to pay a deposit during the period November 1 through April 1 for the location at which the customer has been receiving service in the customer's name.

h. Delinquency in payment for service by an occupant, if the customer applying for service is creditworthy and able to satisfy any deposit requirements.

i. Delinquency in payment for service arising more than ten years prior, as measured from the most recent of:

(1) The last date of service for the account giving rise to the delinquency,

(2) Physical disconnection of service for the account giving rise to the delinquency, or

(3) The last voluntary payment or voluntary written promise of payment made by the customer, if made before the ten-year period described in this paragraph has otherwise lapsed.

j. Delinquency in payment for service that arose on or before September 4, 2010, pursuant to an oral contract, except in cases of fraud or deception that prevented the utility from timely addressing such delinquencies with the customer.

19.4(17) *When disconnection prohibited.*

a. No disconnection may take place from November 1 through April 1 for a resident who is a head of household and who has been certified to the public utility by the local community action agency as being eligible for either the low-income home energy assistance program or weatherization assistance program.

b. If the utility is informed that one of the heads of household as defined in Iowa Code section 476.20 is a service member deployed for military service, as defined in Iowa Code section 29A.90, disconnection cannot take place at the residence during the deployment or prior to 90 days after the end of the deployment.

19.4(18) *Change in character of service.* The following shall apply to a material change in the character of gas service:

a. Changes under the control of the utility. The utility shall make such changes only with the approval of the commission, and after adequate notice to the customers (see 19.7(6)*"a"*).

b. Changes not under control of the utility or customer. The utility shall adjust appliances to attain the proper combustion of the gas supplied. Due consideration shall be given to the gas heating value and specific gravity (see 19.7(6)*"b"*).

c. Appliance adjustment charge. The utility shall make any necessary adjustments to the customer's appliances without charge and shall conduct the adjustment program with a minimum of inconvenience to the customers.

19.4(19) *Customer complaints.* Each utility shall investigate promptly and thoroughly and keep a record of written complaints and all other reasonable complaints received by it from its customers in regard to safety, service, or rates, and the operation of its system as will enable it to review and analyze its procedures and actions. The record shall show the name and address of the complainant, the date and nature of the complaint, and its disposition and the date thereof. All complaints caused by a major outage or interruption shall be summarized in a single report.

a. Each utility shall provide in its filed tariff a concise, fully informative procedure for the resolution of customer complaints.

b. The utility shall take reasonable steps to ensure that customers unable to travel shall not be denied the right to be heard.

c. The final step in a complaint hearing and review procedure shall be a filing for commission resolution of the issues.

This rule is intended to implement Iowa Code sections 476.2, 476.6, 476.8, 476.20 and 476.54.

[**ARC 9101B**, IAB 9/22/10, effective 10/27/10; Editorial change: IAC Supplement 12/29/10; **ARC 3453C**, IAB 11/8/17, effective 12/13/17; Editorial change: IAC Supplement 7/24/24]

199—19.5(476) Engineering practice.

19.5(1) *Requirement for good engineering practice.* The gas plant of the utility shall be constructed, installed, maintained and operated in accordance with accepted good engineering practice in the gas industry to assure, as far as reasonably possible, continuity of service, uniformity in the quality of service furnished, and the safety of persons and property.

19.5(2) *Standards incorporated by reference.*

a. The design, construction, operation, and maintenance of gas systems and liquefied natural gas facilities shall be in accordance with the following standards where applicable:

(1) 49 CFR Part 191, "Transportation of Natural and Other Gas by Pipeline; Annual Reports, Incident Reports, and Safety-Related Condition Reports."

(2) 49 CFR Part 192, "Transportation of Natural and Other Gas by Pipeline: Minimum Federal Safety Standards."

(3) 49 CFR Part 193, "Liquefied Natural Gas Facilities: Federal Safety Standards."

(4) 49 CFR Part 199, "Drug and Alcohol Testing."

(5) ASME B31.8 - 2016, "Gas Transmission and Distribution Piping Systems."

(6) NFPA 59-2018, "Utility LP-Gas Plant Code."

(7) At railroad crossings, rule 199—42.7(476), "Engineering standards for pipelines."

b. The following publications are adopted as standards of accepted good practice for gas utilities:

(1) ANSI Z223.1/NFPA 54-2018, "National Fuel Gas Code."

(2) NFPA 501A-2017, "Standard for Fire Safety Criteria for Manufactured Home Installations, Sites, and Communities."

19.5(3) *Adequacy of gas supply.* The natural gas regularly available from supply sources supplemented by production or storage capacity must be sufficiently large to meet all reasonable demands for firm gas service.

19.5(4) *Gas transmission and distribution facilities.* The utility's gas transmission and distribution facilities shall be designed, constructed and maintained as required to reliably perform the gas delivery burden placed upon them. Each utility shall be capable of emergency repair work on a scale consistent with its scope of operation and with the physical conditions of its transmission and distribution facilities.

In appraising the reliability of the utility's transmission and distribution system, the commission will consider, as principal factors, the condition of the physical property and the size, training, supervision, availability, equipment and mobility of the maintenance forces.

19.5(5) *Inspection of gas plant.* Each utility shall adopt a program of inspection of its gas plant in order to determine the necessity for replacement and repair. The frequency of the various inspections shall be based on the utility's experience and accepted good practice. Each utility shall keep sufficient records to give evidence of compliance with its inspection program.

[**ARC 7962B**, IAB 7/15/09, effective 8/19/09; **ARC 9501B**, IAB 5/18/11, effective 6/22/11; **ARC 1359C**, IAB 3/5/14, effective 4/9/14; **ARC 2711C**, IAB 9/14/16, effective 10/19/16; **ARC 4380C**, IAB 3/27/19, effective 5/1/19; **ARC 6044C**, IAB 11/17/21, effective 12/22/21; Editorial change: IAC Supplement 7/24/24]

199—19.6(476) Metering.

19.6(1) *Inspection and testing program.* Each utility shall adopt a written program for the inspection and testing of its meters to determine the necessity for adjustment, replacement or repair. The frequency of inspection and methods of testing shall be based on the utility's experience, manufacturer's recommendations, and accepted good practice. The commission considers the publications listed in 19.6(3) to be representative of accepted good practice. Each utility shall maintain inspection and testing records for each meter and associated device until three years after its retirement.

19.6(2) *Program content.* The written program shall, at minimum, address the following subject areas:

a. Classification of meters by capacity, type, and any other factor considered pertinent.

b. Checking of new meters for acceptable accuracy before being placed in service.

c. Testing of in-service meters, including any associated instruments or corrective devices, for accuracy, adjustments or repairs. This may be accomplished by periodic tests at specified intervals or on the basis of a statistical sampling plan, but shall include meters removed from service for any reason.

d. Periodic calibration or testing of devices or instruments used by the utility to test meters.

e. Leak testing of meters before return to service.

f. The limits of meter accuracy considered acceptable by the utility.

g. The nature of meter and meter test records maintained by the utility.

19.6(3) *Accepted good practice.* The following publications are considered to be representative of accepted good practice in matters of metering and meter testing:

a. American National Standard for Gas Displacement Meters (500 Cubic Feet Per Hour Capacity and Under), ANSI B109.1-2000.

b. American National Standard for Diaphragm Type Gas Displacement Meters (Over 500 Cubic Feet Per Hour Capacity), ANSI B109.2-2000.

c. American National Standard for Rotary Type Gas Displacement Meters, ANSI B109.3-2000.

d. Measurement of Gas Flow by Turbine Meters, ANSI/ASME MFC-4M-1986 (Reaffirmed 2008).

e. Orifice Metering of Natural Gas and Other Related Hydrocarbon Fluids, API MPMS Chapter 14.3, Parts 1-4.

19.6(4) *Meter adjustment.* All meters and associated metering devices shall, when tested, be adjusted as closely as practicable to the condition of zero error.

19.6(5) *Request tests.* Upon request by a customer, a utility shall test the meter servicing that customer. A test need not be made more frequently than once in 18 months.

A written report of the test results shall be mailed to the customer within ten days of the completed test and a record of each test shall be kept on file at the utility's office. The utility shall give the customer or a representative of the customer the opportunity to be present while the test is conducted.

If the test finds the meter is accurate within the limits accepted by the utility in its meter inspection and testing program, the utility may charge the customer $25 or the cost of conducting the test, whichever is less. The customer shall be advised of any potential charge before the meter is removed for testing.

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

Within 5 days of receipt of the written request and payment, the commission shall forward the deposit to the utility and notify the utility of the requirement for a test. The utility shall, within 30 days after notification of the request, schedule the date, time and place of the test with the commission and customer. The meter shall not be removed or adjusted before the test. The utility shall furnish all testing equipment and facilities for the test. If the tested meter is found to be more than 2 percent fast or 2 percent slow, the deposit will be returned to the party requesting the test and billing adjustments shall be made as required in 19.4(14). The commission shall issue its report within 15 days after the test is conducted, with a copy to the customer and the utility.

19.6(7) *Condition of meter.* No meter that is known to be mechanically defective, has an incorrect correction factor, or has not been tested and adjusted, if necessary, in accordance with 19.6(2)*"b," "c,"* and *"e,"* shall be installed or continued in service. The capacity of the meter and the index mechanism shall be consistent with the gas requirements of the customer.

[**ARC 7962B**, IAB 7/15/09, effective 8/19/09; **ARC 3453C**, IAB 11/8/17, effective 12/13/17; Editorial change: IAC Supplement 7/24/24]

199—19.7(476) Standards of quality of service.

19.7(1) *Purity requirements.* All gas supplied to customers shall be substantially free of impurities which may cause corrosion of mains or piping or from corrosive or harmful fumes when burned in a properly designed and adjusted burner.

19.7(2) *Pressure limits.* The maximum allowable operating pressure for a low-pressure distribution system shall not be so high as to cause the unsafe operation of any connected and properly adjusted low-pressure gas-burning equipment.

19.7(3) *Adequacy for pressure.* Each utility shall have a substantially accurate knowledge of the pressures inside its piping. Periodic pressure measurements shall be taken during periods of high demand at remote locations in distribution systems to determine the adequacy of service. Records of such measurements including the date, time, and location of the measurement shall be maintained not less than two years.

19.7(4) *Standards for pressure measurements.*

a. Secondary standards. Each utility shall own or have access to a dead weight tester. This instrument must be maintained in an accurate condition.

b. Working standards. Each utility must have or have access to water manometers, laboratory quality indicating pressure gauges, and field-type dead weight pressure gauges as necessary for the proper testing of the indicating and recording pressure gauges used in determining the pressure on the utility's system. Working standards must be checked periodically by comparison with a secondary standard.

19.7(5) *Handling of standards.* Extreme care must be exercised in the handling of standards to ensure that their accuracy is not disturbed. Each standard shall be accompanied at all times by a certificate or calibration card, duly signed and dated, on which are recorded the corrections required to compensate for errors found at the customary test points at the time of the last previous test.

19.7(6) *Heating value.*

a. Awareness. Each utility shall have a substantially accurate knowledge of the heating value of the gas being delivered to customers at all times.

b. Natural and LP-gas. The heating value of natural gas and undiluted, commercially pure LP-gas shall be considered as being not under the control of the utility. The utility shall determine the allowable range of monthly average heating values within which its customers' appliances may be expected to function properly without repeated readjustment of the burners. If the monthly average heating value is above or below the limits of the allowable range for three successive months, the customers' appliances must be readjusted in accordance with 19.4(18)*"c."*

c. Peak shaving or other mixed gas. The heating value of gas in a distribution system which includes gas from LP or LNG peak shaving facilities, or gas from a source other than a pipeline supplier, shall be considered within the control of the utility. The average daily heating value of mixed gas shall be at least 95 percent of that normally delivered by the pipeline supplier. All mixed gas shall have a specific gravity of less than 1.000, and heating value shall not be so high as to cause improper operation of properly adjusted customer equipment.

d. Heating value determination and records. Unless acceptable heating value information is available for all periods from other sources, including the pipeline supplier, the utility shall provide and maintain equipment, or shall have a method of computation, by which the heating value of the gas in a distribution system can be accurately determined. The type, accuracy, operation and location of equipment, and the accuracy of computation methods, shall be in accordance with accepted industry practices and equipment manufacturer's recommendations and shall be subject to review by the commission.

19.7(7) *Interruptions of service.*

a. Each utility shall make reasonable efforts to avoid interruptions of service, but when interruptions occur, service shall be reestablished within the shortest time practicable, consistent with safety. Each utility shall maintain records for not less than two years of interruptions of service as required to be reported in 19.17(1) and shall periodically review these records to determine steps to be taken to prevent recurrence.

b. Planned interruptions shall be made at a time that will not cause unreasonable inconvenience to customers. Interruptions shall be preceded by adequate notice to those who will be affected.

[Editorial change: IAC Supplement 7/24/24]

199—19.8(476) Safety.

19.8(1) *Acceptable standards.* As criteria of accepted good safety practice the commission will use the applicable provisions of the standard listed in 19.5(2).

19.8(2) *Protective measures.* Each utility shall exercise reasonable care to reduce hazards inherent in connection with utility service to which its employees, its customers, and the general public may be subjected and shall adopt and execute a safety program designed to protect the public, fitted to the size and type of its operations. The utility shall give reasonable assistance to the commission in the investigation of

the cause of accidents and in the determination of suitable means of preventing accidents. Each utility shall maintain a summary of all reportable accidents arising from its operations.

19.8(3) *Turning on gas.* Each utility upon the installation of a meter and turning on gas or the act of turning on gas alone shall take the necessary steps to assure itself that there exists no flow of gas through the meter which is a warning that the customer's piping or appliances are not safe for gas turn on (Ref: Sec. 8.2.3 and Annex D, ANSI Z223.1/NFPA 54-2018).

19.8(4) *Gas leaks.* A report of a gas leak shall be considered as an emergency requiring immediate attention.

19.8(5) *Odorization.* Any gas distributed to customers through gas mains or gas services or used for domestic purposes in compressor plants, which does not naturally possess a distinctive odor to the extent that its presence in the atmosphere is readily detectable at all gas concentrations of one-fifth of the lower explosive limit and above, shall have an odorant added to it to make it so detectable. Odorization is not necessary, however, for such gas as is delivered for further processing or use where the odorant would serve no useful purpose as a warning agent. Suitable tests must be made to determine whether the odor meets the standards of subrule 19.5(2). Prompt remedial action shall be taken if odorization levels do not meet the prescribed limits for detectability.

19.8(6) *Burial near electric lines.* Each pipeline shall be installed with at least 12 inches of clearance from buried electrical conductors. If this clearance cannot be maintained, protection from damage or introduction of current from an electrical fault shall be provided by other means.

[**ARC 7962B**, IAB 7/15/09, effective 8/19/09; **ARC 2711C**, IAB 9/14/16, effective 10/19/16; **ARC 4380C**, IAB 3/27/19, effective 5/1/19; Editorial change: IAC Supplement 7/24/24]

199—19.9(476) Energy conservation strategies. Rescinded IAB 11/12/03, effective 12/7/03.

199—19.10(476) Purchased gas adjustment (PGA).

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

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

PGA is the purchased gas adjustment per unit.

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

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

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

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

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

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

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

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

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

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

a. The actual sales volumes S for the prior 12-month period ending May 31, with the necessary degree-day adjustments, and further adjustments approved by the commission.

Unless a utility receives prior commission approval to use another methodology, a utility shall use the same weather normalization methodology used in prior approved PGA and rate case.

b. The annual expected lost and unaccounted for factors shall be calculated by determining the actual difference between sales and purchase volumes for the 12 months ending May 31 or from the current annual IG-1 filing, but in no case will this factor be less than 0.

c. The purchases C, D, and Z which will be necessary to meet requirements as determined in 19.10(1).

d. The purchased gas adjustments shall be adjusted prospectively to reflect the final decision issued by the commission in a periodic review proceeding.

19.10(2) *Annual purchased gas adjustment filing.* Each rate-regulated utility shall file on or before August 1 of each year, for the commission's approval, a purchased gas adjustment for the 12-month period beginning September 1 of that year.

The annual filing shall restate each factor of the formula stated in subrule 19.10(1).

The annual filing shall be based on customer classifications and groupings previously approved by the commission unless new classifications or groupings are proposed.

The annual filing shall include all worksheets and detailed supporting data used to determine the purchased gas adjustment volumes and factors. The utility shall provide an explanation of the calculations of each factor. Information already on file with the commission may be incorporated by reference in the filing.

19.10(3) *Periodic changes to purchased gas adjustment clause.* Periodic purchased gas adjustment filings shall be based on the purchased gas adjustment customer classifications and groupings previously approved by the commission. Changes in the customer classification and grouping on file are not automatic and require prior approval by the commission.

Periodic filings shall include all worksheets and detailed supporting data used to determine the amount of the adjustment.

Changes in factors S or C may not be made in periodic purchased gas filings. A change in factor D or Z may be made in periodic filings and will be deemed approved if it conforms to the annual purchased gas filing or if it conforms to the principles set out in 19.10(6).

The utility shall implement automatically all purchased gas adjustment changes which result from changes in Rc, Rd, or Rz with concurrent commission notification with adequate information to calculate and support the change. The purchased gas adjustment shall be calculated separately for each customer classification or grouping.

Unless otherwise ordered by the commission, a rate-regulated utility's purchased gas adjustment rate factors shall be adjusted as purchased gas costs change and shall recover from the customers only the actual costs of purchased gas and other currently incurred charges associated with the delivery, inventory, or reservation of natural gas. Such periodic changes shall become effective with usage on or after the date of change.

19.10(4) *Factor Rb.* Each utility has the option of filing an Rb calculation with its October-January PGA filings but shall file an Rb calculation with its February filing and subsequent monthly filings in the PGA year. If the anticipated PGA balance represents costs in excess of revenues, factor Rb shall be assigned a positive value; if the anticipated balance represents revenues in excess of costs, factor Rb shall be assigned a negative value.

19.10(5) *Take-or-pay adjustment.* Rescinded IAB 11/12/03, effective 12/17/03.

19.10(6) *Allocations of changes in contract pipeline transportation capacity obligations.* Any change in contractual pipeline transportation capacity obligations to transportation or storage service providers serving Iowa must be reported to the commission within 30 days of receipt. The change must be applied on a pro-rata basis to all customer classifications or groupings, unless another method has been approved by the commission. Where a change has been granted as a result of the utility's request based on the needs of specified customers, that change may be allocated to the specified customers. Where the commission has

approved anticipated sales levels for one or more customer classifications or groupings, those levels may limit the pro-rata reduction for those classifications or groupings.

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

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

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

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

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

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

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

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

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

(7) The amount of money or other collateral held in margin accounts or provided to counterparties as credit support for hedging transactions.

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

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

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

1. The type of hedging instrument.
2. The date on which the hedging instrument was entered into by the utility.
3. The name of the counterparty with whom the hedging instrument was entered into.
4. The notional quantity of natural gas associated with the hedging instrument.
5. The notional delivery period associated with the hedging instrument.
6. The total amount of gains or losses realized by the utility on the hedging instrument.
7. For each futures contract or fixed-price purchase or sale, the fixed price paid or received by the utility and the final settlement price for the futures contract.
8. For each swap contract, the fixed price or index price paid by the utility, the index price or fixed price received by the utility, and the final settlement price of each applicable index referenced in the swap contract.
9. For each option contract, the underlying futures contract or index price referenced in the option contract, the strike price for the option, the premium paid or received by the utility for the option, and the final settlement price for the futures contract or index price referenced in the option.
10. For any other hedging instruments, relevant economic terms, conditions, reference prices, and other factors to support calculations of gains or losses associated with such instruments.
11. For the total natural gas volumes hedged during the PGA year, the fully hedged price of gas and the price if the gas had not been hedged.

b. Any underbilling determined from the reconciliation shall be collected through ten-month adjustments to the appropriate purchased gas adjustment. The underbilling generated from each purchased gas adjustment clause shall be divided by the anticipated sales volumes for the prospective ten-month period beginning November 1 (based upon the sales determination in subrule 19.10(1)).

The quotient, determined on the same basis as the utility's tariff rates, shall be added to the purchased gas adjustment for the prospective ten-month period beginning November 1.

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

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

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

(3) The overbilling percentage applicable to utilities serving fewer than 10,000 customers is 5 percent. For utilities serving 10,000 or more customers, the applicable percentage is 3 percent.

d. When a customer has reduced or terminated system supply service and is receiving transportation service, any liability for overcollections and undercollections shall be determined in accordance with the utility's gas transportation tariff.

19.10(8) *Refunds related to gas costs charged through the PGA.* The utility shall file a refund plan with the commission within 30 days of the receipt of any refund related to gas costs charged through the PGA.

a. The utility shall refund to customers by bill credit or check an amount equal to any refund, plus accrued interest, if the refund exceeds $10 per average residential customer under the applicable customer classification or grouping. The utility may refund lesser amounts through the applicable customer classification or grouping or retain undistributed refund amounts in special refund retention accounts for each customer classification or grouping under the applicable PGA clause until such time as additional refund obligations or interest cause the average residential customer refund to exceed $10. Any obligations remaining in the retention accounts on September 1 shall become a part of the annual PGA reconciliation.

b. The utility shall file with the refund plan the following information:

(1) A statement of reason for the refund.

(2) The amount of the refund with support for the amount.

(3) The balance of the appropriate refund retention accounts.

(4) The amount due under each customer classification or grouping.

(5) The intended period of the refund distribution.

(6) The estimated interest accrued for each refund through the proposed refund period, with complete interest calculations and supporting data as determined in paragraph 19.10(8)*"d."*

(7) The total amount to be refunded, the amount to be refunded per customer classification or grouping, and the refund per ccf or therm.

(8) The estimated interest accrued for each refund received and for each amount in the refund retention accounts through the date of the filing with the complete interest calculation and support as determined in paragraph 19.10(8)*"d."*

(9) The total amount to be retained, the amount to be retained per customer classification or grouping, and the level per ccf or therm.

(10) The calculations demonstrating that the retained balance is less than $10 per average residential customer with supporting schedules for all factors used.

c. The refund to each customer shall be determined by dividing the amount in the appropriate refund retention account, including interest, by the total ccf or therm of system gas consumed by affected customers during the period for which the refundable amounts are applicable and multiplying the quotient by the ccf or therms of system supply gas actually consumed by the customer during the appropriate period. The utility may use the last available 12-month period if the use of the actual period generating the refund is impractical. The utility shall file complete support documentation for all figures used.

d. The interest rate on refunds distributed under this subrule, compounded annually, shall be the dealer commercial paper rate (90-day, high-grade unsecured notes) quoted in the "Money Rates" section of the Wall Street Journal on the day the refund obligation vests. Interest shall accrue from the date the rate-regulated utility receives the refund or billing from the supplier or the midpoint of the first month of overcollection to the date the refund is distributed to customers.

e. The rate-regulated utility shall make a reasonable effort to forward refunds, by check, to eligible recipients who are no longer customers.

f. The minimum amount to be refunded by check shall be $5.

This rule is intended to implement Iowa Code section 476.6(11).

[**ARC 3453C**, IAB 11/8/17, effective 12/13/17; Editorial change: IAC Supplement 7/24/24]

199—19.11(476) Periodic review of gas procurement practices.

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

a. An index of all documents and information filed in the plan and identification of the commission files in which documents incorporated by reference are located.

b. All contracts and gas supply arrangements executed or in effect for obtaining gas and all supply arrangements planned for the future 12-month and 3-year periods.

c. A description of the utility's natural gas forecasting, procurement, and contracting practices; available supply options; and other available services (e.g., storage services, balancing services).

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

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

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

g. Copies of all studies or investigation reports supporting the utility's testimony or materially considered by the utility in contracting decisions during the plan periods.

h. A complete list of all contracts in effect at the time of the procurement plan filing. The list shall include the contract term, the applicable service, and the contracted quantities.

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

19.11(2) *Evaluation of the plan.* The burden shall be on the utility to prove it is taking all reasonable actions to minimize its purchased gas costs. The commission will evaluate the reasonableness and prudence of the gas procurement plan.

19.11(3) *Disallowance of costs.* The commission shall disallow any purchased gas costs in excess of costs incurred under responsible and prudent policies and practices. The PGA factor shall be adjusted prospectively to reflect the disallowance.

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

a. The contract number;

b. The start and end date;

c. The parties to the contract;

d. The total estimated dollar value of the contract;

e. A description of the type of service offered (including volumes and price).

This rule is intended to implement Iowa Code section 476.6(11).

[**ARC 3453C**, IAB 11/8/17, effective 12/13/17; **ARC 6044C**, IAB 11/17/21, effective 12/22/21; Editorial change: IAC Supplement 7/24/24]

199—19.12(476) Flexible rates.

19.12(1) *Purpose.* This subrule is intended to allow gas utility companies to offer, at their option, incentive or discount rates to their sales and transportation customers.

19.12(2) *General criteria.*

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

b. In deciding whether to offer a specific discount, the utility shall evaluate the individual customer's, group's, or class's situation and perform a cost-benefit analysis before offering the discount.

c. Any discount offered should be such as to significantly affect the customer's or customers' decision to stay on the system or to increase consumption.

d. The consequences of offering the discount should be beneficial to all customers and to the utility. Other customers should not be at risk of loss as a result of these discounts; in addition, the offering of discounts shall in no way lead to subsidization of the discounted rates by other customers in the same or different classes.

19.12(3) *Tariff requirements.* If a company elects to offer flexible rates, the utility shall file for review and approval tariff sheets specifying the general conditions for offering discounted rates. The tariff sheets shall include, at a minimum, the following criteria:

a. The cost-benefit analysis must demonstrate that offering the discount will be more beneficial than not offering the discount.

b. The ceiling for all discounted rates shall be the approved rate on file for the customer's rate class.

c. The floor for the discount sales rates shall be equal to the cost of gas. Therefore, the maximum discount allowed under the sales or transportation tariffs is equal to the nongas costs of serving the customer.

d. No discount shall be offered for a period longer than five years, unless the board determines upon good cause shown that a longer period is warranted.

e. Discounts should not be offered if they will encourage deterioration in the load characteristics of the customer receiving the discount.

f. Customer charges may be discounted.

19.12(4) *Reporting requirements.* Each natural gas utility electing to offer flexible rates shall file annual reports with the commission within 30 days of the end of each 12 months. Reports shall include the following information:

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

(1) The identity of the new customers (by account number, if necessary);

(2) The value of the discount offered;

(3) The cost-benefit analysis results;

(4) The cost of alternate fuels available to the customer, if relevant;

(5) The volume of gas sold to or transported for the customer in the preceding 12 months; and

(6) A copy of all new or revised flexible-rate contracts executed between the utility and its customers.

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

(1) The identity of each customer (by account number, if necessary);

(2) The total volume of gas sold or transported in the last 12 months to each customer at discounted rates, by month;

(3) The volume of gas sold or transported to each customer in the same 12 months of the preceding year, by month;

(4) The dollar value of the discount in the last 12 months to each customer, by month;

(5) The dollar value of volumes sold or transported to each customer for each of the previous 12 months; and

(6) If customer charges are discounted, the dollar value of the discount shall be separately reported.

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

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

(2) The volume of gas sold or transported in the last 12 months to each customer, by month;

(3) The volume of gas sold or transported to each customer in the same 12 months of the preceding year, by month; and

(4) The dollar value of volumes sold or transported to each customer for each of the past 12 months.

d. No report is required if the utility had no customers receiving a discount during the relevant period and had no customers which were evaluated for the discount and rejected during the relevant period.

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

[**ARC 3453C**, IAB 11/8/17, effective 12/13/17; Editorial change: IAC Supplement 7/24/24]

199—19.13(476) Transportation service.

19.13(1) *Purpose.* This subrule requires gas distribution utility companies to transport natural gas owned by an end user on a nondiscriminatory basis, subject to the capacity limitations of the specific system. System capacity is defined as the maximum flow of gas the relevant portion of the system is capable of handling. Capacity availability shall be determined using the total current firm gas flow, including both system and transportation gas.

19.13(2) *End user rights.* The end user purchasing transportation services from the utility shall have the following rights and be subject to the following conditions:

a. The end user shall have the right to receive, pursuant to agreement, 100 percent of the gas delivered by it or on its behalf to the transporting utility (adjusted for a reasonable volume of lost, unaccounted-for, and company-used gas).

b. The volumes which the end user is entitled to receive shall be subject to curtailment or interruption due to limitations in the system capacity of the transporting utility. Curtailment of the transportation

volumes will take place according to the priority class, subdivision, or category which the end user would have been assigned if it were purchasing gas from the transporting utility.

c. During periods of curtailment or interruption, the party is entitled to a credit equal to the difference between the volumes delivered to the utility and those received by the end user, adjusted for lost, unaccounted-for, and company-used gas. The credit shall be available at any time, within the conditions of the agreement.

d. The end user shall be responsible for all costs associated with any additional plant required for providing transportation services to the end user.

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

a. Interruptible distribution service with system supply reserve.

b. Interruptible distribution service without system supply reserve.

c. Firm distribution service with system supply reserve.

d. Firm distribution service without system supply reserve.

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

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

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

c. The utility may require a reconnection charge when an end user receiving transportation service without system supply reserve service requests to return to the system supply. The end user shall return to the system and receive service under the appropriate classification as determined by the utility.

d. The end user electing to receive transportation service shall pay reasonable rates for any use of the facilities, equipment, or services of the transporting utility.

19.13(5) *Reporting requirements.* A natural gas utility shall be required to provide a copy of information concerning transportation contracts upon request of the commission, commission staff, or the office of consumer advocate.

19.13(6) *Written notice of risks.* The utility must notify its large volume users as defined in 19.14(1) contracting for transportation service in writing that unless the customer buys system supply reserve service from the utility, the utility is not obligated to supply gas to the customer. The notice must also advise the large volume user of the nature of any identifiable penalties, any administrative or reconnection costs associated with purchasing available firm or interruptible gas, and how any available gas would be priced by the utility. The notice may be provided through a contract provision or separate written instrument. The large volume user must acknowledge in writing that it has been made aware of the risks and accepts the risks.

[**ARC 3453C**, IAB 11/8/17, effective 12/13/17; Editorial change: IAC Supplement 7/24/24]

199—19.14(476) Certification of competitive natural gas providers and aggregators.

19.14(1) *Definitions.* The following words and terms, when used in these rules, shall have the meanings indicated below:

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

1. A public utility which is subject to rate regulation under Iowa Code chapter 476.

2. A municipally owned utility which provides natural gas service within its incorporated area or within the municipal natural gas competitive service area, as defined in Iowa Code section 437A.3(22) *"a"*(1), in which the municipally owned utility is located.

"Competitive natural gas services" means natural gas sold at retail in this state excluding the sale of natural gas by a rate-regulated public utility or a municipally owned utility as provided in the definition of CNGP in 19.14(1).

"Large volume user" means any end user whose usage exceeds 25,000 therms in any month or 100,000 therms in any consecutive 12-month period.

"Small volume user" means any end user whose usage does not exceed 25,000 therms in any month and does not exceed 100,000 therms in any consecutive 12-month period.

"Vehicle fuel provider" or *"VFP"* means a competitive natural gas provider or aggregator as defined in Iowa Code section 476.86 that owns or operates facilities to sell natural gas as vehicle fuel to a retail end user.

19.14(2) *General requirement to obtain certificate.* A CNGP shall not provide competitive natural gas services to an Iowa retail end user without a certificate approved by the commission pursuant to Iowa Code section 476.87.

19.14(3) *Filing requirements and application process.* Applications for a certificate to provide service as a competitive natural gas provider shall be filed electronically through the commission's electronic filing system. Instructions for making an electronic filing can be found on the commission's electronic filing system website at efs.iowa.gov. Application forms can be found on the commission's website at iuc.iowa.gov or may be requested from the Executive Secretary, Iowa Utilities Commission, 1375 E. Court Avenue, Room 69, Des Moines, Iowa 50319.

a. For actual time spent reviewing the application, the commission will directly assess the applicant as set forth in 199—Chapter 17. Iowa Code section 476.87(3) requires the commission to allocate the costs and expenses reasonably attributable to certification and dispute resolution to applicants and participants to the proceeding.

b. Applications to provide service as a competitive natural gas provider pursuant to Iowa Code sections 476.86 and 476.87 shall contain information to reasonably demonstrate that the applicant possesses the managerial, technical, and financial capability sufficient to obtain and deliver the services the competitive natural gas provider or aggregator proposes to offer. Application forms to provide competitive natural gas service to large volume, small volume, and vehicle fuel providers can be accessed on the commission's website, iuc.iowa.gov. All applications shall include, at a minimum, the following information:

(1) The legal name and all trade names under which the applicant will operate, a description of the business structure of the applicant, evidence of authority to do business in Iowa, and the applicant's state of incorporation.

(2) Names, addresses, and telephone numbers of corporate officers responsible for the applicant's operations in Iowa, and a telephone number where the applicant can be contacted 24 hours a day.

(3) Identification of the states and jurisdictions in which the applicant or an affiliate is providing natural gas service.

(4) A commitment to comply with all the applicable conditions of certification contained in subrules 19.14(5) and 19.14(6) and acknowledgment that failure to comply with all the applicable conditions of certification may result in the revocation of the competitive natural gas provider's certificate.

c. A request for confidential treatment of the information required to obtain a competitive natural gas provider certificate may be filed with the commission pursuant to 199—subrule 1.9(6).

d. An applicant shall notify the commission during the pendency of the certification request of any material change in the representations and commitments made in the application within 14 days of such change. Any new legal actions or formal complaints are considered material changes in the request. Once certified, CNGPs shall notify the commission of any material change in the representations and commitments required for certification within 14 days of such change.

19.14(4) *Deficiencies and commission determination.* The commission shall act on a certification application within 90 days unless it determines an additional 60 days is necessary. Applications will be

considered complete and the 90-day period will commence when all required items are submitted. Applicants will be notified of deficiencies and given 30 days to complete applications. Applications with deficiencies that are not cured within the 30-day period will be denied. Applicants will be notified when their application is complete and the 90-day period commences.

19.14(5) *Conditions of certification.* CNGPs shall comply with the conditions set out in this subrule. Failure to comply with the conditions of certification may result in revocation of the certificate.

a. Unauthorized charges. A CNGP shall not charge or attempt to collect any charges from end users for any competitive natural gas services or equipment used in providing competitive natural gas services not contracted for or otherwise agreed to by the end user.

b. Notification of emergencies. Upon receipt of information from an end user of the existence of an emergency situation with respect to delivery service, a CNGP shall immediately contact the appropriate public utility whose facilities may be involved. The CNGP shall also provide the end user with the emergency telephone number of the public utility.

c. Reports to the commission. Each CNGP shall file a report with the commission on April 1 of each year for the 12-month period ending December 31 of the previous year. The report shall be filed on forms provided by the commission, which can be accessed on the commission's website, iuc.iowa.gov. This information may be filed with a request for confidentiality, pursuant to 199—subrule 1.9(6). For each utility distribution system, the report shall include, at a minimum, total monthly and annual sales volumes, total monthly revenues, and total number of customers served each month as of December 31 of the applicable year.

d. Rescinded IAB 4/28/04, effective 6/2/04.

19.14(6) *Additional conditions applicable to CNGPs providing service to small volume end users.* All CNGPs when providing service to small volume natural gas end users shall be subject to the following conditions in addition to those listed under subrule 19.14(5):

a. Customer deposits. Compliance with the following provisions shall apply to customers whose usage does not exceed 2,500 therms in any month or 10,000 therms in any consecutive 12-month period.

Customer deposits – subrule 19.4(3).

Interest on customer deposits – subrule 19.4(4).

Customer deposit records – subrule 19.4(5).

Customer's receipt for a deposit – subrule 19.4(6).

Deposit refund – subrule 19.4(7).

Unclaimed deposits – subrule 19.4(8).

b. Bills to end users. A CNGP shall include on bills to end users all the information listed in this paragraph. The bill may be sent to the customer electronically at the customer's option.

(1) The period of time for which the billing is applicable.

(2) The amount owed for current service, including an itemization of all charges.

(3) Any past-due amount owed.

(4) The last date for timely payment.

(5) The amount of penalty for any late payment.

(6) The location for or method of remitting payment.

(7) A toll-free telephone number for the end user to call for information and to make complaints regarding the CNGP.

(8) A toll-free telephone number for the end user to contact the CNGP in the event of an emergency.

(9) A toll-free telephone number for the end user to notify the public utility of an emergency regarding delivery service.

(10) The tariffed transportation charges and supplier refunds, where a combined bill is provided to the customer.

c. Disclosure. Each prospective end user must receive in writing, prior to initiation of service, all terms and conditions of service and all rights and responsibilities of the end user associated with the offered service. The information required by this paragraph may be provided electronically, at the customer's option.

d. Notice of service termination. Notice must be provided to the end user and the public utility at least 12 calendar days prior to service termination. If the notice of service termination is rescinded, the CNGP must notify the public utility. CNGPs are prohibited from physically disconnecting the end user or threatening physical disconnection for any reason.

e. Transfer of accounts. CNGPs are prohibited from transferring the account of any end user to another supplier except with the consent of the end user. This provision does not preclude a CNGP from transferring all or a portion of its accounts pursuant to a sale or transfer of all or a substantial portion of a CNGP's business in Iowa, provided that the transfer satisfies all of the following conditions:

(1) The transferee will serve the affected end users through a certified CNGP;

(2) The transferee will honor the transferor's contracts with the affected end users;

(3) The transferor provides written notice of the transfer to each affected end user prior to the transfer;

(4) Any affected end user is given 30 days to change supplier without penalty; and

(5) The transferor provides notice to the public utility of the effective date of the transfer.

f. Bond requirement. The commission may require the applicant to file a bond or other demonstration of its financial capability to satisfy claims and expenses that can reasonably be anticipated to occur as part of operations under its certificate, including the failure to honor contractual commitments. The adequacy of the bond or demonstration shall be determined by the commission and reviewed by the commission from time to time. In determining the adequacy of the bond or demonstration, the commission shall consider the extent of the services to be offered, the size of the provider, and the size of the load to be served, with the objective of ensuring that the commission's financial requirements do not create unreasonable barriers to market entry.

g. Replacement cost for supply failure. Each individual rate-regulated public utility shall file for the commission's review tariffs establishing replacement cost for supply failure. Replacement cost revenue will be credited to the rate-regulated public utility's system purchased gas adjustment.

[Editorial change: IAC Supplement 12/29/10; **ARC 1623C**, IAB 9/17/14, effective 10/22/14; **ARC 3453C**, IAB 11/8/17, effective 12/13/17; **ARC 6044C**, IAB 11/17/21, effective 12/22/21; Editorial change: IAC Supplement 7/24/24]

199—19.15(476) Customer contribution fund.

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

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

a. A description of the availability and the purpose of the fund;

b. A customer authorization form. This form shall include a monthly billing option and any other methods of contribution.

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

19.15(4) *Annual report.* On or before September 30 of each year, each utility shall file with the commission a report of all the customer contribution fund activity for the previous fiscal year beginning July 1 and ending June 30. The report shall be in a form provided by the commission and shall contain an

accounting of the total revenues collected and all distributions of the fund. The utility shall report all utility expenses directly related to the customer contribution fund.

[**ARC 3453C**, IAB 11/8/17, effective 12/13/17; Editorial change: IAC Supplement 7/24/24]

199—19.16(476) Reserve margin.

19.16(1) *Applicability.* All rate-regulated gas utility companies may maintain a reserve of contract services in excess of their maximum daily system demand requirement and recover the cost of the reserve from their customers through the purchased gas adjustment.

19.16(2) *Definitions.*

a. Contract services. The amount of firm gas delivery capacity or delivery services contracted for use by a utility to satisfy its maximum daily system demand requirement, including the planned delivery capacity of the utility-owned liquefied natural gas facilities, but excluding the delivery capacity of propane storage facilities, shall be considered as contract services.

b. Maximum daily system demand requirements. The maximum daily gas demand requirement that the utility forecasts to occur on behalf of its system firm sales customers under peak (design day) weather conditions.

c. Design day. The maximum heating season forecast level of all firm sales customers' gas requirements during a 24-hour period beginning at 9 a.m. The design day forecast shall be the combined estimated gas requirements of all firm sales customers calculated by totaling the gas requirements of each customer classification or grouping. The estimated gas requirements for each customer classification or grouping shall be determined based upon an evaluation of historic usage levels of customers in each customer classification or grouping, adjusted for reasonably anticipated colder-than-normal weather conditions and any other clearly identifiable factors that may contribute to the demand for gas by firm customers. The design day calculation shall be submitted for approval by the commission with the annual PGA filing required by subrule 19.10(2).

19.16(3) *Maximum daily system demand requirements of less than 25,000 Dth per day.* A reserve margin of 9 percent or less in excess of the maximum daily system demand requirements will be presumed reasonable.

19.16(4) *Maximum daily system demand requirements of more than 25,000 Dth per day.* A reserve margin of 5 percent or less in excess of the maximum daily system demand requirements will be presumed reasonable.

19.16(5) *Rebuttable presumption.* All contract services in excess of an amount needed to meet the maximum daily system demand requirements plus the reserve are presumed to be unjust and unreasonable unless a factual showing to the contrary is made during the periodic review of gas proceeding or in a proceeding specifically addressing the issue with an opportunity for an evidentiary hearing. All contract services less than an amount of the maximum daily system demand requirements plus the reserve are presumed to be just and reasonable unless a factual showing to the contrary can be made during the periodic review of gas proceeding or in a proceeding specifically addressing the issue with an opportunity for an evidentiary hearing.

19.16(6) *Allocation of cost of the reserve.* Fifty percent of the reserve cost shall be collected as a demand charge allocation to noncontractual firm customers. The remaining 50 percent shall be collected as a throughput charge on customers excluding transportation customers who have elected no system supply reserve.

[Editorial change: IAC Supplement 7/24/24]

199—19.17(476) Incident notification and reports.

19.17(1) *Notification.* A utility shall notify the commission immediately, or as soon as practical, of any incident involving the release of gas, failure of equipment, or interruption of facility operations, which results in any of the following:

a. A death or personal injury necessitating in-patient hospitalization.

b. Estimated property damage of $15,000 or more to the property of the utility and to others, including the cost of gas lost.

c. Emergency shutdown of a liquefied natural gas (LNG) facility.

d. An interruption of service to 50 or more customers.

e. Any other incident considered significant by the utility.

19.17(2) *Information required.* The utility shall notify the commission by email, as soon as practical, of any reportable incident at dutyofficer@iuc.iowa.gov or, when email is not available, by calling the commission duty officer at (515)745-2332. The person sending the email or the caller shall leave a call-back number for a person who can provide the following information:

a. The name of the utility, the name and telephone number of the person making the report, and the name and telephone number of a contact person knowledgeable about the incident.

b. The location of the incident.

c. The time of the incident.

d. The number of deaths or personal injuries and the extent of those injuries, if any.

e. An initial estimate of damages.

f. The number of services interrupted.

g. A summary of the significant information available to the utility regarding the probable cause of the incident and extent of damages.

h. Any oral or written report required by the U.S. Department of Transportation, and the name of the person who made the oral report or prepared the written report.

19.17(3) *Written incident reports.* Within 30 days of the date of the incident, the utility shall file a written report with the commission. The report shall include the information required for telephone notice in subrule 19.17(2), the probable cause as determined by the utility, the number and cause of any deaths or personal injuries requiring in-patient hospitalization, and a detailed description of property damage and the amount of monetary damages. If significant additional information becomes available at a later date, a supplemental report shall be filed. Copies of any written reports concerning an incident or safety-related condition filed with or submitted to the U.S. Department of Transportation or the National Transportation Safety Board shall also be provided to the commission.

[Editorial change: IAC Supplement 12/29/10; **ARC 1359C**, IAB 3/5/14, effective 4/9/14; **ARC 1623C**, IAB 9/17/14, effective 10/22/14; Editorial change: IAC Supplement 7/24/24]

199—19.18(476) Capital infrastructure investment automatic adjustment mechanism.

19.18(1) *Eligible capital infrastructure investment.* A rate-regulated natural gas utility may file for commission approval a capital infrastructure investment automatic adjustment mechanism to allow recovery of certain costs from customers. To be eligible for recovery through the capital infrastructure investment automatic adjustment mechanism, the costs shall either:

a. Meet the following criteria:

(1) The costs are beyond the direct control of management;

(2) The costs are subject to sudden, important change in level;

(3) The costs are an important factor in determining the total cost of capital infrastructure investment to serve customers; and

(4) The costs are readily, precisely, and continuously segregated in the accounts of the utility; or

b. Be costs for a capital infrastructure investment which:

(1) Does not serve to increase revenues by directly connecting the infrastructure replacement to new customers;

(2) Is in service but was not included in the gas utility's rate base in its most recent general rate case; and

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

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

depreciation rates allowed by the commission in the utility's most recent general gas rate review proceeding before the commission.

19.18(3) *Recovery procedures.*

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

(1) A description of the capital infrastructure investment and the costs that are proposed to be recovered through the automatic adjustment mechanism;

(2) An explanation of why the costs of the capital infrastructure investment are beyond the control of the utility's management;

(3) An exhibit that shows the changes in level of the costs of the capital infrastructure investment that are proposed to be recovered, both historical and projected;

(4) An explanation of why these particular capital infrastructure investment costs are an important factor in determining the total cost of capital infrastructure investment to serve customers;

(5) A description of proposed recovery procedures, if different from the procedures described in paragraph 19.18(3)*"c"*; and

(6) The length of time that the automatic adjustment mechanism will be in place.

b. Recovery of capital infrastructure investment costs that meet the requirements in paragraph 19.18(1)*"b"* may be made by the utility by filing a proposed tariff with a 30-day effective date no later than April 1 of each year. Only one tariff filing to recover capital infrastructure investment costs shall be made in a 12-month period. After December 13, 2017, any recovery previously approved shall be aligned with an April 1 filing period when the utility next seeks recovery under this rule. The utility shall file information in support of the proposed automatic adjustment rates that includes:

(1) Proof that the capital infrastructure investment is a project that was approved in advance by the commission as specified in 19.18(1)*"b"*(3).

(2) The location, description, and costs associated with the project.

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

(4) The calculations showing the total costs that are eligible for recovery and the rates that are proposed to be implemented.

(5) The utility shall provide supporting documentation, including but not limited to work orders and journal entries, to the commission staff or the office of consumer advocate upon request.

c. The utility shall calculate the rates for the recovery of the capital infrastructure investment through the automatic adjustment mechanism over the 12-month period beginning from the effective date of the tariff, unless otherwise ordered by the commission. The calculated rate shall include a reconciliation that reconciles the actual revenue recovered through the automatic adjustment mechanism with the costs of the eligible capital infrastructure investments proposed to be recovered over the previous collection period. Unless otherwise specified in an approved tariff, the capital infrastructure investment factor shall be recovered by a fixed monthly surcharge to customers, to be determined by totaling eligible investment costs for the prior calendar year, adjusted for the reconciliation amount, then dividing the total recovery amount among customer classes based upon the utility's most recent approved cost of service study, dividing the class recovery amounts by the number of months in the recovery period, and then dividing the assigned costs by the number of customers in each respective class. The recovery amount will be limited to annual depreciation plus a return on the undepreciated balance based on the cost of debt.

d. Recovery of a return on and return of capital infrastructure investment that is eligible for recovery pursuant to an automatic adjustment mechanism, including any recoveries approved prior to December 13, 2017, shall continue until the effective date of temporary rates in a subsequent general rate proceeding or, if temporary rates are not implemented, until final rates approved by the commission in the utility's next general rate proceeding. To continue recovery, a utility shall file a proposed tariff each year. Once temporary or final rates are effective, the automatic adjustment mechanism shall reset to zero. No more

than five years of capital investment recovery, including any recoveries approved prior to December 13, 2017, shall be allowed between general rate proceedings unless otherwise approved by the commission. A utility may continue recoveries allowed under this rule until the investments are fully depreciated or until the utility's next general rate proceeding.

[**ARC 9831B**, IAB 11/2/11, effective 12/7/11; **ARC 3453C**, IAB 11/8/17, effective 12/13/17; Editorial change: IAC Supplement 7/24/24]

These rules are intended to implement Iowa Code sections 476.1, 476.2, 476.6, 476.8, 476.20, 476.54, 476.66, 476.86, 476.87 and 546.7.

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◊ Two or more ARCs

1 Effective date of 19.3(10)*"a," "b,"*(1), (2), (2)"1," (3) and (4) delayed 70 days by administrative rules review committee.

2 Effective date of 19.4(11), third unnumbered paragraph, delayed 70 days by administrative rules review committee.

3 See IAB, Utilities Division

4 Published in Notice portion of IAB 9/10/86; See IAB 10/22/86

5 Effective date of 19.4(3) delayed until the adjournment of the 1994 Session of the General Assembly pursuant to Iowa Code section 17A.8(9) by the Administrative Rules Review Committee at its meeting held September 15, 1993.

CHAPTER 20
SERVICE SUPPLIED BY RATE-REGULATED ELECTRIC UTILITIES

[Prior to 10/8/86, Commerce Commission[250]]

199—20.1(476) General information.

20.1(1) *Authorization of rules.* Iowa Code chapter 476 provides that the Iowa utilities board shall establish all needful, just and reasonable rules, not inconsistent with law, to govern the exercise of its powers and duties, the practice and procedure before it, and to govern the form, content and filing of reports, documents and other papers necessary to carry out the provisions of this law.

a. Iowa Code chapter 478 provides that the Iowa utilities board shall have power to make and enforce rules relating to the location, construction, operation and maintenance of certain electrical transmission lines.

b. Electric utilities with fewer than 10,000 customers subject to board regulation pursuant to Iowa Code section 476.1A are subject to the regulatory requirements set out in 199—Chapter 27 for electric cooperatives.

20.1(2) *Application of rules.* The rules shall apply to any rate-regulated electric utility operating within the state of Iowa subject to Iowa Code chapter 476, and to the construction, operation and maintenance of electric transmission lines to the extent provided in Iowa Code chapter 478, and shall supersede all tariffs on file with the board which are in conflict with these rules.

a. These rules are intended to promote safe and adequate service to the public, to provide standards for uniform and reasonable practices by utilities, and to establish a basis for determining the reasonableness of such demands as may be made by the public upon the utilities.

b. A request to waive the application of any rule on a permanent or temporary basis may be made in accordance with 199—1.3(17A,474,476).

c. The adoption of these rules shall in no way preclude the board from altering or amending them pursuant to statute or from making such modifications with respect to their application as may be found necessary to meet exceptional conditions.

d. These rules shall in no way relieve any utility from any of its duties under the laws of this state.

20.1(3) *Definitions.* The following words and terms, when used in these rules, shall have the meaning indicated below:

"Acid Rain Program" means the sulfur dioxide and nitrogen oxides air pollution control program established pursuant to Title IV of the Act under 40 CFR Parts 72-78.

"Act" means the Clean Air Act, 42 U.S.C. Section 7401, et seq.

"Affected unit" means a unit or source that is subject to any emission reduction requirement or limitation under the Acid Rain Program, the Clean Air Interstate Rule (CAIR), the Cross-State Air Pollution Rule (CSAPR), or the Mercury and Air Toxics Standards (MATS), or a unit or source that opts in under 40 CFR Part 74.

"Allowance" means an authorization, allocated by the United States Environmental Protection Agency (EPA), to emit sulfur dioxide (SO_2) under the Acid Rain Program or SO_2 and nitrogen oxide (NO_X) under the Clean Air Interstate Rule (CAIR) and the Cross-State Air Pollution Rule (CSAPR) during or after a specified calendar year.

"Allowance futures contract" is an agreement between a futures exchange clearinghouse and a buyer or seller to buy or sell an allowance on a specified future date at a specified price.

"Board" means the utilities board.

"Capacity" means the instantaneous rate at which energy can be delivered, received, or transferred, measured in kilowatts.

"Clean Air Interstate Rule" or *"CAIR"* means the requirements EPA published in the Federal Register (70 Fed. Reg. 25161) on May 12, 2005.

"Complaint," as used in these rules, is a statement or question by anyone, whether a utility customer or not, alleging a wrong, grievance, injury, dissatisfaction, illegal action or procedure, dangerous condition or action, or utility obligation.

"Compliance plan" means the document submitted for an affected source to the EPA which specifies the methods by which each affected unit at the source will meet the applicable emissions limitation and emissions reduction requirements.

"Cross-State Air Pollution Rule" or *"CSAPR"* means the requirements established by EPA in 40 CFR 97 Subparts AAAAA, BBBBB, CCCCC, and DDDDD as amended by 81 FR 13275 (March 14, 2016).

"Customer" means any person, firm, association, or corporation, any agency of the federal, state or local government, or legal entity responsible by law for payment for the electric service or heat from the electric utility.

"Delinquent" or *"delinquency"* means an account for which a service bill or service payment agreement has not been paid in full on or before the last day for timely payment.

"Distribution line" means any single or multiphase electric power line operating at nominal voltage in either of the following ranges: 2,000 to 26,000 volts between ungrounded conductors or 1,155 to 15,000 volts between grounded and ungrounded conductors, regardless of the functional service provided by the line.

"Electric plant" includes all real estate, fixtures and property owned, controlled, operated or managed in connection with or to facilitate production, generation, transmission, or distribution, in providing electric service or heat by an electric utility.

"Electric service" is furnishing to the public for compensation any electricity, heat, light, power, or energy.

"Emission for emission trade" is an exchange of one type of emission for another type of emission. For example, the exchange of SO_2 emission allowances for NO_X emission allowances.

"Energy" means electric energy measured in kilowatt hours.

"Gains and losses from allowance sales" are calculated as the difference between the sale price of allowances sold during the month and the weighted average unit cost of inventoried allowances.

"Mercury and Air Toxics Standards" or *"MATS"* means the requirements established by EPA in 40 CFR Parts 60 and 63 regarding limits of power plant emissions of toxic air pollutants (February 16, 2012).

"Meter" means, unless otherwise qualified, a device that measures and registers the integral of an electrical quantity with respect to time.

"Operating reserve" is a reserve generating capacity required to ensure reliability of generation resources.

"Peaking power" is power and associated energy intended to be available at all times during the commitment and anticipated to have low load factor use.

"Power" means electric power measured in kilowatts.

"Price hedging" means using futures contracts or options to guard against unfavorable price changes.

"Rate-regulated utility" means any utility, as defined in 20.1(3),which is subject to board rate regulation under Iowa Code chapter 476.

"Secondary line" means any single or multiphase electric power line operating at nominal voltage less than either 2,000 volts between ungrounded conductors or 1,155 volts between grounded and ungrounded conductors, regardless of the functional service provided by the line.

"Service limitation" means the establishment of a limit on the amount of power that may be consumed by a residential customer through the installation of a service limiter on the customer's meter.

"Service limiter" or *"service limitation device"* means a device that limits a residential customer's power consumption to 3,600 watts (or some higher level of usage approved by the board) and that resets itself automatically, or can be reset manually by the customer, and may also be reset remotely by the utility at all times.

"Speculation" means using futures contracts or options to profit from expectations of future price changes.

"Tariff" means the entire body of rates, tolls, rentals, charges, classifications, rules, procedures, policies, etc., adopted and filed with the board by an electric utility in fulfilling its role of furnishing service.

"Timely payment" is a payment on a customer's account made on or before the date shown on a current bill for service, or on a form which records an agreement between the customer and a utility for a series of

partial payments to settle a delinquent account, as the date which determines application of a late payment charge to the current bill or future collection efforts.

"Transmission line" means any single or multiphase electric power line operating at nominal voltages at or in excess of either 69,000 volts between ungrounded conductors or 40,000 volts between grounded and ungrounded conductors, regardless of the functional service provided by the line.

"Utility" means any person, partnership, business association or corporation, domestic or foreign, owning or operating any facilities for providing electric service or heat to the public for compensation.

"Vintage trade" is an exchange of one vintage of allowances for another vintage of allowances with the difference in value between vintages being cash or additional allowances.

"Weighted average unit cost of inventoried allowances" equals the dollars in inventory at the end of the month divided by the total allowances available for use at the end of the month.

"Wheeling service" is the service provided by a utility in consenting to the use of its transmission facilities by another party for the purpose of scheduling delivery of power or energy, or both.

20.1(4) *Abbreviations.* The following abbreviations may be used where appropriate:

ANSI—American National Standards Institute, 1430 Broadway, New York, New York 10018.

DOE—Department of Energy, Washington, D.C. 20426.

EPA—United States Environmental Protection Agency.

FCC—Federal Communications Commission, 1919 M Street, Washington, D.C. 20554.

FERC—Federal Energy Regulatory Commission, Washington, D.C. 20426.

NARUC—National Association of Regulatory Utility Commissioners, P.O. Box 684, Washington, D.C. 20044.

NBS—National Bureau of Standards, Washington, D.C. 20234.

NFPA—National Fire Protection Association, 470 Atlantic Ave., Boston, Massachusetts 02210.

[**ARC 7976B**, IAB 7/29/09, effective 9/2/09; **ARC 4171C**, IAB 12/5/18, effective 1/9/19; **ARC 6021C**, IAB 11/3/21, effective 12/8/21]

199—20.2(476) Records, reports, and tariffs.

20.2(1) *Location and retention of records.* Unless otherwise specified by this chapter, all records required by these rules shall be kept and preserved in accordance with the applicable provisions of 199—Chapter 18.

20.2(2) *Tariffs to be filed with the board.* The schedules of rates and rules of rate-regulated electric utilities shall be filed with the board and shall be classified, designated, arranged and submitted so as to conform to the requirements of this chapter. Provisions of the schedules shall be definite and so stated as to minimize ambiguity or the possibility of misinterpretation. The form, identification and content of tariffs shall be in accordance with these rules. A rate-regulated electric utility's current tariff will be made available through the board's electronic filing system.

20.2(3) *Form and identification.* All tariffs shall conform to the following rules:

a. The tariff shall be filed electronically using the board's electronic filing system. The filed tariff shall be capable of being reproduced on 8½- × 11- inch paper so customers may readily view and reproduce copies of the tariff. A tariff filed with the board may be the same format as is required by a federal agency provided that the rules of the board as to title page; identity of superseding, replacing or revision sheets; identity of amending sheets; identity of the filing utility, issuing official, date of issue, effective date; and the words "Tariff with board" shall apply in the modification of the federal agency format for the purposes of filing with this board.

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

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

(Name of Public Utility)
Electric Tariff
Filed with
Iowa Utilities Board

(Date)

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

TARIFF NO. _____
SUPERSEDES TARIFF NO. _____

(3) When a new part of a tariff eliminates an existing part of a tariff it shall so state and clearly indicate the part eliminated.

(4) Any tariff modifications as defined above shall be marked in the right-hand margin of the replacing tariff sheet with symbols as here described to indicate the place, nature and extent of the change in text.

—Symbols—

(C)—Changed 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 reduced rate
(T)—Change in text only

c. All sheets except the title page shall have, in addition to the above-stated requirements, the following information:

(1) Name of utility under which shall be set forth the words "Filed with board." If the utility is not a corporation, and a trade name is used, the name of the individual or partners must precede the trade name.

(2) Issuing official and issue date.

(3) Effective date (to be left blank by rate-regulated utilities).

d. All sheets except the title page shall have the following form:

(Company Name)	(Part identification)
Electric Tariff	(This sheet identification)
Filed with board	(Canceled sheet identification, if any)
	(Content or tariff)
Issued: (Date)	Effective:
Issued by: (Name, title)	(Proposed Effective Date:)

The issued date is the date the tariff or the amended sheet content was adopted by the utility.

The effective date will be left blank by rate-regulated utilities and shall be determined by the board. The utility may propose an effective date.

20.2(4) *Content of tariffs.*

a. A table of contents containing a list of rate schedules and other sections in the order in which they appear showing the sheet numbers of the first page of each rate schedule or other section. In the event the utility filing the tariff elects to segregate a section such as general rules from the section containing the rate schedules or other sections, it may at its option prepare a separate table of contents for each such segregated section.

b. A preliminary statement containing a brief general explanation of the utility's operations.

c. All rates for service with indication for each rate of the type and voltage of service and the class of customers to which each rate applies. There shall also be shown any limitations on loads and type of equipment which may be connected, the net prices per unit of service and the number of units per billing period to which the net prices apply, the period of billing, the minimum bill, any effect of transformer capacity upon minimum bill or upon the number of kWh in any step of the rate, method of measuring demands, method of calculating or estimating loads in cases where transformer capacity has a bearing upon minimum bill or size of rate steps, level payment plan, and any special terms or conditions applicable. The period during which the net amount may be paid before the account becomes delinquent shall be specified. In any case where net and gross amounts are billed, the difference between net and gross is a late payment charge and shall be so specified.

d. The voltage and type of service, (direct current or single or polyphase alternating current) supplied in each municipality, but without reference required to any particular part thereof.

e. Forms of standard contracts required of customers for the various types of service available.

f. If service to other utilities or municipalities is furnished at a standard filed rate, either a copy of each signed contract or a copy of the standard uniform contract form together with a summary of the provisions of each signed contract. The summary shall show the principal provisions of the contract and shall include the name and address of the customer, the points where energy is delivered, rate, term, minimum, load conditions, voltage of delivery and any special provisions such as rentals. Standard contracts for such sales as that of energy for resale, street lighting, municipal athletic field lighting, and for water utilities may be filed in summary form as above outlined.

g. Copies of special contracts for the purchase, sale, or interchange of electrical energy. All tariffs must provide that, notwithstanding any other provision of this tariff or contract with reference thereto, all rates and charges contained in this tariff or contract with reference thereto may be modified at any time by a subsequent filing made pursuant to the provisions of Iowa Code chapter 476.

h. A list of all communities in which service is furnished.

i. The list of service areas and the rates shall be filed in a form to facilitate ready determination of the rates available in each municipality and in unincorporated communities that have service. If the utility has various rural rates, the areas where the same are available shall be indicated.

j. Definitions of classes of customers.

k. Extension rules for extending service to new customers indicating what portion of the extension or cost thereof will be furnished by the utility; and if the rule is based on cost, the items of cost included.

l. Type of construction which the utility requires the customer to provide if in excess of the Iowa electric safety code or the requirements of the municipality having jurisdiction, whichever may be the most stringent in any particular.

m. Specification of such portion of service as the utility furnishes, owns, and maintains, such as service drop, service entrance cable or conductors, conduits, service entrance equipment, meter and socket. Indication of the portions of interior wiring such as range or water heater connection, furnished in whole or in part by the utility, and statement indicating final ownership and responsibility for maintaining equipment furnished by utility.

n. Statement of the type of special construction commonly requested by customers which the utility allows to be connected, and terms upon which such construction will be permitted, with due provision for the avoidance of unjust discrimination as between customers who request special construction and those who do not. This applies, for example, to a case where a customer desires underground service in overhead territory.

o. Rules with which prospective customers must comply as a condition of receiving service, and the terms of contracts required.

p. Rules governing the establishment and maintenance of credit by customers for payment of service bills.

q. Rules governing the procedure followed in disconnecting and reconnecting service.

r. Notice required from a customer for having service discontinued.

s. Rules covering temporary, emergency, auxiliary and stand-by service.

t. Rules covering the type of equipment which may or may not be connected, including rules such as those requiring demand-limiting devices or power-factor corrective equipment.

u. General statement of the method used in making adjustments for wastage of electricity when accidental grounds exist without the knowledge of the customer.

v. Statements of utility rules on meter reading, bill issuance, customer payment, notice of delinquency, and service discontinuance for nonpayment of bill.

w. Rules for extending service in accordance with 20.3(13).

x. If a sliding scale or automatic adjustment is applicable to regulated rates and charges of billed customers, the manner and method of such adjustment calculation shall be covered through a detailed explanation.

y. Rules on how a customer or prospective customer should file a complaint with the utility, and how the complaint will be processed.

z. Rules on how a customer, disconnected customer or potential customer for residential service may negotiate for a payment agreement on amount due, determination of even payment amounts, and time allowed for payments.

20.2(5) *Annual, periodic and other reports to be filed with the board.*

a. System map verification. The utility shall file annually a verification that it has a currently correct set of utility system maps in accordance with the general requirements of subrule 20.3(11) and a statement as to the location of the utility's offices where such maps, except those deemed confidential by the board, are accessible and available for examination by the board or its agents. The verification and map location information shall also be reported to the board upon other occasions when significant changes occur in either the maps or location of the maps.

b. Accident reports. Rescinded IAB 12/11/91, effective 1/15/92. See 199—25.5(476,478).

c. Rescinded IAB 11/13/02, effective 12/18/02.

d. Electric service record. Each utility shall compile a monthly record of electric service showing the production, acquisition and disposition of electric energy, the number of customer terminal voltage investigations made, the number of customer meters tested and such other information as may be required by the board. The monthly "Electric Service" record shall be compiled not later than 30 days after the end of the month covered and such record shall, upon and after compilation, be kept available for inspection by the board or its staff at the utility's principal office within the state of Iowa. A summary of the 12 monthly "Electric Service" records for each calendar year shall be attached to and submitted with the utility's annual report to the board.

e. The utility shall keep the board informed currently by written notice as to the location at which the utility keeps the various classes of records required by these rules.

f. The utility's current rules, if any, published or furnished by the utility for the use of engineers, architects, electrical contractors, etc., covering meter and service installations shall be maintained and made available to the board upon request.

g. A copy of each type of customer bill form in current use shall be filed with the board.

h. A copy of the adjustment calculation shall be provided the board prior to each billing cycle on the forms adopted by the board.

i. Rescinded IAB 1/9/91, effective 2/13/91.

j. Residential customer statistics. Each rate-regulated electric utility shall file with the board on or before the fifteenth day of each month one copy of the following residential customer statistics for the preceding month:

(1) Number of accounts;
(2) Number of accounts certified as eligible for energy assistance since the preceding October 1;
(3) Number of accounts past due;
(4) Number of accounts eligible for energy assistance and past due;
(5) Total revenue owed on accounts past due;
(6) Total revenue owed on accounts eligible for energy assistance and past due;
(7) Number of disconnection notices issued;
(8) Number of disconnection notices issued on accounts eligible for energy assistance;
(9) Number of disconnections for nonpayment;
(10) Number of reconnections;
(11) Number of accounts determined uncollectible; and
(12) Number of accounts eligible for energy assistance and determined uncollectible.

k. List of persons authorized to receive board inquiries. Each utility shall file with the board in the annual report required in 199—subrule 23.1(2) 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; (4) meter tests and repairs; (5) franchises for electric lines; (6) certificates for electric generating plants. Each utility shall file with the board a telephone contact number where the board can obtain current information 24

hours a day about outages and interruptions of service from a knowledgeable person. The contact information required by this paragraph shall be kept current as changes or corrections are made.

This rule is intended to implement Iowa Code section 476.2.

[**ARC 4171C**, IAB 12/5/18, effective 1/9/19; **ARC 6021C**, IAB 11/3/21, effective 12/8/21]

199—20.3(476) General service requirements.

20.3(1) *Disposition of electricity.* The meter and associated instrument transformers shall be owned by the utility. The wiring between the instrument transformers and the meter shall be owned or controlled by the utility. The utility shall place a visible seal on all meters in customer use, such that the seal must be broken to gain entry.

a. All electricity sold by a utility shall be on the basis of meter measurement except:

(1) Where the consumption of electricity may be readily computed without metering; or

(2) For temporary service installations not otherwise metered.

b. The amount of all electricity delivered to multioccupancy premises within a single building, where units are separately rented or owned, shall be measured on the basis of individual meter measurement for each unit, except in the following instances:

(1) Where electricity is used in centralized heating, cooling, water-heating, or ventilation systems;

(2) Where a facility is designated for elderly or handicapped persons;

(3) Where submetering or resale of service was permitted prior to 1966;

(4) Where individual metering is impractical. "Impractical" means:

1. Conditions or structural barriers exist in the multioccupancy building that would make individual meters unsafe or physically impossible to install; or

2. The cost of providing individual metering exceeds the long-term benefits of individual metering; or

(5) Where the benefits of individual metering (reduced and controlled energy consumption) are more effectively accomplished through a master meter arrangement.

1. A new multioccupancy building qualifies for master metering under this subparagraph if the predicted annual energy use would result in at least a 30 percent energy savings compared to the predicted annual energy use of a new building meeting the requirements of the State of Iowa Energy Code and operating with equipment, fixtures, and appliances meeting federal energy standards for manufactured devices for a new building.

2. An existing multioccupancy building qualifies for master metering under this subparagraph when the predicted annual energy use would result in at least a 20 percent energy savings compared to the building's current annual energy usage levels.

3. Credits for on-site renewable energy generation shall not be taken into account when determining the predicted energy savings.

4. A report from a qualified, independent third party stating that the proposed building or renovation will meet the energy savings requirements of this subparagraph shall establish a rebuttable presumption of eligibility for master metering. "Qualified, independent third party" means a licensed architect or engineer, a certified residential energy services network home energy rating system (RESNET HERS) rater, or any other professional deemed qualified by the board.

If a multioccupancy building is master-metered, the end-user occupants may be charged for electricity as an unidentified portion of the rent, condominium fee, or similar payment, or, if some other method of allocating the cost of the electric service is used, the total charge for electric service shall not exceed the total electric bill charged by the utility for the same period.

c. Master metering to multiple buildings is prohibited, except for multiple buildings owned by the same person or entity. Multioccupancy premises within a multiple building complex may be master-metered pursuant to this paragraph only if the requirements of paragraph 20.3(1)*"b"* have been met.

d. For purposes of this subrule, a "master meter" means a single meter used in determining the amount of electricity provided to a multioccupancy building or multiple buildings.

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

f. All electricity consumed by the utility shall be on the basis of meter measurement except where consumption may be readily computed without metering, or where metering is impractical.

20.3(2) *Condition of meter.* Rescinded IAB 11/12/03, effective 12/17/03.

20.3(3) *Meter reading records.* The meter reading records shall show:

a. Customer's name, address, and rate schedule or identification of rate schedule.

b. Identification of the meter or meters either by permanently marked utility number or by manufacturer's name, type number and serial number.

c. Meter readings.

d. If the reading has been estimated.

e. Any applicable multiplier or constant.

20.3(4) *Meter charts.* Rescinded IAB 12/5/18, effective 1/9/19.

20.3(5) *Meter register.* If it is necessary to apply a multiplier to the meter readings, the multiplier must be marked on the face of the meter register or stenciled in weather-resistant paint upon the front cover of the meter. Customers shall have continuous visual access to meter registers as a means of verifying the accuracy of bills presented to them and for implementing such energy conservation initiatives as they desire, except in the individual locations where the utility has experienced vandalism to windows in the protective enclosures. Where remote meter reading is used, whether outdoor on premises or off premises automated, the customer shall also have readable meter registers at the meter. A utility may comply with the requirements of this subrule by making the required information available via the Internet or other equivalent means.

Where a delayed processing means is used, the utility may comply by having readable kWh registers only, visually accessible.

In instances in which the utility has determined that readable access, to locations existing July 1, 1981, will create a safety hazard, the utility is exempted from the access provisions above.

In instances when a building owner has determined that unrestricted access to tenant metering installation would create a vandalism or safety hazard, the utility is exempted from the access provision above.

Continuing efforts should be made to eliminate or minimize the number of restricted locations. The utility should assist affected customers in obtaining meter register information.

20.3(6) *Meter reading and billing interval.* Readings of all meters used for determining charges and billings to customers shall be scheduled at least monthly and for the beginning and termination of service. Bills to larger customers may, for good cause, be provided weekly or daily for a period not to exceed one month. Intervals other than monthly shall not be applied to smaller customers, or to larger customers after the initial month provided above, without a waiver from the board. A waiver request must include sufficient information to comply with 199—1.3(17A,474,476). If the board denies a waiver, or if a waiver is not sought with respect to a high-demand customer after the initial month, that customer's meter shall be read monthly for the next 12 months. The group of larger customers to which shorter billing intervals may be applied shall be specified in the utility's tariff sheets, but shall not include residential customers.

An effort shall be made to obtain readings of the meters on corresponding days of each meter reading period. When the meter reading date causes a given billing period to deviate by more than 10 percent (counting only business days) from the normal meter reading period, such bills shall be prorated on a daily basis.

The utility may permit the customer to supply the meter readings by telephone, by electronic means, or on a form supplied by the utility. The utility may arrange for customer meter reading forms to be delivered to the utility by United States mail, electronically, or by hand delivery. The utility may arrange for the meter to be read by electronic means. Unless the utility has a plan to test check meter readings, a utility representative shall physically read the meter at least once each 12 months.

In the event that the utility leaves a meter reading form with the customer when access to meters cannot be gained and the form is not returned in time for the billing operation, an estimated bill may be provided.

If an actual meter reading cannot be obtained, the utility may provide an estimated bill without reading the meter or supplying a meter reading form to the customer. Only in unusual cases or when approval is obtained from the customer shall more than three consecutive estimated bills be provided.

20.3(7) *Demand meter registration.* When a demand meter is used for billing, the meter installation should be designed so that the highest expected annual demand reading to be used for billing will appear in the upper half of the meter's range.

20.3(8) *Service areas.* Service areas are defined by the boundaries on service area maps. Electronic maps are available for viewing during regular business hours at the board's offices. Maps are also available for viewing on the board's website.

20.3(9) *Modification of service area and answers.*

a. An exclusive service area is subject to modification through a contested case proceeding which may be commenced by filing a petition for modification of service area with the board. The board may commence a service area modification proceeding on its own motion. The board may grant a modification if the modification promotes the public interest. In determining whether the modification is in the public interest, the board will consider the factors described in Iowa Code section 476.25(1) and any other relevant factors.

b. An electric utility may file a petition for modification of service area, which shall contain (1) a legal description of the service area desired, (2) a designation of the utilities involved in each boundary section, (3) a justification for the proposed service area modification, and (4) in addition to the PDF (Portable Document Format) required in 199—subrule 14.8(1), an electronic file of the proposed service area boundaries, in a format designated by the board, as described on the electronic filing system (EFS) homepage under EFS Filing Standards. The justification shall include a detailed statement of why the proposed modification is in the public interest. A map showing the affected areas which complies with paragraph 20.3(11)*"a"* shall be attached to the petition as an exhibit.

c. Filing of the petition with the board, and service to other parties, shall be in accordance with 199—Chapter 14.

d. An answer to a petition for a service area modification shall comply with 199—subrule 7.9(2).

e. Electric utilities may agree to service area modifications by contract pursuant to Iowa Code section 476.25(2). Contracts to be enforceable require board approval. The board shall approve a contract if the board finds that the contract will eliminate or avoid unnecessary duplication of facilities, will provide adequate electric service to all areas and customers affected, will promote the efficient and economical use and development of the electric systems of the contracting utilities, and is in the public interest.

20.3(10) *Certificate of authority.* Any electric utility or municipal corporation requesting a service territory modification pursuant to subrule 20.3(9) which would result in service to a customer by a utility other than the utility currently serving the customer must also petition the board for a certificate of authority under Iowa Code section 476.23. The electric utility or municipal corporation shall pay the party currently serving the customer a reasonable price for the facilities serving the customer.

20.3(11) *Maps.*

a. Each utility shall maintain a current map or set of maps showing the physical location of electric lines, stations, and electric transmission facilities for its service areas. The maps shall include the exact location of the following:

(1) Generating stations with capacity designation.

(2) Purchased power supply points with maximum contracted capacity designation.

(3) Purchased power metering points if located at other than power delivery points.

(4) Transmission lines with size and type of conductor designation and operating voltage designation.

(5) Transmission-to-transmission voltage transformation substations with transformer voltage and capacity designation.

(6) Transmission-to-distribution voltage transformation substations with transformer voltage and capacity designation.

(7) Distribution lines with size and type of conductor designation, phase designation and voltage designation.

(8) All points at which transmission, distribution or secondary lines of the utility cross Iowa state boundaries.

(9) All current information required in Iowa Code section 476.24(1).

(10) All county boundaries and county names.

(11) Natural and artificial lakes which cover more than 50 acres and all rivers.

(12) Any additional information required by the board.

b. All maps, except those deemed confidential by the board, shall be available for examination at the utility's designated offices during the utility's regular office hours. The maps shall be drawn with clean, uniform lines to a scale of one inch per mile. A large scale shall be used where it is necessary to clarify areas where there is a heavy concentration of facilities. All cartographic details shall be clean cut, and the background shall contain little or no coloration or shading.

20.3(12) *Prepayment meters.* Prepayment meters shall not be geared or set so as to result in the charge of a rate or amount higher than would be paid if a standard type meter were used, except under tariffs approved by the board.

20.3(13) *Plant additions, electrical line extensions and service lines.*

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

"Advance for construction," as used in this subrule, means cash payments or equivalent surety made to the utility by an applicant for an extensive plant addition or an electrical line extension, portions of which may be refunded depending on the attachment of any subsequent service line made to the extensive plant addition or electrical line extension. Cash payments or equivalent surety shall include a grossed-up amount for the income tax effect of such revenue. The amount of tax shall be reduced by the present value of the tax benefits to be obtained by depreciating the property in determining tax liability.

"Agreed-upon attachment period," as used in this subrule, means a period of not less than 30 days nor more than one year mutually agreed upon by the utility and the applicant within which the customer will attach. If no time period is mutually agreed upon, the agreed-upon attachment period shall be deemed to be 30 days.

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

"Electrical line extensions" means distribution line extensions and secondary line extensions as defined in subrule 20.1(3), except for service lines as defined in this subrule.

"Equivalent overhead transformer cost," as used in this subrule, is that transformer capitalized cost, or fraction thereof, that would be required for similarly situated customers served by a pole-mounted or platform-mounted transformer(s). For each overhead service, it shall be the capitalized cost of the transformer(s) divided by the number of customers served by that transformer(s). For each underground service, it shall be the capitalized cost of an overhead transformer(s) with the same voltage and volt-ampere rating divided by the number of customers served by that transformer(s).

"Estimated annual revenues," as used in this subrule, shall be calculated based upon the following factors, including, but not limited to: The size of the facility to be used by the customer, the size and type of equipment to be used by the customer, the average annual amount of service required by the equipment, and the average number of hours per day and days per year the equipment will be in use.

"Estimated base revenues," as used in this subrule, shall be calculated by subtracting the fuel expense costs as described in the uniform system of accounts as adopted by the board and energy efficiency charges from the estimated annual revenues.

"Estimated construction costs," as used in this subrule, shall be calculated using average current costs in accordance with good engineering practices and upon the following factors: amount of service required or desired by the customer requesting the electrical line extension or service line; size, location, and characteristics of the electrical line extension or service line, including appurtenances, except equivalent overhead transformer cost; and whether the ground is frozen or whether other adverse conditions exist. In no event shall estimated construction costs include costs associated with facilities built for the convenience of the utility. The customer shall be charged actual permit fees in addition to estimated construction costs. Permit fees are to be paid regardless of whether the customer is required to pay an advance for construction or a nonrefundable contribution in aid of construction, and the cost of any permit fee is not refundable.

"Plant addition," as used in this subrule, means any additional plant required to be constructed to provide service to a customer other than an electrical line extension or service line.

"Point of attachment" is that point of first physical attachment of the utilities' service drop (overhead) or service lateral (underground) conductors to the customer's service entrance conductors. For overhead services it shall be the point of tap or splice to the service entrance conductors. For underground services it shall be the point of tap or splice to the service entrance conductors in a terminal box or meter or other enclosure with adequate space inside or outside the building wall. If there is no terminal box, meter, or other enclosure with adequate space, it shall be the point of entrance into the building.

"Service line," as used in this subrule, means any secondary line extension, as defined in subrule 20.1(3), on private property serving a single customer or point of attachment of electric service.

"Similarly situated customer," as used in this subrule, means a customer whose annual consumption or service requirements, as defined by estimated annual revenue, are approximately the same as the annual consumption or service requirements of other customers.

"Utility," as used in this subrule, means a rate-regulated utility.

b. Plant additions. The utility shall provide all electric plant at its cost and expense without requiring an advance for construction from customers or developers except in those unusual circumstances where extensive plant additions are required before the customer can be served. A written contract between the utility and the customer which requires an advance for construction by the customer to make plant additions shall be available for board inspection.

c. Electrical line extensions. Where the customer will attach to the electrical line extension within the agreed-upon attachment period after completion of the electrical line extension, the following shall apply:

(1) The utility shall finance and make the electrical line extension for a customer without requiring an advance for construction if the estimated construction costs to provide an electrical line extension are less than or equal to three times estimated base revenue calculated on the basis of similarly situated customers. The utility may use a feasibility model, rather than three times estimated base revenue, to determine what, if any, advance for construction is required by the customer. The utility shall file a summary explaining the inputs into the feasibility model and a description of the model as part of the utility's tariff. Whether or not the construction of the electrical line extension would otherwise require a payment from the customer, the utility shall charge the customer for actual permit fees, and the permit fees are not refundable.

(2) If the estimated construction cost to provide an electrical line extension is greater than three times estimated base revenue calculated on the basis of similarly situated customers, the applicant for the electrical line extension shall contract with the utility and make, no more than 30 days prior to commencement of construction, an advance for construction equal to the estimated construction cost less three times estimated base revenue to be produced by the customer. The utility may use a feasibility model to determine whether an advance for construction is required. The utility shall file a summary explaining the inputs into the feasibility model and a description of the model as part of the utility's tariff. A written contract between the utility and the customer shall be available for board inspection upon request. Whether or not the construction of the electrical line extension would otherwise require a payment from the customer, the utility shall charge the customer for actual permit fees, and the permit fees are not refundable.

(3) Where the customer will not attach within the agreed-upon attachment period after completion of the electrical line extension, the applicant for the electrical line extension shall contract with the utility and make, no more than 30 days prior to the commencement of construction, an advance for construction equal to the estimated construction cost. The utility may use a feasibility model to determine the amount of the advance for construction. The utility shall file a summary explaining the inputs into the feasibility model and a description of the model as part of the utility's tariff. A written contract between the utility and the customer shall be available for board inspection upon request. Whether or not the construction of the electrical line extension would otherwise require a payment from the customer, the utility shall charge the customer for actual permit fees, and the permit fees are not refundable.

(4) Advances for construction may be paid by cash or equivalent surety and shall be refundable for ten years. The customer has the option of providing an advance for construction by cash or equivalent surety unless the utility determines that the customer has failed to comply with the conditions of a surety in the past.

(5) Refunds. When the customer is required to make an advance for construction, the utility shall refund to the depositor for a period of ten years from the date of the original advance a pro-rata share for

each service line attached to the electrical line extension. The pro-rata refund shall be computed in the following manner:

1. If the combined total of three times estimated base revenue, or the amount allowed by the feasibility model, for the electrical line extension and each service line attached to the electrical line extension exceeds the total estimated construction cost to provide the electrical line extension, the entire amount of the advance for construction provided shall be refunded.

2. If the combined total of three times estimated base revenue, or the amount allowed by the feasibility model, for the electrical line extension and each service line attached to the electrical line extension is less than the total estimated construction cost to provide the electrical line extension, the amount to be refunded shall equal three times estimated base revenue, or the amount allowed by the feasibility model, when a service line is attached to the electrical line extension.

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

(6) The utility shall keep a record of each work order under which the electrical line extension was installed, to include the estimated revenues, the estimated construction costs, the amount of any payment received, and any refunds paid.

d. Service lines.

(1) The utility shall finance and construct either an overhead or underground service line without requiring a nonrefundable contribution in aid of construction or any payment by the applicant where the length of the overhead service line to the first point of attachment is up to 50 feet on private property or where the cost of the underground service line to the meter or service disconnect is less than or equal to the estimated cost of constructing an equivalent overhead service line of up to 50 feet.

(2) Where the length of the overhead service line exceeds 50 feet on private property, the applicant shall be required to provide a nonrefundable contribution in aid of construction for that portion of the service line on private property, exclusive of the point of attachment, within 30 days after completion. The nonrefundable contribution in aid of construction for that portion of the service line shall be computed as follows:

$$\text{(Estimated Construction Costs)} \times \frac{\text{(Total Length in Excess of 50 Feet)}}{\text{(Total Length of Service Line)}}$$

(3) Where the cost of the underground service line exceeds the estimated cost of constructing an equivalent overhead service line of up to 50 feet, the applicant shall be required to provide a nonrefundable contribution in aid of construction within 30 days after completion equal to the difference between the estimated cost of constructing the underground service line and the estimated cost of constructing an equivalent overhead service line of up to 50 feet.

(4) A utility may adopt a tariff or rule that allows the utility to finance and construct a service line of more than 50 feet without requiring a nonrefundable contribution in aid of construction from the customer if the tariff or rule applies equally to all customers or members.

(5) Whether or not the construction of the service line would otherwise require a payment from the customer, the utility shall charge the customer for actual permit fees.

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

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

This rule is intended to implement Iowa Code section 476.8.

[**ARC 7584B**, IAB 2/25/09, effective 4/1/09; **ARC 9501B**, IAB 5/18/11, effective 6/22/11; **ARC 4171C**, IAB 12/5/18, effective 1/9/19; **ARC 6021C**, IAB 11/3/21, effective 12/8/21]

199—20.4(476) Customer relations.

20.4(1) *Customer information.* Each utility shall:

a. Maintain up-to-date maps, plans, or records of its entire transmission and distribution systems, together with such other information as may be necessary to enable the utility to advise prospective customers, and others entitled to the information, as to the facilities available for serving prospective customers in its service area.

b. Assist the customer or prospective customer in selecting the most economical rate schedule available for the customer's proposed type of service.

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

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

e. Upon request, inform its customers as to the method of reading meters.

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

g. Upon request, transmit a statement of either the customer's actual consumption, or degree day adjusted consumption, at the company's option, of electricity for each billing during the prior 12 months.

h. Furnish such additional information as the customer may reasonably request.

20.4(2) *Customer contact employee qualifications.* Each utility shall promptly and courteously resolve inquiries for information or complaints. Employees who receive customer telephone calls and office visits shall be qualified and trained in screening and resolving complaints, to avoid a preliminary recitation of the entire complaint to employees without ability and authority to act. The employee shall provide identification to the customer that will enable the customer to reach that employee again if needed.

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

b. The bill insert or notice on the bill shall be provided monthly.

20.4(3) *Customer deposits.*

a. Each utility may require from any customer or prospective customer a deposit intended to guarantee partial payment of bills for service. Each utility shall allow a person other than the customer to pay the customer's deposit. In lieu of a cash deposit, the utility may accept the written guarantee of a surety or other responsible party as surety for an account. Upon termination of a guarantee contract, or whenever the utility deems the contract insufficient as to amount or surety, a cash deposit or a new or additional guarantee may be required for good cause upon reasonable written notice.

b. A new or additional deposit may be required from a customer when a deposit has been refunded or is found to be inadequate. Written notice shall be mailed advising the customer of any new or additional deposit requirement. The customer shall have no less than 12 days from the date of mailing to comply. The new or additional deposit shall be payable at any of the utility's business offices or local authorized agents. An appropriate receipt shall be provided. No written notice is required to be given of a deposit required as a prerequisite for commencing initial service.

c. No deposit shall be required as a condition for service other than determined by application of either credit rating or deposit calculation criteria, or both, of the filed tariff.

d. The total deposit for any residential or commercial customer for a place which has previously received service shall not be greater than the highest billing of service for one month for the place in the

previous 12-month period. The deposit for any residential or commercial customer for a place which has not previously received service, or for an industrial customer, shall be the customer's projected one-month usage for the place to be served as determined by the utility, or as may be reasonably required by the utility in cases involving service for short periods or special occasions.

20.4(4) *Interest on customer deposits.* Interest shall be paid by the rate-regulated utility to each customer required to make a deposit. On or after April 21, 1994, rate-regulated utilities shall compute interest on customer deposits at 7.5 percent per annum, compounded annually. Interest for prior periods shall be computed at the rate specified by the rule in effect for the period in question. Interest shall be paid for the period beginning with the date of deposit to the date of refund or to the date that the deposit is applied to the customer's account, or to the date the customer's bill becomes permanently delinquent. The date of refund is that date on which the refund or the notice of deposit refund is forwarded to the customer's last-known address. The date a customer's bill becomes permanently delinquent, relative to an account treated as an uncollectible account, is the most recent date the account became delinquent.

20.4(5) *Customer deposit records.* Each utility shall keep records to show:

a. The name and address of each depositor.

b. The amount and date of the deposit.

c. Each transaction concerning the deposit.

20.4(6) *Customer's receipt for a deposit.* Each utility shall issue a receipt of deposit to each customer from whom a deposit is received, and shall provide means whereby a depositor may establish claim if the receipt is lost.

20.4(7) *Deposit refund.* A deposit shall be refunded after 12 consecutive months of prompt payment (which may be 11 timely payments and 1 automatic forgiveness of late payment). For refund purposes the account shall be reviewed for prompt payment after 12 months of service following the making of the deposit and for each 12-month interval terminating on the anniversary of the deposit. However, deposits received from customers subject to the exemption provided by 20.4(3)*"b,"* including surety deposits, may be retained by the utility until final billing. Upon termination of service, the deposit plus accumulated interest, less any unpaid utility bill of the customer, shall be reimbursed to the person who made the deposit.

20.4(8) *Unclaimed deposits.* The utility shall make a reasonable effort to return each unclaimed deposit and accrued interest after the termination of the services for which the deposit was made. The utility shall maintain a record of deposit information for at least two years or until such time as the deposit, together with accrued interest, escheats to the state pursuant to Iowa Code section 556.4, at which time the record and deposit, together with accrued interest less any lawful deductions, shall be sent to the state treasurer pursuant to Iowa Code section 556.11.

20.4(9) *Customer bill forms.* Each customer shall be informed as promptly as possible following the reading of the customer's meter, on bill form or otherwise, of the following:

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

b. The dates on which the meter was read, at the beginning and end of the billing period.

c. The number and kind of units metered.

d. The applicable rate schedule, with the identification of the applicable rate classification.

e. The account balance brought forward and amount of each net charge for rate-schedule-priced utility service, sales tax, other taxes, late payment charge, and total amount currently due. In the case of prepayment meters, the amount of money collected shall be shown.

f. The last date for timely payment shall be clearly shown and shall be not less than 20 days after the bill is provided.

g. A distinct marking to identify an estimated bill.

h. A distinct marking to identify a minimum bill.

i. Any conversions from meter reading units to billing units, or any calculations to determine billing units from recording or other devices, or any other factors, such as sliding scale or automatic adjustment and amount of sales tax adjustments used in determining the bill.

j. Customer billing information alternate. A utility serving less than 5000 electric customers may provide the information in 20.4(9) on bill form or otherwise. If the utility elects not to provide the information of 20.4(9), it shall advise the customer, on bill form or by bill insert, that such information can be obtained by contacting the utility's local office.

20.4(10) Rescinded, effective 7/1/81.

20.4(11) *Payment agreements.*

a. Availability of a first payment agreement. When a residential customer cannot pay in full a delinquent bill for utility service or has an outstanding debt to the utility for residential utility service and is not in default of a payment agreement with the utility, a utility shall offer the customer an opportunity to enter into a reasonable payment agreement.

b. Reasonableness. Whether a payment agreement is reasonable will be determined by considering the current household income, ability to pay, payment history including prior defaults on similar agreements, the size of the bill, the amount of time and the reasons why the bill has been outstanding, and any special circumstances creating extreme hardships within the household. The utility may require the person to confirm financial difficulty with an acknowledgment from the department of human services or another agency.

c. Terms of payment agreements.

(1) First payment agreement. The utility shall offer the following conditions to customers who have received a disconnection notice or who have been previously disconnected and are not in default of a payment agreement:

1. For customers who received a disconnection notice or who have been disconnected less than 120 days and are not in default of a payment agreement, the utility shall offer an agreement with at least 12 even monthly payments. For customers who have been disconnected more than 120 days and are not in default of a payment agreement, the utility shall offer an agreement with at least 6 even monthly payments. The utility shall inform customers they may pay off the delinquency early without incurring any prepayment penalties.
2. The agreement shall also include a provision for payment of the current account.
3. The utility may also require the customer to enter into a budget billing plan to pay the current bill.
4. When the customer makes the agreement in person, a signed copy of the agreement shall be provided to the customer.
5. The utility may offer the customer the option of making the agreement over the telephone or through electronic transmission.
6. When the customer makes the agreement over the telephone or through electronic transmission, the utility shall provide to the customer a written document reflecting the terms and conditions of the agreement within three days of the date the parties entered into the oral agreement or electronic agreement.
7. The document will be considered provided to the customer when addressed to the customer's last-known address and deposited in the U.S. mail with postage paid. If delivery is by other than U.S. mail, the document shall be considered provided to the customer when delivered to the last-known address of the person responsible for payment for the service.
8. The document shall state that unless the customer notifies the utility otherwise within ten days from the date the document is provided, it will be deemed that the customer accepts the terms as stated in the written document. The document stating the terms and conditions of the agreement shall include the address and a toll-free or collect telephone number where a qualified representative can be reached.
9. Once the first payment required by the agreement is made by the customer or on behalf of the customer, the oral or electronic agreement is deemed accepted by the customer.
10. Each customer entering into a first payment agreement shall be granted at least one late payment that is four days or less beyond the due date for payment, and the first payment agreement shall remain in effect.
11. The initial payment is due on the due date for the next regular bill.
12. A customer shall not be charged interest, or a late payment charge, on a payment agreement where the customer is making payments consistent with the terms of the payment agreement.

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

1. The second payment agreement shall be for a term at least as long as the term of the first payment agreement.

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

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

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

d. Refusal by utility. A customer may offer the utility a proposed payment agreement. If the utility and the customer do not reach an agreement, the utility may refuse the offer orally, but the utility must provide a written refusal to the customer, stating the reason for the refusal, within three days of the oral notification. The written refusal shall be considered provided to the customer when addressed to the customer's last-known address and deposited in the U.S. mail with postage prepaid. If delivery is by other than U.S. mail, the written refusal shall be considered provided to the customer when handed to the customer or when delivered to the last-known address of the person responsible for the payment for the service.

A customer may ask the board for assistance in working out a reasonable payment agreement. The request for assistance must be made to the board within ten days after the written refusal is provided. During the review of this request, the utility shall not disconnect the service.

20.4(12) *Bill payment terms.* The bill shall be considered provided to the customer when deposited in the U.S. mail with postage prepaid. If delivery is by other than U.S. mail, the bill shall be considered provided when delivered to the last-known address of the party responsible for payment. There shall not be less than 20 days between the providing of a bill and the date by which the account becomes delinquent. Bills for customers on more frequent billing intervals under subrule 20.3(6) may not be considered delinquent less than 5 days from the date the bill is provided. However, a late payment charge may not be assessed if payment is received within 20 days of the date the bill is provided.

a. The date of delinquency for all residential customers or other customers whose consumption is less than 3,000 kWh per month shall be changeable for cause; such as, but not limited to, 15 days from approximate date each month upon which income is received by the person responsible for payment. In no case, however, shall the utility be required to delay the date of delinquency more than 30 days beyond the date of preparation of the previous bill.

b. In any case where net and gross amounts are billed to customers, the difference between net and gross is a late payment charge and is valid only when part of a delinquent bill payment. A utility's late payment charge shall not exceed 1.5 percent per month of the past due amount. No collection fee may be levied in addition to this late payment charge. This rule does not prohibit cost-justified charges for disconnection and reconnection of service.

c. If the customer makes partial payment in a timely manner, and does not designate the service or product for which payment is made, the payment shall be credited pro rata between the bill for utility services and related taxes.

d. Each account shall be granted not less than one complete forgiveness of a late payment charge each calendar year. The utility's rules shall be definitive that on one monthly bill in each period of eligibility, the utility will accept the net amount of such bill as full payment for such month after expiration of the net payment period. The rules shall state how the customer is notified that the eligibility has been used. Complete forgiveness prohibits any effect upon the credit rating of the customer or collection of late payment charge.

e. Budget billing plan. Utilities shall offer a budget billing plan to all residential customers or other customers whose consumption is less than 3,000 kWh per month. A budget billing plan should be designed to limit the volatility of a customer's bill and maintain reasonable account balances. The budget billing plan shall include at least the following:

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

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

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

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

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

When the budget billing amount is recomputed, the budget billing plan account balance shall be divided by 12, and the resulting amount shall be added to the estimated monthly budget billing amount. Except when a utility has a budget billing plan that recomputes the budget billing amount monthly, the customer shall be given the option of applying any credit to payments of subsequent months' budget billing amounts due or of obtaining a refund of any credit in excess of $25.

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

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

20.4(13) *Customer records.* The utility shall retain records as may be necessary to effectuate compliance with 20.4(14) and 20.6(6), but not less than five years. Records for customer shall show where applicable:

a. kWh meter reading.

b. kWh consumption.

c. kW meter reading.

d. kW measured demand.

e. kW billing demand.

f. Total amount of bill.

20.4(14) *Adjustment of bills.*

a. Meter error. Whenever a meter creeps or whenever a metering installation is found upon any test to have an average error of more than 2.0 percent for watthour metering; or a demand metering error of more than 1.5 percent in addition to the errors allowed under accuracy of demand metering; an adjustment of bills for service for the period of inaccuracy shall be made in the case of overregistration and may be made in the case of underregistration. The amount of the adjustment shall be calculated on the basis that the metering equipment should be 100 percent accurate with respect to the testing equipment used to make the test. For watthour metering installations the average accuracy shall be the arithmetic average of the percent registration at 10 percent of rated test current and at 100 percent of rated test current giving the 100 percent of rated test current registration a weight of four and the 10 percent of rated test current registration a weight of one.

b. Determination of adjustment. Recalculation of bills shall be on the basis of actual monthly consumption except that if service has been measured by self-contained single-phase meters or three-wire

network meters and involves no billing other than for kilowatt-hours, the recalculation of bills may be based on the average monthly consumption determined from the most recent 36 months, consumption data.

When the average error cannot be determined by test because of failure of part or all of the metering equipment, it shall be permissible to use the registration of check metering installations, if any, or to estimate the quantity of energy consumed based on available data. The customer must be advised of the failure and of the basis for the estimate of quantity billed. The periods of error shall be used as defined in immediately following subparagraphs (1) and (2).

(1) Overregistration. If the date when overregistration began can be determined, such date shall be the starting point for determination of the amount of the adjustment. If the date when overregistration began cannot be determined, it shall be assumed that the error has existed for the shortest time period calculated as one-half the time since the meter was installed, or one-half the time elapsed since the last meter test unless otherwise ordered by the board.

The overregistration due to creep shall be calculated by timing the rate of creeping and assuming that the creeping affected the registration of the meter for 25 percent of the time since the more recent of either metering installation or last previous test.

(2) Underregistration. If the date when underregistration began can be determined, it shall be the starting point for determination of the amount of the adjustment except that billing adjustment shall be limited to the preceding six months. If the date when underregistration began cannot be determined, it shall be assumed that the error has existed for one-half of the time elapsed since the more recent of either meter installation or the last meter test, except that billing adjustment shall be limited to the preceding six months unless otherwise ordered by the board.

The underregistration due to creep shall be calculated by timing the rate of creeping and assuming that this creeping affected the registration for 25 percent of the time since the more recent of either metering installation or last previous test, except that billing adjustment shall be limited to the preceding six months.

c. Refunds. If the recalculated bills indicate that $5 or more is due an existing customer or $10 or more is due a person no longer a customer of the utility, the tariff shall provide refunding of the full amount of the calculated difference between the amount paid and the recalculated amount. Refunds shall be made to the two most recent customers who received service through the metering installation found to be in error. In the case of a previous customer who is no longer a customer of the utility, a notice of the amount subject to refund shall be mailed to such previous customer at the last-known address, and the utility shall, upon demand made within three months thereafter, refund the same.

Refunds shall be completed within six months following the date of the metering installation test.

d. Back billing. A utility may not back bill due to underregistration unless a minimum back bill amount is specified in its tariff. The minimum amount specified for back billing shall not be less than, but may be greater than, $5 for an existing customer or $10 for a former customer. All recalculations resulting in an amount due equal to or greater than the tariff specified minimum shall result in issuance of a back bill.

Back billings shall be provided no later than six months following the date of the metering installation test.

e. Overcharges. When a customer has been overcharged as a result of incorrect reading of the meter, incorrect application of the rate schedule, incorrect connection of the metering installation or other similar reasons, the amount of the overcharge shall be adjusted, refunded or credited to the customer. The time period for which the utility is required to adjust, refund, or credit the customer's bill shall not exceed five years unless otherwise ordered by the board.

f. Undercharges. When a customer has been undercharged as a result of incorrect reading of the meter, incorrect application of the rate schedule, incorrect connection of the meter or other similar reasons, the amount of the undercharge may be billed to the customer. The period for which the utility may adjust for the undercharge shall not exceed five years unless otherwise ordered by the board. The maximum back bill shall not exceed the dollar amount equivalent to the tariffed rate for like charges (e.g., usage-based, fixed or service charges) in the 12 months preceding discovery of the error unless otherwise ordered by the board.

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

20.4(15) *Refusal or disconnection of service.* A utility shall refuse service or disconnect service to a customer, as defined in subrule 20.1(3), in accordance with tariffs that are consistent with these rules.

a. The utility shall give written notice of pending disconnection except as specified in paragraph 20.4(15)*"b."* The notice shall set forth the reason for the notice and the final date by which the account is to be settled or specific action taken. The notice shall be considered provided to the customer when addressed to the customer's last-known address and deposited in the U.S. mail with postage prepaid. If delivery is by other than U.S. mail, the notice shall be considered provided when delivered to the last-known address of the person responsible for payment for the service. The date for disconnection of service shall be not less than 12 days after the notice is provided. The date for disconnection of service for customers on shorter billing intervals under subrule 20.3(6) shall not be less than 24 hours after the notice is posted at the service premises.

One written notice, including all reasons for the notice, shall be given where more than one cause exists for disconnection of service. In determining the final date by which the account is to be settled or other specific action taken, the days of notice for the causes shall be concurrent.

b. Service may be disconnected without notice:

(1) In the event of a condition on the customer's premises determined by the utility to be hazardous.

(2) In the event of customer use of equipment in a manner which adversely affects the utility's equipment or the utility's service to others.

(3) In the event of tampering with the equipment furnished and owned by the utility. For the purposes of this subrule, a broken or absent meter seal alone shall not constitute tampering.

(4) In the event of unauthorized use.

c. Service may be disconnected or refused after proper notice:

(1) For violation of or noncompliance with the utility's rules on file with the board.

(2) For failure of the customer to furnish the service equipment, permits, certificates, or rights-of-way which are specified to be furnished, in the utility's rules filed with the board, as conditions of obtaining service, or for the withdrawal of that same equipment, or for the termination of those same permissions or rights, or for the failure of the customer to fulfill the contractual obligations imposed as conditions of obtaining service by any contract filed with and subject to the regulatory authority of the board.

(3) For failure of the customer to permit the utility reasonable access to the utility's equipment.

d. Service may be refused or disconnected after proper notice for nonpayment of a bill or deposit, except as restricted by subrules 20.4(16) and 20.4(17), provided that the utility has complied with the following provisions when applicable:

(1) Given the customer a reasonable opportunity to dispute the reason for the disconnection or refusal.

(2) Given the customer, and any other person or agency designated by the customer, written notice that the customer has at least 12 days in which to make settlement of the account to avoid disconnection and a written summary of the rights and responsibilities available. Customers billed more frequently than monthly pursuant to subrule 20.3(6) shall be given posted written notice that they have 24 hours to make settlement of the account to avoid disconnection and a written summary of the rights and responsibilities. All written notices shall include a toll-free or collect telephone number where a utility representative qualified to provide additional information about the disconnection can be reached. Each utility representative must provide the representative's name and have immediate access to current, detailed information concerning the customer's account and previous contacts with the utility.

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

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

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

a. Pay the bill in full; or

b. Enter into a reasonable payment plan with the utility (see #2 below); or

c. Apply for and become eligible for low-income energy assistance (see #3 below); or

d. Give the utility a written statement from a doctor or public health official stating that shutting off your electric service would pose an especial health danger for a person living at the residence (see #4 below); or

e. Tell the utility if you think part of the amount shown on the bill is wrong. However, you must still pay the part of the bill you agree you owe the utility (see #5 below).

2. How do I go about making a reasonable payment plan? (Residential customers only)

a. Contact the utility as soon as you know you cannot pay the amount you owe. If you cannot pay all the money you owe at one time, the utility may offer you a payment plan that spreads payments evenly over at least 12 months. The plan may be longer depending on your financial situation.

b. If you have not made the payments you promised in a previous payment plan with the utility and still owe money, you may qualify for a second payment agreement under certain conditions.

c. If you do not make the payments you promise, the utility may shut off your utility service on one day's notice unless all the money you owe the utility is paid or you enter into another payment agreement.

3. How do I apply for low-income energy assistance? (Residential customers only)

a. Applications are taken at your local community action agency. If you are unsure where to apply, dial 2-1-1 or 1-800-244-7431, or visit humanrights.iowa.gov/dcaa/.

b. To avoid disconnection, you must apply for energy assistance or weatherization before your service is shut off. Notify your utility that you may be eligible and have applied for energy assistance. Once your service has been disconnected, it will not be reconnected based on approval for energy assistance.

c. Being certified eligible for energy assistance will prevent your service from being disconnected from November 1 through April 1.

4. What if someone living at the residence has a serious health condition? (Residential customers only)

Contact the utility if you believe this is the case. Contact your doctor or a public health official and ask the doctor or health official to contact the utility and state that shutting off your utility service would pose an especial health danger for a person living at your residence. The doctor or public health official must provide a written statement to the utility office within 5 days of when your doctor or public health official notifies the utility of the health condition; otherwise, your utility service may be shut off. If the utility receives this written statement, your service will not be shut off for 30 days. This 30-day delay is to allow you time to arrange payment of your utility bill or find other living arrangements. After 30 days, your service may be shut off if payment arrangements have not been made.

5. What should I do if I believe my bill is not correct?

You may dispute your utility bill. You must tell the utility that you dispute the bill. You must pay the part of the bill you think is correct. If you do this, the utility will not shut off your service for 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 #9 below.)

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

a. Your utility can shut off service between the hours of 6 a.m. and 2 p.m., Monday through Friday.

b. The utility will not shut off your service on nights, weekends, or holidays for nonpayment of a bill.

c. The utility will not shut off your service if you enter into a reasonable payment plan to pay the overdue amount (see #2 above).

d. The utility will not shut off your service if the temperature is forecasted to be 20 degrees Fahrenheit or colder during the following 24-hour period, including the day your service is scheduled to be shut off.

e. If you have qualified for low-income energy assistance, the utility cannot shut off your service from November 1 through April 1. However, you will still owe the utility for the service used during this time.

f. The utility will not shut off your service if you have notified the utility that you dispute a portion of your bill and you pay the part of the bill that you agree is correct.

g. If one of the heads of household is a service member deployed for military service, utility service cannot be shut off during the deployment or within 90 days after the end of deployment. In order for this

exception to disconnection to apply, the utility must be informed of the deployment prior to disconnection. However, you will still owe the utility for service used during this time.

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

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

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

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

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

a. The utility will turn your service back on if you pay the whole amount you owe or agree to a reasonable payment plan (see #2 above).

b. If you make your payment during regular business hours, or by 7 p.m. for utilities permitting such payment or other arrangements after regular business hours, the utility must make a reasonable effort to turn your service back on that day. If service cannot reasonably be turned on that same day, the utility must do it by 11 a.m. the next day.

c. The utility may charge you a fee to turn your service back on. 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.

9. Is there any other help available besides my utility?

If the utility has not been able to help you with your problem, you may contact the Iowa Utilities Board toll-free at 1-877-565-4450. You may also write the Iowa Utilities Board at 1375 E. Court Avenue, Des Moines, Iowa 50319-0069, or by E-mail 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 1-800-532-1275.

(4) If the utility has adopted a service limitation policy pursuant to subrule 20.4(23), the following paragraph shall be appended to the end of the standard form for the summary of rights and responsibilities, as set forth in subparagraph 20.4(15)*"d"*(3):

Service limitation: We have adopted a limitation of service policy for customers who otherwise could be disconnected. Contact our business office for more information or to learn if you qualify.

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

If an attempt at personal or telephone contact of a customer occupying a rental unit has been unsuccessful, the utility shall make a diligent attempt to contact the landlord of the rental unit, if known, to determine if the customer is still in occupancy and, if so, the customer's present location. The landlord shall also be informed of the date when service may be disconnected. The utility shall make a diligent attempt to inform the landlord at least 48 hours prior to disconnection of service to a tenant.

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

(6) Disputed bill. If the customer has received notice of disconnection and has a dispute concerning a bill for electric utility service, the utility may require the customer to pay a sum of money equal to the amount of the undisputed portion of the bill pending settlement and thereby avoid disconnection of service. A utility shall delay disconnection for nonpayment of the disputed bill for up to 45 days after the providing of the bill if the customer pays the undisputed amount. The 45 days shall be extended 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 in compliance with 199—Chapter 6.

(7) Reconnection. Disconnection of a residential customer may take place only between the hours of 6 a.m. and 2 p.m. on a weekday and not on weekends or holidays. If a disconnected customer makes payment or other arrangements during normal business hours, or by 7 p.m. for utilities permitting such payment or other arrangements after normal business hours, all reasonable efforts shall be made to reconnect the customer that day. If a disconnected customer makes payment or other arrangements after 7 p.m., all reasonable efforts shall be made to reconnect the customer not later than 11 a.m. the next day.

(8) Severe cold weather. A disconnection may not take place where electricity is used as the only source of space heating or to control or operate the only space heating equipment at a residence when the actual temperature or the 24-hour forecast of the National Weather Service for the residence's area is predicted to be 20 degrees Fahrenheit or colder. If the utility has properly posted a disconnect notice but is precluded from disconnecting service because of severe cold weather, the utility may immediately proceed with appropriate disconnection procedures, without further notice, when the temperature in the residence's area rises above 20 degrees Fahrenheit and is forecasted to remain above 20 degrees Fahrenheit for at least 24 hours, unless the customer has paid in full the past due amount or is otherwise entitled to postponement of disconnection.

(9) Health of a resident. Disconnection of a residential customer shall be postponed if the disconnection of service would present an especial danger to the health of any permanent resident of the premises. An especial danger to health is indicated if a person appears to be seriously impaired and may, because of mental or physical problems, be unable to manage the person's own resources, to carry out activities of daily living or to be protected from neglect or hazardous situations without assistance from others. Indicators of an especial danger to health include but are not limited to: age, infirmity, or mental incapacitation; serious illness; physical disability, including blindness and limited mobility; and any other factual circumstances which indicate a severe or hazardous health situation.

The utility may require written verification of the especial danger to health by a physician or a public health official, including the name of the person endangered; a statement that the person is a resident of the premises in question; the name, business address, and telephone number of the certifying party; the nature of the health danger; and approximately how long the danger will continue. Initial verification by the verifying party may be by telephone if written verification is forwarded to the utility within five days.

Verification shall postpone disconnection for 30 days. In the event service is terminated within 14 days prior to verification of illness by or for a qualifying resident, service shall be restored to that residence if a proper verification is thereafter made in accordance with the foregoing provisions. If the customer does not enter into a reasonable payment agreement for the retirement of the unpaid balance of the account within the first 30 days and does not keep the current account paid during the period that the unpaid balance is to be retired, the customer is subject to disconnection pursuant to paragraph 20.4(15)*"f."*

(10) Winter energy assistance (November 1 through April 1). If the utility is informed that the customer's household may qualify for winter energy assistance or weatherization funds, there shall be no disconnection of service for 30 days from the date the utility is notified to allow the customer time to obtain assistance. Disconnection shall not take place from November 1 through April 1 for a resident who is a head of household and who has been certified to the public utility by the community action agency as eligible for either the low-income home energy assistance program or weatherization assistance program. A utility may develop an incentive program to delay disconnection on April 1 for customers who make payments throughout the November 1 through April 1 period. All such incentive programs shall be set forth in tariffs approved by the board.

(11) Deployment. If the utility is informed that one of the heads of household as defined in Iowa Code section 476.20 is a service member deployed for military service, as defined in Iowa Code section 29A.90, disconnection cannot take place at the residence during the deployment or prior to 90 days after the end of the deployment.

e. Abnormal electric consumption. A customer who is subject to disconnection for nonpayment of bill, and who has electric consumption which appears to the customer to be abnormally high, may request the utility to provide assistance in identifying the factors contributing to this usage pattern and to suggest

remedial measures. The utility shall provide assistance by discussing patterns of electric usage which may be readily identifiable, suggesting that an energy audit be conducted, and identifying sources of energy conservation information and financial assistance which may be available to the customer.

f. A utility may disconnect electric service after 24-hour notice (and without the written 12-day notice) for failure of the customer to comply with the terms of a payment agreement.

g. The utility shall, prior to November 1, mail customers a notice describing the availability of winter energy assistance funds and the application process. The notice must be of a type size that is easily legible and conspicuous and must contain the information set out by the state agency administering the assistance program. A utility serving fewer than 25,000 customers may publish the notice in a customer newsletter in lieu of mailing. A utility serving fewer than 6,000 customers may publish the notice in an advertisement in a local newspaper of general circulation or shopper's guide.

20.4(16) *Insufficient reasons for denying service.* The following shall not constitute sufficient cause for refusal of service to a customer:

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

b. Failure to pay for merchandise purchased from the utility.

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

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

e. Failure to pay the back bill provided in accordance with paragraph 20.4(14)*"d"* (slow meters).

f. Failure to pay a bill provided in accordance with paragraph 20.4(14)*"f."*

g. Failure of a residential customer to pay a deposit during the period November 1 through April 1 for the location at which the customer has been receiving service in the customer's name.

h. Delinquency in payment for service by an occupant if the customer applying for service is creditworthy and able to satisfy any deposit requirements.

i. Delinquency in payment for service arising more than ten years prior, as measured from the most recent of:

(1) The last date of service for the account giving rise to the delinquency,

(2) Physical disconnection of service for the account giving rise to the delinquency, or

(3) The last voluntary payment or voluntary written promise of payment made by the customer, if made before the ten-year period described in this paragraph has otherwise lapsed.

j. Delinquency in payment for service that arose on or before September 4, 2010, pursuant to an oral contract, except in cases of fraud or deception that prevented the utility from timely addressing such delinquencies with the customer.

20.4(17) *When disconnection prohibited.*

a. No disconnection may take place from November 1 through April 1 for a resident who has been certified to the public utility by the local community action agency as being eligible for either the low-income home energy assistance program or weatherization assistance program.

b. If the utility is informed that one of the heads of household as defined in Iowa Code section 476.20 is a service member deployed for military service, as defined in Iowa Code section 29A.90, disconnection cannot take place at the residence during the deployment or prior to 90 days after the end of the deployment.

20.4(18) *Estimated demand.* Upon request of the customer and provided the customer's demand is estimated for billing purposes, the utility shall measure the demand during the customer's normal operation and use the measured demand for billing.

20.4(19) *Servicing utilization control equipment.* Each utility shall service and maintain any equipment it uses on customer's premises and shall correctly set and keep in proper adjustment any thermostats, clocks, relays, time switches or other devices which control the customer's service in accordance with the provisions in the utility's rate schedules.

20.4(20) *Customer complaints.* Complaints concerning the charges, practices, facilities or service of the utility shall be investigated promptly and thoroughly. The utility shall keep such records of customer complaints as will enable it to review and analyze its procedures and actions.

a. Each utility shall provide in its filed tariff a concise, fully informative procedure for the resolution of customer complaints.

b. The utility shall take reasonable steps to ensure that customers unable to travel shall not be denied the right to be heard.

c. The final step in a complaint hearing and review procedure shall be a filing for board resolution of the issues.

20.4(21) *Temporary service.* Rescinded IAB 12/5/18, effective 1/9/19.

20.4(22) *Change in type of service.* If a change in the type of service or a change in voltage to a customer's substation is effected at the insistence of the utility and not solely by reason of increase in the customer's load or change in the character thereof, the utility shall share equitably in the cost of changing the equipment of the customer affected as determined by the board in the absence of agreement between utility and customer. In general, the customer should be protected against or reimbursed for the following losses and expenses to an appropriate degree:

a. Loss of value in electrical power utilization equipment.

b. Cost of changes in wiring, and

c. Cost of removing old and installing new utilization equipment.

20.4(23) *Limitation of service.* The utility shall have the option of adopting a policy for service limitation at a customer's residence as a measure to be taken in lieu of disconnection of service to the customer. The service limiter policy shall be set out in the utility's tariff and shall contain the following conditions:

a. A service limitation device shall not be activated without the customer's agreement.

b. A service limitation device shall not be activated unless the customer has defaulted on all payment agreements for which the customer qualifies under the board's rules and the customer has agreed to a subsequent payment agreement.

c. The service limiter shall provide for usage of a minimum of 3,600 watts. If the service limiter policy provides for different usage levels for different customers, the tariff shall set out specific nondiscriminatory criteria for determining the usage levels. Electric-heating residential customers may have their service limited if otherwise eligible, but such customers shall have consumption limits set at a level that allows them to continue to heat their residences. For purposes of this rule, "electric heating" shall mean heating by means of a fixed-installation electric appliance that serves as the primary source of heat and not, for example, one or more space heaters.

d. A provision that, if the minimum usage limit is exceeded such that the limiter function interrupts service, the service limiter function must be capable of being reset manually by the customer, or the service limiter function must reset itself automatically within 15 minutes after the interruption. In addition, the service limiter function may also be capable of being reset remotely by the utility. If the utility chooses to use the option of resetting the meter remotely, the utility shall provide a 24-hour toll-free number for the customer to notify the utility that the limiter needs to be reset and the meter shall be reset immediately following notification by the customer. If the remote reset option is used, the meter must still be capable of being reset manually by the customer or the service limiter function must reset itself automatically within 15 minutes after the interruption.

e. There shall be no disconnect, reconnect, or other charges associated with service limiter interruptions or restorations.

f. A provision that, upon installation of a service limiter or activation of a service limiter function on the meter, the utility shall provide the customer with information on the operation of the limiter, including how it can be reset, and information on what appliances or combination of appliances can generally be operated to stay within the limits imposed by the limiter.

g. A provision that the service limiter function of the meter shall be disabled no later than the next working day after the residential customer has paid the delinquent balance in full.

h. A service limiter customer that defaults on the payment agreement is subject to disconnection after a 24-hour notice pursuant to paragraph 20.4(15)*"f."*

[**ARC 7976B**, IAB 7/29/09, effective 9/2/09; **ARC 9101B**, IAB 9/22/10, effective 10/27/10; Editorial change: IAC Supplement 12/29/10; **ARC 4171C**, IAB 12/5/18, effective 1/9/19; **ARC 6021C**, IAB 11/3/21, effective 12/8/21]

These rules are intended to implement Iowa Code sections 476.6, 476.8, 476.20 and 476.54.

199—20.5(476) Engineering practice.

20.5(1) *Requirement for good engineering practice.* The electric plant of the utility shall be constructed, installed, maintained and operated in accordance with accepted good engineering practice in the electric industry to assure, as far as reasonably possible, continuity of service, uniformity in the quality of service furnished, and the safety of persons and property.

20.5(2) *Standards incorporated by reference.* The utility shall use the applicable provisions in the publications listed below as standards of accepted good practice unless otherwise ordered by the board.

a. Iowa Electrical Safety Code, as defined in 199—Chapter 25.

b. National Electrical Code, ANSI/NFPA 70-2014.

c. American National Standard Requirements for Instrument Transformers, ANSI/IEEE C57.13.1-2006; and C57.13.3-2005.

d. American National Standard for Electric Power Systems and Equipment Voltage Ratings (60 Hertz), ANSI C84.1-2011.

e. Grounding of Industrial and Commercial Power Systems, IEEE 142-2007.

f. IEEE Standard 1159-2009, IEEE Recommended Practice for Monitoring Electric Power Quality or any successor standard.

g. IEEE Standard 519-2014, IEEE Recommended Practices and Requirements for Harmonic Control in Electrical Power Systems or its successor standard.

h. At railroad crossings, 199—42.6(476), "Engineering standards for electric and communications lines."

20.5(3) *Adequacy of supply and reliability of service.* The generating capacity of the utility's plant, supplemented by the electric power regularly available from other sources, must be sufficiently large to meet all normal demands for service and provide a reasonable reserve for emergencies.

In appraising adequacy of supply the board will segregate electric utilities into two classes viz., those having high capacity transmission interconnections with other electrical utilities and those which lack such interconnection and are therefore completely dependent upon the firm generating capacity of the utility's own generating facilities.

a. In the case of utilities having interconnecting ties with other utilities, the board will, upon appraising adequacy of supply, take appropriate notice of the utility's recent past record, as of the date of appraisal, of any widespread service interruptions and any capacity shortages along with the consideration of the supply regularly available from other sources, the normal demands, and the required reserve for emergencies.

b. In the case of noninterconnected utilities the board will give attention to the maximum total coincident customer demand which could be satisfied without the use of the single element of plant equipment, the disability of which would produce the greatest reduction in total net plant productive capacity and also give attention to the normal demands for service and to the reasonable reserve for emergencies.

20.5(4) *Electric transmission and distribution facilities.* Rescinded IAB 11/13/02, effective 12/18/02.

20.5(5) *Inspection of electric plant.* Rescinded IAB 12/5/18, effective 1/9/19.

This rule is intended to implement Iowa Code section 476.8 and 478.18.

[**ARC 7962B**, IAB 7/15/09, effective 8/19/09; **ARC 9501B**, IAB 5/18/11, effective 6/22/11; **ARC 1359C**, IAB 3/5/14, effective 4/9/14; **ARC 2711C**, IAB 9/14/16, effective 10/19/16; **ARC 4171C**, IAB 12/5/18, effective 1/9/19]

199—20.6(476) Metering.

20.6(1) *Inspection and testing program.* Each utility shall adopt a written program for the inspection and testing of its meters to determine the necessity for adjustment, replacement or repair. The frequency of inspection and methods of testing shall be based on the utility's experience, manufacturer's recommendations, and accepted good practice. The publications listed in 20.6(3) are representative of accepted good practice. Each utility shall maintain inspecting and testing records for each meter and associated device until three years after its retirement.

20.6(2) *Program content.* The written program shall, at minimum, address the following subject areas:

a. Classification of meters by capacity, type, and any other factor considered pertinent.

b. Checking of new meters for acceptable accuracy before being placed in service.

c. Testing of in-service meters, including any associated instruments or corrective devices, for accuracy, adjustments or repairs. This may be accomplished by periodic tests at specified intervals or on the basis of a statistical sampling plan, but shall include meters removed from service for any reason.

d. Periodic calibration or testing of devices or instruments used by the utility to test meters.

e. The limits of meter accuracy considered acceptable by the utility.

f. The nature of meter and meter test records which will be maintained by the utility.

20.6(3) *Accepted good practice.* The following publications are considered to be representative of accepted good practice in matters of metering and meter testing:

a. American National Standard Code for Electricity Metering, ANSI C12.1-2014.

b. and *c.* Rescinded IAB 5/23/07, effective 6/27/07.

20.6(4) *Meter adjustment.* All meters and associated metering devices shall, when tested, be adjusted as closely as practicable to the condition of zero error.

20.6(5) *Request tests.* Upon request by a customer, a utility shall test the meter servicing that customer. A test need not be made more frequently than once in 18 months.

A written report of the test results shall be mailed to the customer within ten days of the completed test and a record of each test shall be kept on file at the utility's office. The utility shall give the customer or a representative of the customer the opportunity to be present while the test is conducted.

If the test finds the meter is accurate within the limits accepted by the utility in its meter inspection and testing program, the utility may charge the customer $25 or the cost of conducting the test, whichever is less. The customer shall be advised of any potential charge before the meter is removed for testing.

20.6(6) *Referee tests.* Upon written request by a customer or utility, the board will conduct a referee test of a meter. A test need not be made more frequently than once in 18 months. The customer request shall be accompanied by a $30 deposit in the form of a check or money order made payable to the utility.

Within five days of receipt of the written request and payment, the board shall forward the deposit to the utility and notify the utility of the requirement for a test. The utility shall, within 30 days after notification of the request, schedule the date, time and place of the test with the board and customer. The meter shall not be removed or adjusted before the test. The utility shall furnish all testing equipment and facilities for the test. If the tested meter is found to be more than 2 percent fast or 2 percent slow, the deposit will be returned to the party requesting the test and billing adjustments shall be made as required in 20.4(14). The board shall issue its report within 15 days after the test is conducted, with a copy to the customer and the utility.

20.6(7) *Condition of meter.* No meter that is known to be mechanically or electrically defective, or to have incorrect constants, or that has not been tested and adjusted if necessary in accordance with these rules shall be installed or continued in service. The capacity of the meter and the index mechanism shall be consistent with the electricity requirements of the customer.

20.6(8) *Comprehensive meter upgrade programs.*

a. A utility may forgo the meter testing procedures required under the utility's own inspection and testing program and subrule 20.6(2) if:

(1) The meters are removed or scheduled to be removed as part of a comprehensive meter upgrade program over a specified period not to exceed three years;

(2) The meters being removed have not previously been shown to be inaccurate or otherwise faulty;

(3) The utility either retains the removed meters for a period of one year from the removal date to allow customers the opportunity to challenge a meter's accuracy or tests a representative statistical sample based upon an industry standard such as ANSI C12.1-2014 of each type of meter being removed as part of the program and maintains the removed meters for a period of at least six months; and

(4) The utility tests any meter upon request of a customer based upon the customer's experience comparing the replaced and replacement meters.

b. Prior to forgoing its testing procedures under this subrule, a utility shall notify the board that the utility is engaging in a comprehensive meter upgrade program. The notice shall state the option the utility is electing to pursue under subparagraph 20.6(8)*"a"*(3), the specified period of the program, and the expected number of meters to be upgraded. A utility electing to test a statistical sample of removed meters under

subparagraph 20.6(8)*"a"*(3) shall also state the industry standard it will use to determine the sample size and provide the full text of the standard to the board upon request.

c. A utility shall continue to follow the meter testing procedures for meters removed for any reason unrelated to the comprehensive meter upgrade program.

d. A utility shall resume the meter testing procedures required under the utility's own inspection and testing program and subrule 20.6(2) upon completion of the comprehensive meter upgrade program or the end of the specified period, whichever occurs first.

[**ARC 7962B**, IAB 7/15/09, effective 8/19/09; **ARC 4171C**, IAB 12/5/18, effective 1/9/19]

199—20.7(476) Standards of quality of service.

20.7(1) Standard frequency. The standard frequency for alternating current distribution systems shall be 60 cycles per second. The frequency shall be maintained within limits which will permit the satisfactory operation of customer's clocks connected to the system.

20.7(2) Voltage limits retail. Each utility supplying electric service to ultimate customers shall provide service voltages in conformance with the standard at 20.5(2)*"d."*

20.7(3) Voltage balance. Where three-phase service is provided the utility shall exercise reasonable care to assure that the phase voltages are in balance. In no case shall the ratio of maximum voltage deviation from average to average voltage exceed .02.

20.7(4) Voltage limits, service for resale. The nominal voltage shall be as mutually agreed upon by the parties concerned. The allowable variation shall not exceed 7.5 percent above or below the agreed-upon nominal voltage without the express approval of the board.

20.7(5) Exceptions to voltage requirements. Voltage outside the limits specified will not be considered a violation when the variations:

a. Arise from the action of the elements.

b. Are infrequent fluctuations not exceeding five minutes, duration.

c. Arise from service interruptions.

d. Arise from temporary separation of parts of the system from the main system.

e. Are from causes beyond the control of the utility.

f. Do not exceed 10 percent above or below the standard nominal voltage, and service is at a distribution line or transmission line voltage with the retail customer providing voltage regulators.

20.7(6) Voltage surveys and records. Voltage measurements shall be made at the customer's entrance terminals. For single-phase service the measurement shall be made between the grounded conductor and the ungrounded conductors. For three-phase service the measurement shall be made between the phase wires.

20.7(7) Each utility shall make a sufficient number of voltage measurements in order to determine if voltages are in compliance with the requirements as stated in 20.7(2), 20.7(3), and 20.7(4). All records obtained under this subrule shall be retained by the utility for at least two years and shall be available for inspection by the board's representatives. Notations on each chart shall indicate the following:

a. The location where the voltage was taken.

b. The time and date of the test.

c. The results of the comparison with a working standard indicating voltmeter.

20.7(8) Equipment for voltage measurements.

a. Secondary standard indicating voltmeter. Each utility shall have available at least one indicating voltmeter maintained with error no greater than 0.25 percent of full scale.

b. Working standard indicating voltmeters. Each utility shall have at least two indicating voltmeters maintained so as to have as-left errors of no greater than 1 percent of full scale.

c. Recording voltmeters. Each utility must have readily available at least two portable recording voltmeters with a rated accuracy of 1 percent of full scale.

20.7(9) Rescinded IAB 12/11/91, effective 1/15/92.

20.7(10) Extreme care must be exercised in the handling of standards and instruments to assure that their accuracy is not disturbed. Each standard shall be accompanied at all times by a certificate or calibration card, duly signed and dated, on which are recorded the corrections required to compensate for errors found at the customary test points at the time of the last previous test.

20.7(11) Planned interruptions shall be made at a time that will not cause unreasonable inconvenience to customers, and interruptions planned for longer than one hour shall be preceded by adequate notice to those who will be affected.

20.7(12) Power quality monitoring. Each utility shall investigate power quality complaints from its customers and determine if the cause of the problem is on the utility's systems. In addressing these problems, each utility shall implement to the extent reasonably practical the practices outlined in the standard given at 20.5(2)*"f."*

20.7(13) Harmonics. A harmonic is a sinusoidal component of the 60 cycles per second fundamental wave having a frequency that is an integral multiple of the fundamental frequency. When excessive harmonics problems arise, each electric utility shall investigate and take actions to rectify the problem. In addressing harmonics problems, the utility and the customer shall implement to the extent practicable and in conformance with prudent operation the practices outlined in the standard at 20.5(2)*"g."*

This rule is intended to implement Iowa Code sections 476.2 and 476.8.

[**ARC 4171C**, IAB 12/5/18, effective 1/9/19]

199—20.8(476) Safety.

20.8(1) *Protective measures.* Each utility shall exercise reasonable care to reduce those hazards inherent in connection with its utility service and to which its employees, its customers, and the general public may be subjected and shall adopt and execute a safety program designed to protect the public and fitted to the size and type of its operations. A utility shall include in its safety program procedures for notifying the board and the public of an incident involving a component of a wind turbine, solar facility, storage facility, or any other generating facility where the incident has resulted in damage to adjacent property or members of the public.

20.8(2) *Accident investigation and prevention.* The utility shall give reasonable assistance to the board in the investigation of the cause of accidents and in the determination of suitable means of preventing accidents.

20.8(3) *Reportable accidents.* Each utility shall maintain a summary of all reportable accidents, as defined in 199—25.5(476,478), arising from its operations.

20.8(4) *Grounding of secondary distribution system.* Unless otherwise specified by the board, each utility shall comply with, and shall encourage its customers to comply with, the applicable provisions of the acceptable standards listed in 20.5(2) for the grounding of secondary circuits and equipment.

Ground connections should be tested for resistance at the time of installation. The utility shall keep a record of all ground resistance measurements.

The utility shall establish a program of inspection so that all artificial grounds installed by it shall be inspected within reasonable periods of time.

[**ARC 6021C**, IAB 11/3/21, effective 12/8/21]

199—20.9(476) Electric energy automatic adjustment. The electric energy cost adjustment of the unit charge shall be an energy adjustment clause.

20.9(1) *Applicability.* A utility's electric energy adjustment shall recover from consumers only those costs which:

a. Are incurred in supplying energy;

b. Are beyond direct control of management;

c. Are subject to sudden important change in level;

d. Are an important factor in determining the total cost to serve; and

e. Are readily, precisely, and continuously segregated in the accounts of the utility.

20.9(2) *Energy adjustment clause.* Prior to any period in which a utility proposes to change the adjustment amount for each energy unit delivered to the customer, the utility shall determine and file for board approval the adjustment amount to be charged for each energy unit delivered under rates set by the board. The energy adjustment clause factors shall be printed on the customer's bill. The filing shall include all invoices (except invoices for fuel, freight, and transportation), worksheets, and detailed supporting data used to determine the amount of the adjustment. Spreadsheets, workbooks, and databases included in filings shall include all cell formulae and cell references. Utilities that participate in a wholesale energy

market and use a forecasted energy adjustment clause shall provide information about key inputs and assumptions and explain the differences between the forecast and actual fuel costs. The estimated amount of fossil fuel should be detailed to reflect the amount of fuel, transportation, emission allowances, and other costs.

a. The utility shall keep and maintain journal entries to reflect a breakdown for each type of fuel: actual cost of fuel, transportation costs, and other costs. Items identified as other costs should be described and their inclusion as fuel costs shall be approved by the board. The board may direct that journal entries be filed. The utility shall also file detailed supporting data:

(1) To show the actual amount of sales of energy by month for which an adjustment was utilized, and

(2) To support the energy cost adjustment balance utilized in the monthly energy adjustment clause filings.

b. The energy adjustment shall provide for change of the price per kilowatt-hour delivered under rates set by the board based upon the formulas provided in the utility's tariff. The energy adjustment factor shall be rounded on a consistent basis to either the nearest 0.01¢/kWh or 0.001¢/kWh. The tariff shall define the components of the formula(s) and shall include reference to the specific accounts of the Uniform System of Accounts for each component.

(1) For each period as specified in the tariff, the calculation shall include but not be limited to:

1. The estimated energy cost and revenues;

2. The estimated electric energy to be delivered and entered in accounts 440, 442, and 444-7, excluding energy from distinct interchange deliveries entered into account 447, and including intrautility energy service as included in accounts 448 and 929 of the Uniform System of Accounts during the month in which the energy adjustment charge will be used; and

3. The energy cost adjustment account balance.

(2) The base formula for the energy adjustment factor shall be:

Energy adjustment factor = (energy cost adjustment account balance + estimated energy costs and revenues) / estimated energy delivered

c. The estimated energy cost and revenues shall be the estimated cost and revenues associated with:

(1) Fossil and nuclear fuel consumed in the utility's own plants and the utility's share of fossil and nuclear fuel consumed in jointly owned or leased plants. Fossil fuel shall include natural gas used for electric generation and the cost of fossil fuel transferred from account 151 to account 501 or 547 of the Uniform System of Accounts for Electric Utilities. Nuclear fuel shall be that shown in account 518 of the Uniform System of Accounts except that if account 518 contains any expense for fossil fuel which has already been included in the cost of fossil fuel, it shall be deducted from the account. (Paragraph C of account 518 includes the cost of other fuels used for ancillary steam facilities.)

(2) The cost of steam purchased, or transferred from another department of the utility or from others under a joint facility operating agreement, for use in prime movers producing electric energy (accounts 503 and 521).

(3) A deduction shall be made of the expenses of producing steam chargeable to others, to other utility departments under a joint operating agreement, or to other electric accounts outside the steam generation group of accounts (accounts 504 and 522).

(4) The cost of water used for hydraulic power generation. Water cost shall be limited to items of account 536 of the Uniform System of Accounts. For pumped storage projects, the energy cost of pumping is included. Pumping energy cost shall be determined from the applicable costs of subparagraphs of paragraph 20.9(2)*"c."*

(5) The energy costs paid for energy purchased under arrangements or contracts, as entered into account 555 of the Uniform System of Accounts, less the energy revenues to be recovered from corresponding sales, as entered in account 447 of the Uniform System of Accounts.

(6) Purchases from alternative energy production facilities under rule 199—15.11(476).

(7) The weighted average costs of inventoried allowances used in generating electricity.

(8) The gains and losses, as described in subrule 20.17(9), from allowance transactions occurring during the month. Allowance transactions shall include vintage trades and emission for emission trades.

(9) Eligible costs or credits associated with the utility's annual reconciliation of its alternate energy purchase program under 199—paragraph 15.17(4)*"b."*

(10) Federal production tax credits unless the board approves different ratemaking treatment.

(11) Other costs and revenues as specified in the utility's tariff and approved by the board. For all other costs and revenues, the utility shall provide the type of cost, the dollar amount, and reference to the board order approving the cost to be included in the energy adjustment clause (EAC).

d. The energy cost adjustment account balance shall be the cumulative balance of any excess or deficiency which arises out of the difference between board recognized energy cost recovery and the amount recovered through application of energy charges to consumption under rates set by the board. The calculation for the energy cost adjustment account balances shall include but is not limited to:

(1) The actual energy expense for the prior period and recorded in accounts 440, 442 and 444-6 of the Uniform System of Accounts;

(2) The actual electric energy delivered for the prior period and recorded in accounts 440, 442, and 444-7, excluding energy from distinct interchange deliveries entered into account 447, and including intrautility energy service as included in accounts 448 and 929 of the Uniform System of Accounts; and

(3) The beginning energy cost adjustment account balance (overrecovered or underrecovered amount) for the current period.

e. Reserve account for nuclear generation. A rate-regulated utility owning nuclear generation or purchasing energy under a participation power agreement on nuclear generation may establish a reserve account. The reserve account will spread the higher cost of energy used to replace the energy normally received from nuclear sources. A surcharge would be added to each kilowatt-hour from the nuclear source. The surcharges collected are credited to the reserve account. During an outage or reduced level of operation, replacement energy cost would be offset through debit to the reserve account. The debit would be based upon the cost differential between replacement energy cost and the average cost (including the surcharge) of energy from the nuclear capacity. A reserve account shall have credit and debit limitations equal in dollar amounts to the total cost differential for replacement energy during a normal refueling outage.

f. A rate-regulated utility desiring to collect expensed allowance costs and the gains and losses from allowance transactions through the energy adjustment must file with the board monthly reports including:

(1) The number and weighted average unit cost of allowances used during the month to offset emissions from the utility's affected units;

(2) The number and unit price of allowances purchased during the month;

(3) The number and unit price of allowances sold during the month;

(4) The weighted average unit cost of allowances remaining in inventory;

(5) The dollar amount of any gain from an allowance sale occurring during the month;

(6) The dollar amount of any loss from an allowance sale occurring during the month; and

(7) Documentation of any gain or loss from an allowance sale occurring during the month.

g. The energy adjustment clause factor may include other automatic adjustment mechanisms as approved by the board.

20.9(3) *Utilities not making monthly changes to the adjustment amount.* Utilities that do not file monthly adjustments shall:

a. File the information pursuant to subrule 20.9(2) on a quarterly basis.

b. File an annual reconciliation of the EAC factor and an update to the EAC factor. The date of the annual reconciliation and update shall be specified in the utility's tariff. The reconciliation shall follow the requirements of subrule 20.9(2).

c. Include a semiannual adjustment if the absolute value of the cumulative over recovery or under recovery amount is greater than 20 percent of the forecasted net recoverable energy costs for the EAC year. The semiannual adjustment filing shall be filed six months after the annual reconciliation and update filing and shall follow the requirements of subrule 20.9(2), but will be limited to the remaining months of the year. The semiannual factor updates may utilize updated forecasts for the costs and sales for the remainder of the year.

20.9(4) *Review of energy adjustment clause.* At least biennially, but no more than annually, the board shall require each utility that owns generation and utilizes an energy adjustment clause to provide fuel, freight, and transportation invoices from two months of the previous calendar year. The utility shall include an explanation of and demonstrate how these invoices correspond to the energy adjustment clause calculations. The explanation shall include inventory accounting information and average cost of fuel and transportation included in the energy adjustment clause calculations. The board will notify each utility by May 1 as to which two months' invoices will be required. These invoices shall be filed with the board no later than the subsequent November 1.

20.9(5) *Annual reports.* With the first filing of the utility's EAC year, each utility participating in a wholesale market shall file a report explaining how participation results in reduced customer rates or reduces increases in customer rates, identifying current and evolving market issues that are expected to impact rates, and describing the utility's efforts to influence market issues for the benefit of customers.

[**ARC 4171C**, IAB 12/5/18, effective 1/9/19; **ARC 6021C**, IAB 11/3/21, effective 12/8/21]

199—20.10(476) Ratemaking standards.

20.10(1) *Coverage.* Standards for ratemaking shall apply to all rate-regulated utilities in the state of Iowa. The board may, by rule or by order in specific cases, exempt a utility or class of utilities from any or all ratemaking standards. The standards are recommended to all service-regulated utilities in this jurisdiction.

20.10(2) *Cost of service.* Rates charged by an electric utility for providing electric service to each class of electric consumers shall be designed, to the maximum extent practicable, to reasonably reflect the costs of providing electric service to the class. The methods used to determine class costs of service shall to the maximum extent practical permit identification of differences in cost-incurrence, for each class of electric consumers, attributable to daily and seasonal time of use of service, and permit identification of differences in cost-incurrence attributable to differences in demand, energy, and customer components of cost.

The design of rates should reasonably approximate a pricing methodology for any individual utility that would reflect the price system that would exist in a competitive market environment. For purposes of determining revenue requirements among customer classes, embedded costs shall be preferred. For purposes of determining rate designs within customer classes, long-run marginal cost approaches are preferred although embedded cost approaches may be considered reasonable.

Nothing in this rule shall authorize or require the recovery by an electric utility of revenues in excess of, or less than, the amount of revenues otherwise determined to be lawful by the board.

Guidelines for use in evaluating the acceptability of methods of class cost of service estimation include, but are not limited to, the following:

a. All usage of customer, demand, and energy components of service shall be considered new usage.

b. Customer classes shall be established on the primary basis of reasonably similar usage patterns within classes, even if this requires disaggregation or recombination of traditional customer classes.

c. Generating capacity estimates or allocations among and within classes shall recognize that utility systems are designed to serve both peak and off-peak demand, and shall attribute costs based upon both peak period demand and the contribution of off-peak period demand in determining generation mix. Generating capacity estimates and allocations among and within classes shall be based on load data for each class as described in 199—subrule 35.9(2).

d. Transmission and distribution capacity estimates or allocations among and within classes shall be demand-related based upon system usage patterns, and the load imposed by a class on the transmission or distribution capacity in question.

e. Customer cost component estimates or allocations shall include only costs of the distribution system from and including transformers, meters and associated customer service expenses.

f. Methods of cost estimates or allocations among customer classes shall recognize the differences in voltage levels and other service characteristics, and line losses among customer classes.

g. Methods of class cost of service determination which are consistent with zero customer, demand, or energy component costs or major categories of these, such as generation, transmission or distribution, shall be considered unacceptable methods.

h. Long-run marginal cost methods of class cost of service determination shall clearly reflect changes in total costs to the utility with respect to changes in the outputs of customer, demand, or energy components of electric services.

i. The use of an inverse elasticity approach to adjust long-run marginal cost-based rates to the revenue requirement shall be unacceptable. Other approaches will be considered on a case-by-case basis.

20.10(3) *Declining block rates.* The energy-related cost component of a rate, or the amount attributable to the energy-related cost component of a rate, charged by an electric utility for providing electric service during any period to any class of electric consumers, shall not decrease as kilowatt-hour consumption by such class increases during the period except to the extent that the utility demonstrates that the energy costs of providing electric service to such class decrease as consumption increases during the period.

20.10(4) *Time-of-day rates.* The rates charged by any electric utility for providing electric service to each class of electric consumers shall be on a time-of-day basis which reflects the cost of providing electric service to that class of electric consumers at different times of the day unless such rates are not cost-effective with respect to the class. These rates are cost-effective with respect to a class if the long-run benefits of the rate to the electric utility and its electric consumers in the class concerned are likely to exceed the metering costs and other costs associated with the use of the rates. Cost-based time-of-day rates shall be offered on an optional basis to electric consumers who do not otherwise qualify for the rates if consumers agree to pay the additional metering costs and other costs associated with the use of the rates.

20.10(5) *Seasonal rates.* The rates charged by an electric utility for providing electric service to each class of electric consumers may be on a seasonal basis which reflects the costs of providing service to the class of consumers at different seasons of the year to the extent that costs vary seasonally for the utility, if the board determines that seasonal rates are appropriate in an individual case.

20.10(6) *Interruptible rates.* Each electric utility shall offer each industrial and commercial electric consumer an interruptible rate which reflects the cost of providing interruptible service to the class of which the consumer is a member.

20.10(7) *Load management techniques.* Rescinded IAB 11/12/03, effective 12/17/03.

20.10(8) *Other energy conservation strategies.* Rescinded IAB 11/12/03, effective 12/17/03.

20.10(9) *Pilot projects.* Rescinded IAB 11/12/03, effective 12/17/03.

199—20.11(476) Customer notification of peaks in electric energy demand.

20.11(1) Pursuant to Iowa Code section 476.17, each investor-owned utility shall have a plan to notify its customers of an approaching peak demand on the day when peak demand is likely to occur. The plan shall be made available to the board upon request.

20.11(2) The plan shall include, at a minimum, the following:

a. A description and explanation of the condition(s) that will prompt a peak alert.

b. A provision for a general notice to be given to customers prior to the time when peak demand is likely to occur and an explanation of when and how notice of an approaching peak in electric demand will be given to customers.

c. The text of the message or messages to be given in the general notice to customers. The message shall include the name of the utility providing the notice, an explanation that conditions exist which indicate a peak in electric demand is approaching, and an explanation of the significance of reductions in electricity use during a period of peak demand and the potential benefits of energy efficiency.

[**ARC 1953C**, IAB 4/15/15, effective 5/20/15; **ARC 4171C**, IAB 12/5/18, effective 1/9/19]

199—20.12(476) New structure energy conservation standards. Rescinded IAB 11/12/03, effective 12/17/03.

199—20.13(476) Periodic electric energy supply and cost review [476.6(16)].

20.13(1) *Procurement plan.* Pursuant to Iowa Code section 476.6(12), the board shall periodically conduct a contested case proceeding for the purpose of evaluating the reasonableness and prudence of a rate-regulated public utility's practices related to procurement of and contracting for fuel used in generating electricity. When it determines to conduct a contested case proceeding, the board shall notify a rate-

regulated utility that it will be required to file an electric fuel procurement plan. The notification to the utility shall include a detailed list of what the board will be examining as part of the review. The utility shall file its plan no later than 105 days after notification unless otherwise directed by the board. A utility's procurement plan shall be organized to include information as follows:

a. Index. The plan shall include an index of all documents and information required to be filed in the plan, and the identification of the board files in which the documents incorporated by reference are located.

b. Purchase contracts and arrangements. A utility's procurement plan shall include detailed summaries of the following types of contracts and agreements executed since the last procurement review:

(1) All contracts and fuel supply arrangements for obtaining fuel for use by any unit in generation;

(2) All contracts and arrangements for transporting fuel from point of production to the site where placed in inventory, including any unit generating electricity for the utility;

(3) All contracts and arrangements for purchasing or selling allowances;

(4) Purchased power contracts or arrangements, including sale-of-capacity contracts, involving over 25 MW of capacity;

(5) Pool interchange agreements;

(6) Multiutility transmission line interchange agreements; and

(7) Interchange agreements between investor-owned utilities, generation and transmission cooperatives, or both, not required to be filed above, which were entered into or in effect since the last filing, and all such contracts or arrangements which will be entered into or exercised by the utility during the prospective 12-month period.

All procurement plans filed by a utility shall include all of the types of contracts and arrangements listed in subparagraphs (1) and (2) of this paragraph which will be entered into or exercised by the utility during the prospective 12-month period. In addition, the utility shall file an updated list of contracts that are or will become subject to renegotiation, extension, or termination within five years. The utility shall also update any price adjustment affecting any of the filed contracts or arrangements.

c. Other contract offers. The procurement plan shall include a list and description of those types of contracts and arrangements listed in paragraph 20.13(1)*"b"* offered to the utility since the last filing into which the utility did not enter. In addition, the procurement plan shall include a list of those types of contracts and arrangements listed in paragraph 20.13(1)*"b"* which were offered to the utility for the prospective 12-month period and into which the utility did not enter.

d. Studies or investigation reports. The procurement plans shall include all studies or investigation reports which have been considered by the utility in deciding whether to enter into any of those types of contracts or arrangements listed in paragraphs 20.13(1)*"b"* and *"c"* which will be exercised or entered into during the prospective 12-month period.

e. Price hedge justification. The procurement plan shall justify purchasing allowance futures contracts as a hedge against future price changes in the market rather than for speculation.

f. Actual and projected costs. The procurement plan shall include an accounting of the actual costs incurred in the purchase and transportation of fuel and the purchase of allowances for use in generating electricity associated with each contract or arrangement filed in accordance with paragraph 20.13(1)*"b"* for the previous 12-month period.

The procurement plan also shall include an accounting of all costs projected to be incurred by the utility in the purchase and transportation of fuel and the purchase of allowances for use in generating electricity associated with each contract or arrangement filed in accordance with paragraph 20.13(1)*"b"* in the prospective 12-month period.

If applicable, the reporting of transportation costs in the procurement plan shall include all known liabilities, including all unit train costs.

g. Costs directly related to the purchase of fuel. The utility shall provide a list and description of all other costs directly related to the purchase of fuels for use in generating electricity not required to be reported by paragraph *"f."*

h. Compliance plans. Each utility shall file its emissions compliance plan as submitted to the EPA. Revisions to the compliance plan shall be filed with each subsequent procurement plan.

i. *Evidence submitted.* Each utility shall submit all factual evidence and written argument in support of its evaluation of the reasonableness and prudence of the utility's procurement practice decisions in the manner described in its procurement plan. The utility shall file data sufficient to forecast fuel consumption at each generating unit or power plant for the prospective 12-month period. The board may require the submission of machine-readable data for selected computer codes or models.

j. *Additional information.* Each utility shall file additional information as ordered by the board.

20.13(2) *Periodic review proceeding.* Rescinded IAB 12/5/18, effective 1/9/19.

[**ARC 4171C**, IAB 12/5/18, effective 1/9/19]

199—20.14(476) Flexible rates.

20.14(1) *Purpose.* This subrule is intended to allow electric utility companies to offer, at their option, incentive or discount rates to their customers.

20.14(2) *General criteria.*

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

b. In deciding whether to offer a specific discount, the utility shall evaluate the individual customer's, group's, or class's situation and perform a cost-benefit analysis before offering the discount.

c. Any discount offered should be such as to significantly affect the customer's or customers' decision to stay on the system or to increase consumption.

d. The consequences of offering the discount should be beneficial to all customers and to the utility. Other customers should not be at risk of loss as a result of these discounts; in addition, the offering of discounts shall in no way lead to subsidization of the discounted rates by other customers in the same or different classes.

20.14(3) *Tariff requirements.* If a company elects to offer flexible rates, the utility shall file for review and approval tariff sheets specifying the general conditions for offering discounted rates. The tariff sheets shall include, at a minimum, the following criteria:

a. The cost-benefit analysis must demonstrate that offering the discount will be more beneficial than not offering the discount.

b. The ceiling for all discounted rates shall be the approved rate on file for the customer's rate class.

c. The floor for the discount rate shall be equal to the energy costs and customer costs of serving the specific customer.

d. No discount shall be offered for a period longer than five years, unless the board determines upon good cause shown that a longer period is warranted.

e. Discounts should not be offered if they will encourage deterioration in the load characteristics of the customer receiving the discount.

20.14(4) *Reporting requirements.* Each rate-regulated electric utility electing to offer flexible rates shall file annual reports with the board within 30 days of the end of each 12 months. Reports shall include the following information:

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

(1) The identity of the new customers (by account number, if necessary);

(2) The value of the discount offered;

(3) The cost-benefit analysis results;

(4) The end-use cost of alternate fuels or energy supplies available to the customer, if relevant;

(5) The energy and demand components by month of the amount of electricity sold to the customer in the preceding 12 months.

b. Section 2 of the report relates to overall program evaluation. Amount of electricity refers to both energy and demand components when the customer is billed for both elements. For all discounts currently being offered, the report shall include:

(1) The identity of each customer (by account number, if necessary);

(2) The amount of electricity sold in the last 12 months to each customer at discounted rates, by month;

(3) The amount of electricity sold to each customer in the same 12 months of the preceding year, by month;

(4) The dollar value of the discount in the last 12 months to each customer, by month; and

(5) The dollar value of sales to each customer for each of the previous 12 months.

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

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

(2) The amount of electricity sold in the last 12 months to each customer, by month;

(3) The amount of electricity sold to each customer in the same 12 months of the preceding year, by month; and

(4) The dollar value of sales to each customer for each of the past 12 months.

d. No monthly report is required if the utility had no customers receiving a discount during the relevant period and had no customers which were evaluated for the discount and rejected during the relevant period.

20.14(5) *Rate case treatment.* In a rate case, 50 percent of any identifiable increase in net revenues will be used to reduce rates for all customers; the remaining 50 percent of the identifiable increase in net revenues may be kept by the utility. If there is a decrease in revenues due to the discount, the utility's test year revenues will be adjusted to remove the effects of the discount by assuming that all sales were made at full tariffed rates for the customer class. Determining the actual amount will be a factual determination to be made in the rate case.

[**ARC 4171C**, IAB 12/5/18, effective 1/9/19]

199—20.15(476) Customer contribution fund.

20.15(1) *Applicability and purpose.* This rule applies to each electric public utility, as defined in Iowa Code sections 476.1, 476.1A, and 476.1B. Pursuant to Iowa Code section 476.66, each utility shall maintain a program plan to assist the utility's low-income customers with weatherization and to supplement assistance received under the federal low-income home energy assistance program for the payment of winter heating bills.

20.15(2) *Program plan.* Rescinded IAB 12/5/18, effective 1/9/19.

20.15(3) *Notification.* Each utility shall notify all customers of the customer contribution fund at least twice a year. The method of notice which will ensure the most comprehensive notification to the utility's customers shall be employed. Upon commencement of service and at least once a year, the notice shall be mailed or personally delivered to all customers, or provided by electronic means to those customers who have consented to receiving electronic notices. The other required notice may be published in a local newspaper(s) of general circulation within the utility's service territory. A utility serving fewer than 6,000 customers may publish its semiannual notices locally in a free newspaper, utility newsletter or shopper's guide instead of a newspaper. At a minimum, the notice shall include:

a. A description of the availability and the purpose of the fund;

b. A customer authorization form. This form shall include a monthly billing option and any other methods of contribution.

20.15(4) *Methods of contribution.* The utility shall provide for contributions as monthly pledges, as well as one-time or periodic contributions. A pledge by a customer or other party shall not be construed to be a binding contract between the utility and the pledger. The pledge amount shall not be subject to delayed payment charges by the utility. Each utility may allow persons or organizations to contribute matching funds.

20.15(5) *Annual report.* On or before September 30 of each year, each utility shall file with the board a report of all the customer contribution fund activity for the previous fiscal year beginning July 1 and ending June 30. The report shall be in a form provided by the board and shall contain an accounting of the total revenues collected and all distributions of the fund. The utility shall report all utility expenses directly related to the customer contribution fund.

20.15(6) *Binding effect.* Rescinded IAB 12/5/18, effective 1/9/19.
[**ARC 4171C**, IAB 12/5/18, effective 1/9/19]

199—20.16(476) Exterior flood lighting.

20.16(1) *Newly installed lighting.* All newly installed public utility-owned exterior flood lighting shall be solid-state lighting or lighting with equivalent or better energy efficiency.

20.16(2) *In-service lighting replacement schedule.* In-service lighting shall be replaced with solid-state lighting or lighting with equivalent or better energy efficiency when worn out due to ballast, lamp, or fixture failure for any other reason, such as vandalism or storm damage. A utility shall file with the board as part of the utility's annual report required in 199—Chapter 23 a report stating the progress in converting to higher pressure sodium lighting or lighting with equivalent or higher energy efficiency. Information shall be provided as part of the board 24/7 requirements.

20.16(3) *Efficacy standards.* Lighting other than solid-state has equivalent or better efficacy if one or more of the following can be established:

a. For fixtures, the mean lumens-per-watt lamp rating is greater than 100; or

b. The new lighting uses no more energy per installation than comparable, suitably sized solid-state; or

c. The new lighting luminaries have a mean efficacy rating equal to or greater than 100 lumens per watt according to a Department of Energy (DOE) Lighting Facts label, testing under the DOE Commercially Available LED Product Evaluation and Reporting Program (CALiPER), Design Lights Consortium (DLC) or any other testing agency that follows Illuminating Engineering Society of North America LM-79-08 test procedures.
[**ARC 6021C**, IAB 11/3/21, effective 12/8/21]

199—20.17(476) Ratemaking treatment of emission allowances.

20.17(1) *Applicability and purpose.* This rule applies to all rate-regulated utilities providing electric service in Iowa. Under the Clean Air Act, each electric utility is required to hold sufficient emission allowances to offset emissions at all affected and new units. The acquisition and disposition of emission allowances will be treated for ratemaking purposes as defined in this rule.

20.17(2) *Definitions.* The following words and terms, when used in this rule, shall have the meaning indicated below:

"Auction allowances" are allowances acquired or sold through EPA's annual allowance auction.

"Boot" means something acquired or forfeited to equalize a trade.

"Direct sale allowances" are allowances purchased from the EPA in its annual direct sale.

"Fair market value" is the amount at which an allowance could reasonably be sold in a transaction between a willing buyer and a willing seller other than in a forced or liquidation sale.

"Historical cost" is the amount of cash or its equivalent paid to acquire an asset, including any direct acquisition expenses. Any commissions paid to brokers shall be considered a direct acquisition expense.

"Original cost" is the historical cost of an asset to the person first devoting the asset to public service.

"Statutory allowances" are allowances allocated by the EPA at no cost to affected units under the Clean Air Act either through annual allocations as a matter of statutory right and those for which a utility may qualify by using certain compliance options or effective use of conservation and renewables.

20.17(3) *Valuing allowances for ratemaking purposes.*

a. Statutory allowances. Valued at zero cost to electric utility.

b. Direct sale allowances. Valued at historical cost.

c. Auction allowances. Valued at historical cost.

d. Purchased allowances. Valued at historical cost.

20.17(4) *Valuing allowance inventory accounts.* Allowance inventory accounts shall be valued at the weighted average cost of all allowances eligible for use during that year.

20.17(5) *Valuing allowances acquired as part of a package.* Allowances acquired as part of a package with equipment, fuel, or electricity shall be valued at their fair market value at the time the allowances were acquired.

20.17(6) *Valuing allowances acquired through exchanges.*

a. Exchanges without boot. Electric utilities shall value allowances received in exchanges based on the recorded inventory value of the allowances relinquished.

b. Exchanges with boot. Electric utilities shall value allowances as the sum of the inventory cost of the allowances given up and the monetary consideration paid in boot for the newly acquired allowances. In determining the historical cost of allowances received, a gain (or loss) shall be recorded to the extent that the amount of boot received exceeds a proportionate share of the recorded weighted average inventory cost of the allowance surrendered. The proportionate share shall be based upon the ratio of the monetary consideration received (i.e., boot) to the total consideration received (monetary consideration plus the fair market value of the allowances received). The historical cost of the allowances received shall be equal to the amount derived by subtracting the difference between the boot received and the gain from the old inventory cost.

20.17(7) *Valuing allowances transferred among affiliates.*

a. Allowances transferred from a utility to a parent or unregulated subsidiary. Allowances shall be transferred at the higher of historical cost or fair market value.

b. Allowances transferred from an unregulated subsidiary or parent to a utility. Allowances shall be transferred at the lesser of original cost or fair market value.

c. Allowances transferred from a utility to an affiliated utility. Allowances shall be transferred at fair market value.

20.17(8) *Expense recognition and recovery of allowance costs.*

a. Expense recognition. Electric utilities shall charge allowances (including fractional amounts) to expense in the month in which related emissions occur.

b. Expense recovery. The expense associated with allowances used for compliance shall be passed through the energy adjustment as specified in rule 199—20.9(476). The expense associated with allowances used for compliance shall include expenses associated with vintage trades and emission for emission trades.

c. Allowance inventory shortage. If a utility emits more emissions in a month than it has allowances in inventory, the utility shall pass the estimated cost of acquiring the needed allowances through the energy adjustment. When the needed allowances are acquired, any difference between the estimated and actual cost of the allowances shall be passed through the energy adjustment as specified in rule 199—20.9(476).

20.17(9) *Gains/losses from allowance transactions.* The gains and losses, including net gains and losses, from allowance transactions shall be passed through the energy adjustment as specified in rule 199—20.9(476). Allowance transactions shall include vintage trades and emission for emission trades.

20.17(10) *Allowance futures or option contracts.*

a. Price hedging. Electric utilities shall defer the costs or benefits from hedging transactions and include such amounts in inventory values when the related allowances are acquired, sold, or otherwise disposed of. Where the costs or benefits of hedging transactions are not identifiable with specific allowances, the amounts shall be included in inventory values when the futures contract is closed.

b. Speculation. Allowance transactions entered into for the purpose of speculation shall not affect allowance inventory pricing.

20.17(11) *Working capital reserve of allowances.* A working capital reserve of allowances shall be established in each utility's rate case proceeding based on the probability of forced outages, fuel quality variability, variability in load growth, nuclear exposure, the price and availability of allowances on the national market, and any other factors that the board deems appropriate. The working capital reserve will earn at the utility's authorized rate of return.

20.17(12) *Allowances banked for future use.* Allowances banked for future use shall be considered plant held for future use in utility rate proceedings if a definitive plan and schedule for use of the allowances is deemed adequate by the board.

20.17(13) *Prudence of allowance transactions.* The prudence of allowance transactions shall be determined by the board in the periodic electric energy supply and cost review. The prudency review of allowance transactions and accompanying compliance plans shall be based on information available at the time the options or plans were developed. Costs recovered from ratepayers through the energy adjustment

that are deemed imprudent by the board shall be refunded with interest to ratepayers through the energy adjustment as specified in rule 199—20.9(476).

[**ARC 4171C**, IAB 12/5/18, effective 1/9/19]

199—20.18(476,478) Service reliability requirements for electric utilities.

20.18(1) *Applicability.* This rule is applicable to investor-owned electric utilities and electric cooperative corporations and associations operating within the state of Iowa subject to Iowa Code chapter 476 and to the construction, operation, and maintenance of electric transmission lines by electric utilities as defined in subrule 20.18(4) to the extent provided in Iowa Code chapter 478.

20.18(2) *Purpose and scope.* Reliable electric service is of high importance to the health, safety, and welfare of the citizens of Iowa. The purpose of this rule is to establish requirements for assessing the reliability of the transmission and distribution systems and facilities that are under the board's jurisdiction. This rule establishes reporting requirements to provide consumers, the board, and electric utilities with methodology for monitoring reliability and ensuring quality of electric service within an electric utility's operating area. This rule provides definitions and requirements for maintenance of interruption data, retention of records, and report filing.

20.18(3) *General obligations.*

a. Each electric utility shall make reasonable efforts to avoid and prevent interruptions of service. However, when interruptions occur, service shall be reestablished within the shortest time practicable, consistent with safety.

b. The electric utility's electrical transmission and distribution facilities shall be designed, constructed, maintained, and electrically reinforced and supplemented as required to reliably perform the power delivery burden placed upon them in the storm and traffic hazard environment in which they are located.

c. Each electric utility shall carry on an effective preventive maintenance program and shall be capable of emergency repair work on a scale which its storm and traffic damage record indicates as appropriate to its scope of operations and to the physical condition of its transmission and distribution facilities.

d. In appraising the reliability of the electric utility's transmission and distribution system, the board will consider the condition of the physical property and the size, training, supervision, availability, equipment, and mobility of the maintenance forces, all as demonstrated in actual cases of storm and traffic damage to the facilities.

e. Each electric utility shall keep records of interruptions of service on its primary distribution system and shall make an analysis of the records for the purpose of determining steps to be taken to prevent recurrence of such interruptions.

f. Each electric utility shall make reasonable efforts to reduce the risk of future interruptions by taking into account the age, condition, design, and performance of transmission and distribution facilities and providing adequate investment in the maintenance, repair, replacement, and upgrade of facilities and equipment.

g. Any electric utility unable to comply with applicable provisions of this rule may file a waiver request pursuant to rule 199—1.3(17A,474,476).

20.18(4) *Definitions.* Terms and formulas when used in this rule are defined as follows:

"Customer" means (1) any person, firm, association, or corporation, (2) any agency of the federal, state, or local government, or (3) any legal entity responsible by law for payment of the electric service from the electric utility which has a separately metered electrical service point for which a bill is provided. Electrical service point means the point of connection between the electric utility's equipment and the customer's equipment. Each meter equals one customer. Retail customers are end-use customers who purchase and ultimately consume electricity.

"Customer average interruption duration index (CAIDI)" means the average interruption duration for those customers who experience interruptions during the year. It is calculated by dividing the annual sum of all customer interruption durations by the total number of customer interruptions.

$$\text{CAIDI} = \frac{\text{Sum of All Customer Interruption Durations}}{}$$

Total Number of Customer Interruptions

"Distribution system" means that part of the electric system owned or operated by an electric utility and designed to operate at a nominal voltage of 25,000 volts or less.

"Electric utility" means investor-owned electric utilities and electric cooperative corporations and associations owning, controlling, operating, or using transmission and distribution facilities and equipment subject to the board's jurisdiction.

"GIS" means a geospatial information system. This is an information management framework that allows the integration of various data and geospatial information.

"Interrupting device" means a device capable of being reclosed whose purpose is to interrupt faults and restore service or disconnect loads. These devices can be manual, automatic, or motor-operated. Examples may include transmission breakers, feeder breakers, line reclosers, motor-operated switches, fuses, or other devices.

"Interruption" means a loss of service to one or more customers or other facilities and is the result of one or more component outages. The types of interruption include momentary event, sustained, and scheduled. The following interruption causes shall not be included in the calculation of the reliability indices:

1. Interruptions intentionally initiated pursuant to the provisions of an interruptible service tariff or contract and affecting only those customers taking electric service under such tariff or contract;
2. Interruptions due to nonpayment of a bill;
3. Interruptions due to tampering with service equipment;
4. Interruptions due to denied access to service equipment located on the affected customer's private property;
5. Interruptions due to hazardous conditions located on the affected customer's private property;
6. Interruptions due to a request by the affected customer;
7. Interruptions due to a request by a law enforcement agency, fire department, other governmental agency responsible for public welfare, or any agency or authority responsible for bulk power system security;
8. Interruptions caused by the failure of a customer's equipment; the operation of a customer's equipment in a manner inconsistent with law, an approved tariff, rule, regulation, or an agreement between the customer and the electric utility; or the failure of a customer to take a required action that would have avoided the interruption, such as failing to notify the company of an increase in load when required to do so by a tariff or contract.

"Interruption duration" as used herein in regard to sustained outages means a period of time measured in one-minute increments that starts when an electric utility is notified or becomes aware of an interruption and ends when an electric utility restores electric service. Durations of less than five minutes shall not be reported in sustained outages.

"Interruption, momentary" means single operation of an interrupting device that results in a voltage of zero. For example, two breaker or recloser operations equals two momentary interruptions. A momentary interruption is one in which power is restored automatically.

"Interruption, momentary event" means an interruption of electric service to one or more customers of duration limited to the period required to restore service by an interrupting device. Note: Such switching operations must be completed in a specified time not to exceed five minutes. This definition includes all reclosing operations that occur within five minutes of the first interruption. For example, if a recloser or breaker operates two, three, or four times and then holds, the event shall be considered one momentary event interruption.

"Interruption, scheduled" means an interruption of electric power that results when a transmission or distribution component is deliberately taken out of service at a selected time, usually for the purposes of construction, preventive maintenance, or repair. If it is possible to defer the interruption, the interruption is considered a scheduled interruption.

"Interruption, sustained" means any interruption not classified as a momentary event interruption. It is an interruption of electric service that is not automatically or instantaneously restored, with duration of greater than five minutes.

"Loss of service" means the loss of electrical power, a complete loss of voltage, to one or more customers. This does not include any of the power quality issues such as sags, swells, impulses, or harmonics. Also see definition of "interruption."

"Major event" will be declared whenever extensive physical damage to transmission and distribution facilities has occurred within an electric utility's operating area due to unusually severe and abnormal weather or event and:

1. Wind speed exceeds 90 mph for the affected area, or
2. One-half inch of ice is present and wind speed exceeds 40 mph for the affected area, or
3. Ten percent of the affected area total customer count is incurring a loss of service for a length of time to exceed five hours, or
4. 20,000 customers in a metropolitan area are incurring a loss of service for a length of time to exceed five hours.

"Meter" means, unless otherwise qualified, a device that measures and registers the integral of an electrical quantity with respect to time.

"Metropolitan area" means any community, or group of contiguous communities, with a population of 20,000 individuals or more.

"Momentary average interruption frequency index (MAIFI)" means the average number of momentary electric service interruptions for each customer during the year. It is calculated by dividing the total number of customer momentary interruptions by the total number of customers served.

$$\text{MAIFI} = \frac{\text{Total Number of Customer Momentary Interruptions}}{\text{Total Number of Customers Served}}$$

"OMS" is a computerized outage management system.

"Operating area" means a geographical area defined by the electric utility that is a distinct area for administration, operation, or data collection with respect to the facilities serving, or the service provided within, the geographical area.

"Outage" means the state of a component when it is not available to perform its intended function due to some event directly associated with that component. An outage may or may not cause an interruption of service to customers, depending on system configuration.

"Power quality" means the characteristics of electric power received by the customer, with the exception of sustained interruptions and momentary event interruptions. Characteristics of electric power that detract from its quality include waveform irregularities and voltage variations, either prolonged or transient. Power quality problems shall include, but are not limited to, disturbances such as high or low voltage, voltage spikes and transients, flickers and voltage sags, surges and short-time overvoltages, as well as harmonics and noise.

"Rural circuit" means a circuit not defined as an urban circuit.

"System average interruption duration index (SAIDI)" means the average interruption duration per customer served during the year. It is calculated by dividing the sum of the customer interruption durations by the total number of customers served during the year.

$$\text{SAIDI} = \frac{\text{Sum of All Customer Interruption Durations}}{\text{Total Number of Customers Served}}$$

"System average interruption frequency index (SAIFI)" means the average number of interruptions per customer during the year. It is calculated by dividing the total annual number of customer interruptions by the total number of customers served during the year.

$$\text{SAIFI} = \frac{\text{Total Number of Customer Interruptions}}{\text{Total Number of Customers Served}}$$

"Total number of customers served" means the total number of customers served on the last day of the reporting period.

"Urban circuit" means a circuit where both 75 percent or more of its customers and 75 percent or more of its primary circuit miles are located within a metropolitan area.

20.18(5) *Record-keeping requirements.*

a. Required records for electric utilities with over 50,000 Iowa retail customers.

(1) Each electric utility shall maintain a geospatial information system (GIS) and an outage management system (OMS) sufficient to determine a history of sustained electric service interruptions experienced by each customer. The OMS shall have the ability to access data for each customer in order to determine a history of electric service interruptions. Data shall be sortable by each of, and in any combination with, the following factors:

1. State jurisdiction;
2. Operating area (if any);
3. Substation;
4. Circuit;
5. Number of interruptions in reporting period; and
6. Number of hours of interruptions in reporting period.

(2) Records on interruptions shall be sufficient to determine the following:

1. Starting date and time the utility became aware of the interruption;
2. Duration of the interruption;
3. Date and time service was restored;
4. Number of customers affected;
5. Description of the cause of the interruption;
6. Operating areas affected;
7. Circuit number(s) of the distribution circuit(s) affected;
8. Service account number or other unique identifier of each customer affected;
9. Address of each affected customer location;
10. Weather conditions at time of interruption;
11. System component(s) involved (e.g., transmission line, substation, overhead primary main, underground primary main, transformer); and
12. Whether the interruption was planned or unplanned.

(3) Each electric utility shall maintain as much information as feasible on momentary interruptions.

(4) Each electric utility shall keep information on cause codes, weather codes, isolating device codes, and equipment failed codes.

1. The minimum interruption cause code set should include: animals, lightning, major event, scheduled, trees, overload, error, supply, equipment, other, unknown, and earthquake.
2. The minimum interruption weather code set should include: wind, lightning, heat, ice/snow, rain, clear day, and tornado/hurricane.
3. The minimum interruption isolating device set should include: breaker, recloser, fuse, sectionalizer, switch, and elbow.
4. The minimum interruption equipment failed code set should include: cable, transformer, conductor, splice, lightning arrester, switches, cross arm, pole, insulator, connector, other, and unknown.
5. Utilities may augment the code sets listed above to enhance tracking.

(5) An electric utility shall retain for seven years the records required by 20.18(5)*"a"*(1) through (4).

(6) Each electric utility shall record the date of installation of major facilities (poles, conductors, cable, and transformers) installed on or after April 1, 2003, and integrate that data into its GIS database.

b. Required records for all other electric utilities.

(1) Each electric utility, other than those providing only wholesale electric service, shall record and maintain sufficient records and reports that will enable it to calculate for the most recent seven-year period the average annual hours of interruption per customer due to causes in each of the following four major categories: power supplier, major storm, scheduled, and all other. Those electric utilities that provide only wholesale electric service shall provide their wholesale customers with the information necessary to allow those customers to ascertain the cause of power supply-related outages.

The category "scheduled" refers to interruptions resulting when a distribution transformer, line, or owned substation is deliberately taken out of service at a selected time for maintenance or other reasons.

The interruptions resulting from either scheduled or unscheduled outages on lines or substations owned by the power supplier are to be accounted for in the "power supplier" category.

The category "major storm" represents service interruptions from conditions that cause many concurrent outages because of snow, ice, or wind loads that exceed design assumptions for the lines.

The "all other" category includes outages primarily resulting from emergency conditions due to equipment breakdown, malfunction, or human error.

(2) When recording interruptions, each electric utility, other than those providing only wholesale electric service, shall use detailed standard codes for interruption analysis recommended by the United States Department of Agriculture, Rural Utilities Service (RUS) Bulletin 1730A-119, Tables 1 and 2, including the major cause categories of equipment or installation, age or deterioration, weather, birds or animals, member (or public), and unknown. The utility shall also include the subcategories recommended by RUS for each of these major cause categories.

(3) Each electric utility, other than those providing only wholesale electric service, shall also maintain and record data sufficient to enable it to compute systemwide calculated indices for SAIFI-, SAIDI-, and CAIDI-type measurements, once with the data associated with "major storms" and once without.

c. Each electric utility shall make its records of customer interruptions available to the board as needed.

20.18(6) *Notification of major events.* Notification of major events as defined in subrule 20.18(4) shall comply with the requirements of rule 199—20.19(476,478).

20.18(7) *Annual reliability and service quality report for utilities with more than 50,000 Iowa retail customers.* Each electric utility with over 50,000 Iowa retail customers shall submit to the board on or before May 1 of each year an annual reliability report for the previous calendar year for the Iowa jurisdiction. The report shall include the following information:

a. Description of service area. Urban and rural Iowa service territory customer count, Iowa operating area customer count, if applicable, and major communities served within each operating area.

b. System reliability performance.

(1) An overall assessment of the reliability performance, including the urban and rural SAIFI, SAIDI, and CAIDI reliability indices for the previous calendar year for the Iowa service territory and each defined Iowa operating area, if applicable. This assessment shall include outages at the substation, transmission, and generation levels of the system that directly result in sustained interruptions to customers on the distribution system. These indices shall be calculated twice, once with the data associated with major events and once without. This assessment should contain tabular and graphical presentations of the trend for each index as well as the trends of the major causes of interruptions.

(2) The urban and rural SAIFI, SAIDI, and CAIDI reliability average indices for the previous five calendar years for the Iowa service territory and each defined Iowa operating area, if applicable. The reliability average indices shall include outages at the substation, transmission, and generation levels of the system that directly result in sustained interruptions to customers on the distribution system. Calculation of the five-year average shall start with data from the year covered by the first Annual Reliability Report submittal so that by the fifth Annual Reliability Report submittal a complete five-year average shall be available. These indices shall be calculated twice, once with the data associated with major events and once without.

(3) The MAIFI reliability indices for the previous five calendar years for the Iowa service territory and each defined Iowa operating area for which momentary interruptions are tracked. The first annual report should specify which portions of the system are monitored for momentary interruptions, identify and describe the quality of data used, and update as needed in subsequent reports.

c. Reporting on customer outages.

(1) The reporting electric utility shall provide tables and graphical representations showing, in ascending order, the total number of customers that experienced set numbers of sustained interruptions during the year (i.e., the number of customers who experienced zero interruptions, the number of customers

who experienced one interruption, two interruptions, three interruptions, and so on). The utility shall provide this for each of the following:

1. All Iowa customers, excluding major events.
2. All Iowa customers, including major events.

(2) The reporting electric utility shall provide tables and graphical representations showing, in ascending order, the total number of customers that experienced a set range of total annual sustained interruption duration during the year (i.e., the number of customers who experienced zero hours total duration, the number of customers who experienced greater than 0.0833 but less than 0.5 hour total duration, the number of customers who experienced greater than 0.5 but less than 1.0 hour total duration, and so on, reflecting half-hour increments of duration). The utility shall provide this for each of the following:

1. All Iowa customers, excluding major events.
2. All Iowa customers, including major events.

d. Major event summary. For each major event that occurred in the reporting period, the following information shall be provided:

(1) A description of the area(s) impacted by each major event;
(2) The total number of customers interrupted by each major event;
(3) The total number of customer-minutes interrupted by each major event; and
(4) Updated damage cost estimates to the electric utility's facilities.

e. Information on transmission and distribution facilities.

(1) Total circuit miles of electric distribution line in service at year's end, segregated by voltage level. Reasonable groupings of lines with similar voltage levels, such as but not limited to 12,000- and 13,000-volt three-phase facilities, are acceptable.

(2) Total circuit miles of electric transmission line in service at year's end, segregated by voltage level.

f. Plans and status report. A plan for service quality improvements, including costs, for the electric utility's transmission and distribution facilities that will ensure quality, safe, and reliable delivery of energy to customers.

g. Capital expenditure information. Reporting of capital expenditure information shall start with data from the year covered by the first Annual Reliability Report submittal so that by the fifth Annual Reliability Report submittal five years of data shall be available in each subsequent annual report.

(1) Each electric utility shall report on an annual basis the total of:

1. Capital investment in the electric utility's Iowa-based transmission and distribution infrastructure approved by its board of directors or other appropriate authority. If any amounts approved by the board of directors are designated for use in a recovery from a major event, those amounts shall be identified in addition to the total.

2. Capital investment expenditures in the electric utility's Iowa-based transmission and distribution infrastructure. If any expenditures were utilized in a recovery from a major event, those amounts shall be identified in addition to the total.

(2) Each electric utility shall report the same capital expenditure data from the past five years in the same fashion as in 20.18(7)*"g"*(1).

h. Maintenance. Reporting of maintenance information shall start with data from the year covered by the first Annual Reliability Report submittal so that by the fifth Annual Reliability Report submittal five years of data shall be available in each subsequent annual report.

(1) Total maintenance budgets and expenditures for distribution, and for transmission, for each operating area, if applicable, and for the electric utility's entire Iowa system for the past five years. If any maintenance budgets and expenditures are designated for use in a recovery from a major event, or were used in a recovery from a major event, respectively, those amounts shall be identified in addition to the totals.

(2) Tree trimming.

1. The budget and expenditures described in 20.18(7)*"h"*(1) shall be stated in such a way that the total annual tree trimming budget expenditures shall be identifiable for each operating area and for the electric utility's entire Iowa system for the past five years.

2. Total annual projected and actual miles of transmission line and of distribution line for which trees were trimmed for the reporting year for each operating area and for the electric utility's entire Iowa system for the reporting year, compared to the past five years. If the utility has utilized, or would prefer to utilize, an alternative method or methods of tracking physical tree trimming progress, it may propose the use of that method or methods to the board in a request for waiver.

3. In the event the utility's actual tree trimming performance, based on how the utility tracks its tree trimming as described in 20.18(7)*"h"*(2)"1," lags behind its planned trimming schedule by more than six months, the utility shall be required to file for the board's approval additional tree trimming status reports on a quarterly basis. Such reports shall describe the steps the utility will take to remediate its tree trimming performance and backlog. The additional quarterly reports shall continue until the utility's backlog has been reduced to zero.

i. The annual reliability report shall include the number of poles inspected, the number rejected, and the number replaced.

20.18(8) *Annual report for all electric utilities not reporting pursuant to 20.18(7).*

a. Each electric utility shall adopt and have approved by its board of directors or other governing authority a reliability plan. The plan shall be updated not less than annually.

b. By April 1 of each year, each electric utility shall prepare for its board of directors or other governing authority a reliability report. A copy of the annual report shall be filed with the board for informational purposes, shall be made publicly available in its entirety to customers/consumer owners, and shall report on the reliability indices in 20.18(5)*"b"*(3) for each of the five previous calendar years.

20.18(9) *Inquiries about electric service reliability.*

a. For electric utilities with over 50,000 Iowa retail customers. A customer may request a report from an electric utility about the service reliability of the circuit supplying the customer's own meter. Within 20 working days of receipt of the request, the electric utility shall supply the report to the customer at a reasonable cost. The report should identify which interruptions (number and durations) are due to major events.

b. Other utilities are encouraged to adopt similar responses to the extent it is administratively feasible.

[**ARC 8394B**, IAB 12/16/09, effective 1/20/10; **ARC 9501B**, IAB 5/18/11, effective 6/22/11; **ARC 4171C**, IAB 12/5/18, effective 1/9/19]

199—20.19(476,478) Notification of outages.

20.19(1) *Notification.* The notification requirements in subrules 20.19(1) and 20.19(2) are for the timely collection of electric outage information that may be useful to emergency management agencies in providing for the welfare of individual Iowa citizens. Each electric utility shall notify the board when it is projected that an outage may result in a loss of service for more than six hours and the outage meets one of the following criteria:

a. Loss of service for more than six hours to substantially all of a municipality, including the surrounding area served by the same utility. A utility may use loss of service to 75 percent or more of customers within a municipality, including the surrounding area served by the utility, to meet this criterion;

b. Loss of service for more than six hours to 20 percent of the customers in a utility's established zone or loss of service to more than 5,000 customers in a metropolitan area, whichever is less;

c. A major event as defined in subrule 20.18(4); or

d. Any other outage considered significant by the electric utility. This includes loss of service for more than six hours to significant public health and safety facilities known to the utility at the time of the notification, even when the outage does not meet the criteria in paragraphs 20.19(1)*"a"* and *"b."*

20.19(2) *Information required.*

a. Notification shall be provided regarding outages that meet the requirements of subrule 20.19(1) by notifying the board duty officer by email at dutyofficer@iub.iowa.gov or, in appropriate circumstances, by

telephone at (515)745-2332. Notification shall be made at the earliest possible time after it is determined the event may be reportable and should include the following information, as available:

(1) The general nature or cause of the outage;

(2) The area affected;

(3) The approximate number of customers that have experienced a loss of electric service as a result of the outage;

(4) The time when service is estimated to be restored; and

(5) The name of the utility, the name and telephone number of the person making the report, and the name and telephone number of a contact person knowledgeable about the outage.

The notice should be supplemented as more complete or accurate information is available.

b. The utility shall provide to the board updates of the estimated time when service will be restored to all customers able to receive service or of significant changed circumstances, unless service is restored within one hour of the time initially estimated.

c. The utility shall notify the board once service is fully restored to all customers after an outage meeting the requirements of subrule 20.19(1).

[**ARC 8394B**, IAB 12/16/09, effective 1/20/10; Editorial change: IAC Supplement 12/29/10; **ARC 9819B**, IAB 11/2/11, effective 12/7/11; **ARC 1359C**, IAB 3/5/14, effective 4/9/14; **ARC 1623C**, IAB 9/17/14, effective 10/22/14; **ARC 4171C**, IAB 12/5/18, effective 1/9/19; **ARC 6021C**, IAB 11/3/21, effective 12/8/21]

199—20.20(476) Electric vehicle charging service.

20.20(1) A commercial or public electric vehicle charging station is not a public utility under Iowa Code section 476.1 if the charging station receives all electric power from the electric utility in whose service area the charging station is located. If an electric vehicle charging station obtains electric power from a source other than the electric utility, the determination of whether the commercial or public electric vehicle charging station is a public utility shall be resolved by the board.

20.20(2) A person, partnership, business association, or corporation, foreign or domestic, furnishing electricity to a commercial or public electric vehicle charging station shall comply with Iowa Code section 476.25 and, if applicable, with the terms and conditions of the public utility's tariffs or service rules.

20.20(3) A rate-regulated public utility shall not, through its filed tariff, prohibit electric vehicle charging or restrict the method of sale of electric vehicle charging at a commercial or public electric vehicle charging station.

20.20(4) Electric utilities and entities providing commercial or public electric vehicle charging service shall comply with all applicable statutes and regulations governing the provision of electric vehicle charging service, including but not limited to all taxing requirements, and shall, if necessary, file all appropriate tariffs.

[**ARC 5608C**, IAB 5/5/21, effective 6/9/21]

199—20.21(476) Transmission cost adjustment (TCA).

20.21(1) *Transmission cost adjustment.* Pursuant to Iowa Code section 476.6(8)*"b,"* public utilities may automatically adjust rates and charges to recover transmission-related costs incurred by or charged to the public utility consistent with a tariff or agreement that is subject to the jurisdiction of the Federal Energy Regulatory Commission, provided that a schedule showing the automatic adjustment of rates and charges is first filed with and approved by the board. Transmission cost adjustments shall be computed and tracked separately for each customer classification or grouping previously approved by the board and shall use the same unit of measure as the utility's tariffed rates. Changes in the customer classification and grouping on file are not automatic and require prior approval by the board. If any eligible cost is recovered outside of the TCA, the cost may not be recovered through the TCA until the cost is removed from its current recovery mechanism. If any eligible cost is recovered outside of the TCA, the cost may not be recovered through the TCA until the cost is removed from base rates during a utility's rate case. The TCA factor shall be included as a separate line item on the customer's bill.

20.21(2) *TCA annual factor.* An annual TCA factor update shall be filed as a TF docket at least 30 days prior to the beginning of the utility's TCA year. The TCA update shall include information describing which eligible TCA costs are being recovered through the TCA and, if not recovered through the TCA,

where eligible costs are being recovered. The annual TCA factors for each customer classification or grouping shall be based upon forecasted transmission costs allocated to Iowa retail customers, forecasted Iowa sales or demand, and allocation factors approved by the board. The forecasted allocation factors shall be based on a three-year average of the actual allocation factors for each of the three previous calendar years. For customers billed by kilowatt-hours, the factors shall be developed on a kilowatt-hour basis. For customers billed by kilowatt, the factors shall be developed on a kilowatt basis. In addition, the following is required to be included with this filing:

a. A listing of all transmission costs that are incurred by or charged to the public utility and are consistent with a tariff or agreement that is subject to the jurisdiction of the Federal Energy Regulatory Commission, detailing where each transmission cost is currently being recovered (e.g., base rates, TCA).

b. A time series chart of each transmission cost eligible for inclusion in the TCA for the previous three calendar years.

20.21(3) *Annual reconciliation.* Within four months after the effective date of annual TCA factors, a utility shall file an annual reconciliation based upon actual costs and revenues attributed to Iowa customers for the prior calendar year. The annual reconciliation shall be filed in the same TF docket identified for the annual filing required in subrule 20.21(2). The reconciliation shall include updated allocators for each customer classification or grouping based on actual load data from the prior calendar year. The actual costs for the prior calendar year shall be allocated to each customer class based upon the updated allocation factors. The utility shall compare the actual transmission costs allocated to each customer class with the actual revenue billed through the TCA by customer class net of the prior year's reconciliation dollar amount for each customer class. Any resulting overcollection or undercollection for each class shall be divided by the forecasted sales or demand for each customer class for the remainder of the TCA period. The resulting adjustments shall be added to the effective TCA factors which were approved in the TCA annual factor filing under subrule 20.21(2). The adjusted TCA factor for customers billed by kilowatt-hours shall be developed on a kilowatt-hour basis, and for customers billed on a kilowatt basis, the adjusted TCA factor shall be developed on a kilowatt basis.

20.21(4) *Other adjustments to the TCA factor.* A utility may propose other adjustments to the TCA factor throughout the 12-month TCA period to assist with accurate recovery of forecasted costs and revenues, subject to board approval. Any midyear adjustments shall be filed in the same TF docket as the annual filing. If a utility proposes an adjustment to the TCA factor, other than the reconciliation required in subrule 20.21(3), the utility shall provide an explanation for the proposed adjustment and provide information to support the proposed adjustment. For any customer billed by kilowatt-hours, the proposed adjustment shall be developed on a kilowatt-hour basis. For any customer billed on a kilowatt basis, the proposed adjustment shall be developed on a kilowatt basis.

20.21(5) *Quarterly informational filings.* By the end of the month following the end of each calendar quarter, the utility shall file a report containing, at minimum, the current cumulative overcollection or undercollection balance, support for the overcollection or undercollection calculation, the total transmission cost for the current calendar year by category, and the supporting invoices and documentation for the most recent calendar quarter. The reports shall be filed in the same TF docket as the annual TCA filing.

20.21(6) *Semiannual transmission reports.* Each year at the beginning, and midpoint of a utility's TCA year, each utility shall file a report detailing the utility's transmission-related activities. These reports shall detail the utility's recent efforts to mitigate transmission costs and influence policy to the benefit of the utility and its ratepayers.

20.21(7) *Midcontinent Independent System Operator, Inc. (MISO) refunds.* Any utility utilizing a TCA mechanism that receives transmission-related refunds from MISO shall file a refund plan for board approval, detailing how the utility will distribute the refund to customers. The refund plan must be filed once the amount and timing of the refund is known to the utility. The refund plan shall include an applicable interest rate for refund amounts held more than 30 days, the method of distributing the refund to customers, and the timing of distributing the refund to customers.

[**ARC 6021C**, IAB 11/3/21, effective 12/8/21]

These rules are intended to implement Iowa Code sections 17A.3, 364.23, 474.5, 476.1, 476.2, 476.6, 476.8, 476.20, 476.54, 476.66, 478.18, and 546.7.

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2 Effective date of 20.4(12), third unnumbered paragraph, delayed seventy days by the Administrative Rules Review Committee.

3 See IAB, Utilities Division.

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5 Effective date of 20.4(4) delayed until the adjournment of the 1994 Session of the General Assembly pursuant to Iowa Code section 17A.8(9) by the Administrative Rules Review Committee at its meeting held September 15, 1993.

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

[Prior to 10/8/86, Commerce Commission[250]]

DIVISION I
GENERAL PROVISIONS

199—21.1(476) Application of rules.

21.1(1) *Application of rules.* This chapter applies to any water, sanitary sewage, or storm water drainage utility operating within the state of Iowa under the jurisdiction of the Iowa utilities commission and is established under Iowa Code chapter 476.

a. Purpose. These rules are intended 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 which are subject to the jurisdiction of the Iowa utilities commission, and to provide standards for uniform practices by those utilities.

b. Organization. This rule and rule 199—21.2(476) apply to water, sanitary sewage, and storm water drainage utilities. Rules 199—21.3(476) through 199—21.10(476) apply only to water utilities. Rules 199—21.11(476) through 199—21.17(476) apply only to sanitary sewage utilities. Rules 199—21.18(476) through 199—21.21(476) apply only to storm water drainage utilities.

c. Commission. The term "commission" as used in this chapter means the Iowa utilities commission.

d. 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(3)*"c"* and *"d."* The term does not include a county or an entity organized pursuant to Iowa Code chapter 28E which is comprised entirely of counties.

e. Waiver. A utility or customer may file for a waiver of these rules in accordance with the provisions of rule 199—1.3(17A,474,476).

f. Other laws. These rules shall not relieve a utility from its duties under the laws of this state.

21.1(2) *Authorization of rules.* Iowa Code chapter 476 provides that the Iowa utilities commission shall establish all needful, just, and reasonable rules, not inconsistent with law, to govern the exercise of its powers and duties, the practice and procedure before it, and to govern the form, content, and filing of reports, documents, and other papers necessary to carry out the provisions of Iowa Code chapter 476.

[**ARC 4873C**, IAB 1/15/20, effective 2/19/20; Editorial change: IAC Supplement 7/24/24]

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

21.2(1) *Location and retention of records.* Unless otherwise specified in this chapter, all records required by these rules shall be kept and preserved in accordance with the applicable provisions of 199—Chapter 18.

21.2(2) *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 commission.

The form, identification and content of tariffs shall be in accordance with these rules.

a. Form and identification.

(1) The tariff shall be on 8½ × 11-inch pages so as to result in a clear and permanent record. Tariffs shall be filed electronically in compliance with 199—Chapter 14.

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

1. The first page shall be the title page, which will show the name of the utility, the type of utility service being provided, and the words "Iowa Utilities Commission."

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

Tariff No. _____

Supersedes Tariff No. _____

3. When a tariff sheet in a tariff is revised, amended, or eliminated, the tariff sheet shall indicate in the top right corner the number of the revision to that tariff sheet.

4. Any tariff sheet modifications shall 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 shall 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.

5. All sheets except the title page shall have the following information located at the top left of the tariff sheet:

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

6. All sheets except the title page shall have the following information located at the top right of the tariff sheet:

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

7. All sheets except the title page shall have the following information located at the bottom left of the tariff sheet:

- The issued date.
- The name of the person responsible for the issuance.

8. All sheets except the title page shall have the following information located at the bottom right of the tariff sheet:

- An effective date field.
- Proposed effective date for the tariff sheet.

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

(4) The effective date may be left blank by the utility and shall be determined by the commission. The utility may propose an effective date.

b. Content of tariffs. A tariff filed with the commission shall contain a table of contents and 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 commission. There shall also be shown the prices per unit of service, the number of units per billing period to which the prices apply, the period of billing, the minimum bill, the method of measuring demands and consumptions, including 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 shall be specified and shall be in accordance with subrule 21.4(4).

21.2(3) *List of persons authorized to receive commission inquiries.* Each utility shall file with the commission in the annual report required by 199—subrule 23.1(2) a list of names, titles, addresses, and telephone numbers of persons authorized to receive, act upon, and respond to communications from the commission in connection with: (1) general management duties; (2) customer relations (complaints); (3) engineering operations; and (4) meter tests and repairs, if meters are used. Each utility shall file with the commission a telephone contact number where the commission can obtain current information 24 hours a day about interruptions of service from a knowledgeable person. The contact information required by this subrule shall be kept current.

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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 shall be separately metered and billed. Submetering shall not be 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 shall adopt a written standard method of meter installation. Copies of standard methods shall be made available upon request. All meters shall 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 shall be maintained identical to readings of the meter register.

c. Registration devices for meters. Where remote meter reading is used, the customer shall 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 shall be scheduled at least quarterly. An effort shall 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 shall 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 shall 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 shall be filed with the commission.

21.3(5) *Extensions to customers.*

a. Definitions. The following definitions shall 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 shall 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 shall be 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 shall be grossed-up for the income tax effect of such revenue. The amount of tax shall be reduced by the present value of the tax benefits to be obtained by depreciating the property in determining the tax liability.

"Customer advance for construction record" means a separate record established and maintained by the utility, which includes by depositor, the amount of advance for construction provided by the customer, whether the advance is by cash or surety bond or equivalent surety, and if by surety bond, all relevant information concerning the bond or equivalent surety, the amount of refund, if any, to which the depositor is entitled, the amount of refund, if any, which has been made to the customer, the amount unrefunded, and 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: the size of the facility to be used by the customer, the size and type of equipment to be used by the customer, the average annual amount of service required by the equipment, and the average number of hours per day and days per year the equipment will be in use.

"Estimated construction costs" means an estimated calculation of construction costs using average costs in accordance with good engineering practices and based upon the following factors: amount of service required or desired by the customer requesting the extension; size, location and characteristics of the extension, including all appurtenances; and whether or not the ground is frozen or whether other adverse conditions exist. The average cost per foot shall be 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 shall 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 shall 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 shall require, no more than 30 days prior to commencement of construction, the customer or developer to advance funds which are subject to refund as additional customers are attached. A contract between the utility and the customer which requires an advance by the customer to make plant additions shall be available for commission inspection.

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

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 shall finance and make 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 shall contract with the utility and deposit 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 shall contract with the utility and deposit 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 shall have 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 shall 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 shall 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 shall 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 shall release the surety bond. The cash deposit, less the surcharge, shall be subject to refund by the utility for the remainder of the ten-year period.

c. Refunds. The utility shall refund to the depositor for a period of ten years from the date of the original advance, a pro-rata share for each service attachment to the distribution main extension. The pro-rata refund shall 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 shall 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 shall equal five times the estimated annual revenue of the customer attaching to the extension.

(3) In no event shall 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 shall be paid by the utility without interest. At the expiration of the above-described ten-year period, the customer advance for construction record shall be closed and the remaining balance shall be credited to the respective plant account.

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

e. More favorable methods permitted. Subrule 21.3(5) shall not be construed as prohibiting any utility from making 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. Subrule 21.3(5) shall not be construed as prohibiting an individual, partnership, or company from constructing its own extension. An extension constructed by a nonutility entity must meet at a minimum the applicable portions of the standards in subrules 21.5(1) and 21.5(2) 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 shall be made by the utility at the applicant's expense. At the time of attachment to the utility-owned equipment or facilities, the applicant shall transfer ownership of the extension to the utility and the utility shall book the original cost of construction of the extension as an advance for construction, and refunds shall be made to the applicant in accordance with paragraph 21.3(5)*"c."* The utility shall 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 shall 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 shall be installed at a convenient place between the property line and the curb. All services shall 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 is 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 shall 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 shall 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 shall 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) shall be located within the premises served or in a common location accessible to the customers and the utility.

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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 commission's rules of practice and procedures.

b. Inquiries for information or complaints to a utility shall be resolved promptly and courteously. Employees who receive customer telephone calls and office visits shall be qualified and trained in screening and resolving complaints, to avoid a preliminary recitation of the entire complaint to employees without ability and authority to act. The employee shall provide identification to the customer 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 bill insert or notice shall also include the following statement: "If (utility name) does not resolve your complaint, you may request assistance from the Iowa Utilities Commission by calling 1-877-565-4450, by writing to 1375 E. Court Avenue, Des Moines, Iowa 50319-0069, or by email to customer@iuc.iowa.gov."

d. The bill insert or notice on the bill will be provided no less than annually. Any utility which does not use the standard statement described in this subrule shall file its proposed statement in its tariff for approval. A utility which bills by postcard may place an advertisement in a local newspaper of general circulation or a customer newsletter instead of a mailing. The advertisement must be of a type size that is easily legible and conspicuous and must contain the information set forth above.

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 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 shall be mailed advising the customer of any new or additional deposit requirement. The customer shall have no less than 12 days from the date of mailing to comply. No written notice is required to be given of a deposit required as a prerequisite for commencing initial service.

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

e. Interest on customer deposits. Interest shall be paid by the utility to each customer required to make a deposit. Utilities shall compute interest on customer deposits at 7.5 percent per annum, compounded annually. Interest for prior periods shall be computed at the rate specified by the rule in effect for the period in question. Interest shall be paid for the period beginning with the date of deposit to the date of refund or to the date that the deposit is applied to the customer's account, or to the date the customer's bill becomes permanently delinquent. The date of refund is that date on which the refund or the notice of deposit refund is forwarded to the customer's last-known address. The date a customer's bill becomes permanently delinquent 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 shall be refunded upon termination of the customer's service.

g. Unclaimed deposits. The utility shall make a reasonable effort to return each unclaimed deposit and accrued interest after the termination of the services for which the deposit was made. The utility shall maintain a record of deposit information for at least two years or until such time as the deposit, together with accrued interest, escheats to the state pursuant to Iowa Code section 556.4 at which time the record and deposit, together with accrued interest, less any lawful deductions, shall be sent to the state treasurer pursuant to Iowa Code section 556.13.

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

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.

21.4(4) *Bill payment terms.* The bill shall be considered rendered to the customer when deposited in the U.S. mail with postage prepaid. If delivery is by other than U.S. mail, the bill shall be considered rendered when delivered to the last-known address of the party responsible for payment. There shall be not less than 20 days between the rendering of a bill and the date by which the account becomes delinquent.

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

b. Charge forgiveness. Each account shall be granted not less than one complete forgiveness of a late payment charge each calendar year. The utility's rules shall be definitive that on one monthly bill in each period of eligibility, the utility will accept the net amount of such bill as full payment for such month after expiration of the net payment period. The rules shall state how the customer is notified that the eligibility has been used.

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

21.4(6) *Adjustment of bills.* Bills which 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 commission. 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 shall be refunded to the customer. If a refund is due a person no longer a customer of the utility, a notice shall 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 21.4(6)*"a"* unless otherwise ordered by the commission.

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 shall not exceed five years unless otherwise ordered by the commission.

e. Undercharges. When a customer has been undercharged as a result of incorrect reading of the meter, incorrect application of the rate schedule, incorrect connection of the 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 commission. The maximum bill shall 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 commission.

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 shall be 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 commission.

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 commission.

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 shall be extended by up to 60 days if requested of the utility by the commission in the event the customer files a written complaint with the commission.

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 shall 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 commission, 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 shall, prior to refusing water service due to nonpayment of a bill, provide the customer a written statement of rights and responsibilities to avoid shutoff. Any utility which does not use the standard form set forth below shall electronically submit its proposed form to the commission for approval. A utility which is preparing to disconnect water service due to nonpayment of a bill for sanitary sewage disposal service or storm water drainage service shall 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 Commission 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 Commission in the event you file a written complaint with the Utilities Commission.

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 must 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, if 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 Commission toll-free at 877-565-4450. You may also write the Iowa Utilities Commission at 1375 E. Court Avenue, Des Moines, Iowa 50319-0069, or by email at customer@iuc.iowa.gov. Low-income customers may also be eligible for free legal assistance from Iowa Legal Aid, and may contact Legal Aid at 1-800-532-1275.

21.4(9) *Reconnection and charges.* In all cases of discontinuance of service where the cause of discontinuance has been corrected, the utility shall 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 shall 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" shall mean any objection to the charge, facilities, or quality of service of a utility.

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

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

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

[Editorial change: IAC Supplement 12/29/10; **ARC 1959C**, IAB 4/15/15, effective 5/20/15; **ARC 4873C**, IAB 1/15/20, effective 2/19/20; Editorial change: IAC Supplement 7/24/24]

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 shall conform to good standard engineering practice.

21.5(2) *Inspection.* Each utility shall 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 shall be based on the utility's experience and accepted good practice.

[**ARC 4873C**, IAB 1/15/20, effective 2/19/20]

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

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

21.6(2) *Meter test facilities and equipment.* Each utility furnishing metered service shall 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 commission.

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

a. Test flow limits. For determination of minimum test flow and normal test flow limits, the utility shall 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 shall 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 shall 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 shall 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 shall be tested in the condition as found in the customer's service. Tests shall be made at intermediate and maximum rates of flow, and the meter error shall be the algebraic average of the errors of the two tests.

21.6(6) *Request tests.* A utility shall test any meter upon written request of a customer. The utility will not be required to perform request tests more than once each 18 months. The customer shall be given the opportunity to be present at the request tests.

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

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

b. Guarantee. The application shall 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 commission shall forward the deposit to the utility and notify the utility of the requirement for the test. The utility shall not knowingly remove or adjust the meter until tested. The utility shall furnish all instruments, load devices, and other facilities necessary for the test and shall perform the test and shall 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 21.4(6)*"a,"* the amount paid to the utility shall be returned to the customer by the utility.

e. Notification. The utility shall notify the customer in advance of the date and time of the commission-ordered test.

f. Utility report. The utility shall make a written report of the results of the test. The report shall be sent to the customer and to the commission.

21.6(8) *Sealing of meters.* Upon completion of adjustment and test of any water meter the utility shall 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 21.6(3)*"a."*
d. The accuracy as left at each of the flow rates required by 21.6(3)*"a."*

e. Statement of any repairs.

f. If the meter test is made using a standard meter, the utility shall 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 shall 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, shall be retained for a minimum of three years.

[**ARC 4873C**, IAB 1/15/20, effective 2/19/20; Editorial change: IAC Supplement 7/24/24]

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

21.7(1) *Water pressures.* Under normal condition of water usage, the pressure (pound per square inch gauge) at a customer's service line shall be not less than 35 PSIG and not more than 125 PSIG.

At regular intervals, a utility shall make a survey of pressures in its water system. The survey shall be of sufficient magnitude to indicate the quality of service being rendered at representative points on its system. The survey shall be conducted during periods of high usage at or near the maximum usage during the year. The pressure charts for these surveys shall show the date and time of beginning and end of the test and the test location. Records of these pressure surveys shall be maintained at the utility's principal office in the state and made available to the commission 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 shall 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 shall 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 shall make a reasonable effort to notify all customers to be affected by the interruption. The notice shall include the time and anticipated duration of the interruption. Interruptions shall be scheduled at hours which create the least inconvenience to the customer.

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

21.7(3) *Water supply shortage.* The utility shall 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 shall equitably apportion its available water supply among its customers. The utility shall notify its customers and the commission 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 shall not take effect unless approved by the commission, except in cases of emergency.

[**ARC 4873C**, IAB 1/15/20, effective 2/19/20; Editorial change: IAC Supplement 7/24/24]

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" shall be defined as 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 which provides public fire protection water service to a city preparing an application pursuant to subrule 21.8(3) shall 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 commission 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 shall 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;

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 shall file with the commission for its approval, not less than 30 days before providing notification to affected customers, a copy of the proposed notice.

b. Required content of notification. The notice shall 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. It shall advise customers that the city is requesting the increase and that customers have the right to file with the commission a written objection to the proposed increase and to request a public hearing. It shall also 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 shall 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. The city shall 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 shall 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 shall 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. Filing of application. The applicant shall file the application with the commission.

b. Docketing. Within 30 days of the filing of the application, the commission shall either approve the application or docket the case as a formal proceeding and establish a procedural schedule.

c. Rules. If the case is docketed as a formal proceeding, the rules in 199—Chapter 7, if not inconsistent, shall apply.

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

[**ARC 4873C**, IAB 1/15/20, effective 2/19/20; Editorial change: IAC Supplement 7/24/24]

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

21.9(1) *Notification.* A water utility shall notify the commission 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 commission immediately, or as soon as practical, of any reportable incident by emailing the duty officer at dutyofficer@iuc.iowa.gov or, when email is not available, by calling the commission duty officer at (515)745-2332. The person sending the email shall 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 shall notify the commission when the incident has ended and normal water service has been restored.

[**ARC 1359C**, IAB 3/5/14, effective 4/9/14; **ARC 1623C**, IAB 9/17/14, effective 10/22/14; **ARC 4873C**, IAB 1/15/20, effective 2/19/20; Editorial change: IAC Supplement 7/24/24]

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(4) shall maintain separate books and records for the acquired system until the utility's next general rate case, unless otherwise ordered by the commission.

[**ARC 4873C**, IAB 1/15/20, effective 2/19/20; Editorial change: IAC Supplement 7/24/24]

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 commission-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 shall be filed in the utility's tariff and approved by the commission. A proposed tariff which includes provisions for separate sanitary sewage meters shall 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 shall be established pursuant to commission-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 commission-approved tariffs.

21.11(3) *Sewage meter requirements.*

a. Sewage meter installation. Each sanitary sewage utility shall adopt a written standard method or a method preapproved by the commission for meter installation. Copies of standard methods shall be made available upon request. All meters shall 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 shall be maintained identical to readings of the meter register.

c. Registration devices for meters. Where remote meter reading is used, the customer shall 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 shall be scheduled at least quarterly. An effort shall 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 shall 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 shall 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 shall be filed with the commission.

21.11(5) *Extensions to customers.*

a. Definitions. The following definitions shall apply to the terms used in subrule 21.11(5):

"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 shall 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 shall be 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 shall be grossed-up for the income tax effect of such revenue. The amount of tax shall be reduced by the present value of the tax benefits to be obtained by depreciating the property in determining the tax liability.

"Customer advance for construction record" means a separate record established and maintained by the utility, which includes by depositor, the amount of advance for construction provided by the customer, whether the advance is by cash or surety bond or equivalent surety, and if by surety bond, all relevant information concerning the bond or equivalent surety, the amount of refund, if any, to which the depositor

is entitled, the amount of refund, if any, which has been made to the customer, the amount unrefunded, and 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: the size of the facility to be used by the customer, the size and type of equipment to be used by the customer, the average annual amount of service required by the equipment, and the average number of hours per day and days per year the equipment will be in use.

"Estimated construction cost" means an estimated calculation of construction costs using average costs in accordance with good engineering practices and based upon the following factors: amount of service required or desired by the customer requesting the extension; size, location and characteristics of the extension, including all appurtenances; and whether or not the ground is frozen or whether other adverse conditions exist. The average cost per foot shall be 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 shall 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 shall 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 shall require, no more than 30 days prior to commencement of construction, the customer or developer to advance funds which are subject to refund as additional customers are attached. A contract between the utility and the customer which requires an advance by the customer to make plant additions shall be available for commission inspection.

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

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 shall 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 shall contract with the utility and deposit 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 shall contract with the utility and deposit 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 shall have 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 shall 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 shall 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 shall 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 shall release the surety bond. The cash deposit, less the surcharge, shall be subject to refund by the utility for the remainder of the ten-year period.

c. Refunds. The utility shall refund to the depositor for a period of ten years from the date of the original advance, a pro-rata share for each service attachment to the sewer main extension. The pro-rata refund shall 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 shall 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 shall equal five times the estimated annual revenue of the customer attaching to the extension.

(3) In no event shall 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 shall be paid by the utility without interest. At the expiration of the above-described ten-year period, the customer advance for construction record shall be closed and the remaining balance shall be credited to the respective plant account.

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

e. More favorable methods permitted. Subrule 21.11(5) shall not be construed as prohibiting any utility from making 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. Subrule 21.11(5) shall not be construed as prohibiting an individual, partnership, or company from constructing its own extension. An extension constructed by a nonutility entity must meet at a minimum the applicable portions of the standards in subrules 21.13(1) and 21.13(2) 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 shall be made by the utility at the applicant's expense. At the time of attachment to the utility-owned equipment or facilities, the applicant shall transfer ownership of the extension to the utility and the utility shall book the original cost of construction of the extension as an advance for construction, and refunds shall be made to the applicant in accordance with paragraph 21.11(5)*"c."* The utility shall 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 shall 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 shall 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 shall 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 shall 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) shall be located within the premises served or in a common location accessible to the customers and the utility.

[**ARC 4873C**, IAB 1/15/20, effective 2/19/20; Editorial change: IAC Supplement 7/24/24]

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 commission's rules of practice and procedures.

b. Inquiries for information or complaints to a utility shall be resolved promptly and courteously. Employees who receive customer telephone calls and office visits shall be qualified and trained in screening and resolving complaints to avoid a preliminary recitation of the entire complaint to employees without ability and authority to act. The employee shall provide identification to the customer 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 bill insert or notice shall also include the following statement: "If (utility name) does not resolve your complaint, you may request assistance from the Iowa Utilities Commission by calling 877-565-4450; by writing to 1375 E. Court Avenue, Des Moines, Iowa 50319-0069; or by email to customer@iuc.iowa.gov."

d. The bill insert or notice on the bill will be provided no less than annually. Any utility which does not use the standard form contained herein shall file its proposed form in its tariff for approval. A utility which bills by postcard may place an advertisement in a local newspaper of general circulation or a customer newsletter instead of a mailing. The advertisement must be of a type size that is easily legible and conspicuous and must contain the information set forth above.

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 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 shall be mailed advising the customer of any new or additional deposit requirement. The customer shall have no less than 12 days from the date of mailing to comply. No written notice is required to be given of a deposit required as a prerequisite for commencing initial service.

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

e. Interest on customer deposits. Interest shall be paid by the utility to each customer required to make a deposit. Utilities shall compute interest on customer deposits at 7.5 percent per annum, compounded annually. Interest for prior periods shall be computed at the rate specified by the rule in effect for the period in question. Interest shall be paid for the period beginning with the date of deposit to the date of refund or to the date that the deposit is applied to the customer's account, or to the date the customer's bill becomes permanently delinquent. The date of refund is that date on which the refund or the notice of

deposit refund is forwarded to the customer's last-known address. The date a customer's bill becomes permanently delinquent 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 shall be refunded upon termination of the customer's service.

g. Unclaimed deposits. The utility shall make a reasonable effort to return each unclaimed deposit and accrued interest after the termination of the services for which the deposit was made. The utility shall maintain a record of deposit information for at least two years or until such time as the deposit, together with accrued interest, escheats to the state pursuant to Iowa Code section 556.4, at which time the record and deposit, together with accrued interest, less any lawful deductions, shall be sent to the state treasurer pursuant to Iowa Code section 556.13.

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

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.

21.12(4) *Bill payment terms.* The bill shall be considered rendered to the customer when deposited in the U.S. mail with postage prepaid. If delivery is by other than U.S. mail, the bill shall be considered rendered when delivered to the last-known address of the party responsible for payment. There shall be not less than 20 days between the rendering of a bill and the date by which the account becomes delinquent.

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

b. Charge forgiveness. Each account shall be granted not less than one complete forgiveness of a late payment charge each calendar year. The utility's rules shall be definitive that on one monthly bill in each period of eligibility, the utility will accept the net amount of such bill as full payment for such month after expiration of the net payment period. The rules shall state how the customer is notified that the eligibility has been used.

21.12(5) *Customer records.* The utility shall retain 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 which 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 commission. 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 shall be refunded to the customer. If a refund is due a person no longer a customer of the utility, a notice shall 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 commission.

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 shall not exceed five years unless otherwise ordered by the commission.

e. Undercharges. When a customer has been undercharged as a result of incorrect reading of the meter, incorrect application of the rate schedule, incorrect connection of the 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 commission. The maximum bill shall 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 commission.

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 shall be 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 commission. Refusal of service shall be pursuant to tariffs approved by the commission.

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 commission.

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 Commission, 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 shall 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 shall 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" shall mean any objection to the charge, facilities, or quality of service of a utility.

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

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

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

[**ARC 4873C**, IAB 1/15/20, effective 2/19/20; Editorial change: IAC Supplement 7/24/24]

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 shall conform to good standard engineering practice.

21.13(2) *Inspection.* Each utility shall adopt and follow 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 shall be based on the utility's experience and accepted good practice.
[**ARC 4873C**, IAB 1/15/20, effective 2/19/20]

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 shall be tested in substantial conformity with the requirements of rule 199—21.6(476).
[**ARC 4873C**, IAB 1/15/20, effective 2/19/20]

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 shall conform to the requirements prescribed by law.

21.15(3) *Reasonable efforts to prevent.* The utility shall 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 shall notify the commission when it requests assistance from other state or local agencies.

21.15(4) *Bypass and upset.* The utility shall 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 shall 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, it shall make a reasonable effort to notify all customers to be affected by the interruption. The notice shall include the time and anticipated duration of the interruption. Interruptions shall be scheduled at hours which create the least inconvenience to the customer. The utility shall notify the commission when sanitary sewage service is interrupted. Except for emergencies, a utility shall not 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 shall be considered a separate class of service for ratemaking purposes.
[**ARC 4873C**, IAB 1/15/20, effective 2/19/20; Editorial change: IAC Supplement 7/24/24]

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

21.16(1) *Notification.* A sanitary sewage utility shall notify the commission 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 commission immediately, or as soon as practical, of any reportable incident by emailing the duty officer at dutyofficer@iuc.iowa.gov or, when email is not available, by calling the commission duty officer at (515)745-2332. The person sending the email shall 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 shall notify the commission when the incident has ended and normal sanitary sewage service has been restored.

[**ARC 4873C**, IAB 1/15/20, effective 2/19/20; Editorial change: IAC Supplement 7/24/24]

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(4) shall maintain separate books and records for the acquired system until the utility's next general rate case, unless otherwise ordered by the commission.

[**ARC 4873C**, IAB 1/15/20, effective 2/19/20; Editorial change: IAC Supplement 7/24/24]

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 shall 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 shall be based upon the utility's experience and be pursuant to tariffs approved by the commission.

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

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 commission.

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

[**ARC 4873C**, IAB 1/15/20, effective 2/19/20; Editorial change: IAC Supplement 7/24/24]

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 commission rules of practice and procedures.

b. Inquiries for information or complaints to a utility shall be resolved promptly and courteously. Employees who receive customer telephone calls and office visits shall be qualified and trained in

screening and resolving complaints, to avoid a preliminary recitation of the entire complaint to employees without ability and authority to act. The employee shall provide identification to the customer 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 bill insert or notice shall also include the following statement: "If (utility name) does not resolve your complaint, you may request assistance from the Iowa Utilities Commission by calling 877-565-4450; by writing to 1375 E. Court Avenue, Des Moines, Iowa 50319-0069; or by email to customer@iuc.iowa.gov."

d. The bill insert or notice on the bill will be provided no less than annually. Any utility which does not use the standard form contained herein shall file its proposed form in its tariff for approval. A utility which bills by postcard may place an advertisement in a local newspaper of general circulation or a customer newsletter instead of a mailing. The advertisement must be of a type size that is easily legible and conspicuous and must contain the information set forth above.

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 shall be mailed advising the customer of any new or additional deposit requirement. The customer shall have no less than 12 days from the date of mailing to comply. No written notice is required to be given of a deposit required as a prerequisite for commencing initial service.

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

e. Interest on customer deposits. Interest shall be paid by the utility to each customer required to make a deposit. Utilities shall compute interest on customer deposits at 7.5 percent per annum, compounded annually. Interest for prior periods shall be computed at the rate specified by the rule in effect for the period in question. Interest shall be paid for the period beginning with the date of deposit to the date of refund or to the date that the deposit is applied to the customer's account, or to the date the customer's bill becomes permanently delinquent. The date of refund is that date on which the refund or the notice of deposit refund is forwarded to the customer's last-known address. The date a customer's bill becomes permanently delinquent 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 shall be refunded upon termination of the customer's service.

g. Unclaimed deposits. The utility shall make a reasonable effort to return each unclaimed deposit and accrued interest after the termination of the services for which the deposit was made. The utility shall maintain a record of deposit information for at least two years or until such time as the deposit, together with accrued interest, escheats to the state pursuant to Iowa Code section 556.4, at which time the record and deposit, together with accrued interest, less any lawful deductions, shall be sent to the state treasurer pursuant to Iowa Code section 556.13.

[**ARC 4873C**, IAB 1/15/20, effective 2/19/20; Editorial change: IAC Supplement 7/24/24]

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

21.20(1) *Notification.* A utility shall notify the commission 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 commission immediately, or as soon as practical, of any reportable incident by emailing the duty officer at dutyofficer@iuc.iowa.gov or, when email is not available, by calling the commission duty officer at (515)745-2332. The person sending the email shall 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 shall notify the commission when the incident has ended and normal storm water drainage service has been restored.

[**ARC 4873C**, IAB 1/15/20, effective 2/19/20; Editorial change: IAC Supplement 7/24/24]

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(4) shall maintain separate books and records for the acquired system until the utility's next general rate case, unless otherwise ordered by the commission.

[**ARC 4873C**, IAB 1/15/20, effective 2/19/20; Editorial change: IAC Supplement 7/24/24]

These rules are intended to implement Iowa Code sections 17A.3, 474.5, 476.1, 476.2, 476.6(18), 476.8, and 546.7.

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[1] Effective date of 21.3(12)*"a," "b"*(1) and (3), and *"e"* delayed 70 days by the Administrative Rules Review Committee.

[2] Effective date of 21.4(2)*"e"* delayed until the adjournment of the 1994 Session of the General Assembly pursuant to Iowa Code section 17A.8(9) by the Administrative Rules Review Committee at its meeting held September 15, 1993.

CHAPTER 22
REGULATION OF TELECOMMUNICATIONS SERVICE
[Prior to 10/8/86, Commerce Commission[250]]

199—22.1(476) General information.

22.1(1) *Application and purpose of rules.* These rules shall apply to any telecommunications service provider operating within the state of Iowa subject to Iowa Code chapter 476, including local exchange telecommunications service providers, interexchange telecommunications service providers, or alternative operator services companies. These rules are intended to govern the exercise of the commission's powers and duties relating to the provision of telecommunications service in the state of Iowa, and to govern the form, contents, and filing of registrations, tariffs, and other documents necessary to carry out the commission's powers and duties. A request to waive the application of any rule on a permanent or temporary basis may be made in accordance with rule 199—1.3(17A,474,476).

22.1(2) *Definitions.* For the administration and interpretation of these rules, the following words and terms shall have the meanings indicated below:

"Alternative operator services company" or *"AOS company"* means a nongovernmental company which receives more than half of its Iowa intrastate telecommunications services revenues from calls placed by end-user customers from telephones other than ordinary residence or business telephones. This definition is further limited to include only companies which provide operator assistance, either through live or automated intervention, on calls placed from other than ordinary residence or business telephones, and does not include services provided under contract to rate-regulated local exchange telecommunications service providers. Alternative operator services companies as defined are telecommunications service providers subject to the rules in this chapter.

"Calls" means telephone messages attempted by customers or users.

"Commission" means the Iowa utilities commission.

"Competitive local exchange carrier" or *"CLEC"* means a telecommunications service provider, other than an incumbent local exchange telecommunications service provider, that provides local exchange service.

"Customer" means any person as defined in Iowa Code section 4.1(20) responsible by law for payment for communications service from the telecommunications service provider.

"Exchange" means a unit established by a telecommunications service provider for the administration of communications services.

"Exchange service" means communications service furnished by means of exchange plant and facilities.

"Exchange service area" or *"exchange area"* means the general area in which the telecommunications service provider holds itself out to furnish local exchange telephone service.

"High-volume access service" or *"HVAS"* is any service that results in an increase in total billings for intrastate exchange access for a local exchange telecommunications service provider in excess of 100 percent in less than six months. By way of illustration and not limitation, HVAS typically results in significant increases in interexchange call volumes and can include chat lines, conference bridges, call center operations, help desk provisioning, or similar operations. These services may be advertised to consumers as being free or for the cost of a long distance call. The call service operators often provide marketing activities for HVAS in exchange for direct payments, revenue sharing, concessions, or commissions from local telecommunications service providers.

"Incumbent local exchange carrier" or *"ILEC"* means a telecommunications service provider, or successor to a telecommunications service provider, that was the historical provider of local exchange service pursuant to an authorized certificate of public convenience and necessity within a specific geographic area described in maps approved by the commission as of September 30, 1992.

"Information service" means the offering of a capability for generating, acquiring, storing, transforming, processing, retrieving, utilizing, or making available information via telecommunications, and includes electronic publishing, but does not include any use of any such capability for the management, control, or operation of a telecommunications system or the management of a telecommunications service.

"Interexchange service" is the provision of intrastate telecommunications services and facilities between local exchanges.

"Interexchange telecommunications service provider" means a telecommunications service provider, a resale telecommunications service provider or other entity that provides intrastate telecommunications services and facilities between exchanges within Iowa, without regard to how such traffic is carried. A local exchange telecommunications service provider that provides exchange service may also be considered an interexchange telecommunications service provider. An interexchange telecommunications service provider that provides local exchange service may also be considered a local exchange service provider.

"InterLATA toll service" means toll service that originates and terminates between local access transport areas.

"Internet protocol-enabled service" means any service, capability, functionality, or application that uses Internet protocol or any successor protocol and enables an end user to send or receive voice, data, or video communications in Internet protocol format or a successor format.

"IntraLATA toll service" means toll service that originates and terminates within the same local access transport area.

"Intrastate access services" are services of telecommunications service providers which provide the capability to deliver intrastate telecommunications services which originate from end users to interexchange telecommunications service providers and the capability to deliver intrastate telecommunications services from interexchange telecommunications service providers to end users.

"Local exchange service" means telephone service furnished between customers or users located within an exchange area.

"Local exchange telecommunications service provider" means a registered telecommunications service provider that provides local exchange service. The telecommunications service provider may also provide other services and facilities such as access services.

"Message" means a completed telephone call by a customer or user.

"Rates" means amounts billed to customers for alternative operator services or intrastate access services.

"Registration" means compliance by all telecommunications service providers with Iowa Code chapter 476. Registration shall be in the form as provided by the commission in 199—Chapter 23.

"Retail services" means those communications services furnished by a telecommunications service provider directly to end-user customers. For an alternative operator services company, the terms and conditions of its retail services are addressed in an approved intrastate tariff.

"Tariff" means the entire body of rates, classifications, rules, procedures, policies, etc., adopted and filed with the commission by a local exchange telecommunications service provider for wholesale services, not governed by an interconnection agreement or commercial agreement, or by an alternative operator services company for retail services, in fulfilling its role of furnishing telecommunications services.

"Telecommunications service provider" or *"service provider"* means a provider of local exchange or long distance telephone services, or both, other than commercial mobile radio service. "Telecommunications service provider" includes alternative operator service companies and providers of wholesale service. "Telecommunications service provider" includes companies formerly included in the definition of "telephone utility" or "utility" and means any person, partnership, business association, or corporation, domestic or foreign, owning or operating any facilities for furnishing communications service to the public for compensation.

"Toll message" means a message made between different exchange areas for which a charge is made, excluding message rate service charges.

"Traffic" means telephone call volume, based on number and duration of calls.

"Transitional intrastate access service" means annual reductions affecting terminating end office access service that was subject to intrastate access rates as of December 31, 2011; terminating tandem-switched transport access service subject to intrastate access rates as of December 31, 2011; and originating and terminating dedicated transport access service subject to intrastate access rates as of December 31, 2011.

"Voice over Internet protocol service" means an Internet protocol-enabled service that facilitates real-time, two-way voice communication that originates from, or terminates at, a user's location and permits the user to receive a call that originates from the public switched telephone network and to terminate a call on the public switched telephone network.

"Wholesale services" means those communications services furnished by one telecommunications service provider to another provider of communications services. The terms and conditions of wholesale services may be addressed in a telecommunications service provider's approved intrastate access tariff, local interconnection tariff, interconnection agreement reached under Sections 251 and 252 of the federal Telecommunications Act, or in a commercial agreement reached between the providers. Nothing in this chapter shall affect, limit, modify, or expand an entity's obligations under Sections 251 and 252 of the federal Telecommunications Act; any commission authority over wholesale telecommunications rates, services, agreements, interconnection, providers, or tariffs; or any commission authority addressing or affecting the resolution of disputes regarding compensation between telecommunications service providers.

[**ARC 4831C**, IAB 12/18/19, effective 1/22/20; Editorial change: IAC Supplement 7/24/24]

199—22.2(476) Tariffs.

22.2(1) *Tariffs to be filed with the commission.* Telecommunications service providers which are required to file tariffs with the commission, such as alternative operator service companies and telecommunications service providers offering intrastate access, shall maintain tariffs in a current status. A copy of the tariffs shall be available upon request. The tariffs shall be classified, designated, arranged, and submitted so as to conform to the requirements of this chapter or commission order. Provisions in the tariffs shall be definite and stated so as to minimize ambiguity or the possibility of misinterpretation. The form, identification, and content of tariffs shall be in accordance with these rules unless otherwise provided.

22.2(2) *Form and identification.* All tariffs shall conform to the following requirements:

a. The tariff shall be printed so as to result in a clear and permanent record. The sheets of the tariff should be ruled or spaced to set off a border on the left side. In the case of telecommunications service providers subject to regulation by any federal agency, the format of the sheets of the tariff filed with the commission may be the same format as is required by the federal agency, provided that the requirements of the commission as to title page; identity of superseding, replacing or revising sheets; identity of amending sheets; identity of the filing telecommunications service provider, issuing official, date of issue and effective date; and the words "Filed with the commission" shall be applied to modify the federal agency format for the purposes of filing with this commission.

b. The title page of every tariff and supplement shall show the following in the order set forth below:

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

Name of Telecommunications Service Provider

Telecommunications Tariff

Filed with Iowa Utilities Commission

Date

(2) When a tariff is to be superseded or replaced in its entirety, the replacing tariff shall show on its title page that it is a revision of a tariff on file.

(3) When a revision or amendment is made to a filed tariff, the revision or amendment shall show on each sheet the designation of the original tariff or the number of the immediately preceding revision or amendment which it replaces.

(4) When a new part of a tariff eliminates an existing part of a tariff, it shall so state and clearly identify the part eliminated.

c. Any tariff modifications as described above shall be marked in the right-hand margin of the replacing tariff sheet with symbols as here described to indicate the place, nature and extent of the change in text. The marked version shall show all additions and deletions, with all new language marked by underlined text and all deleted language indicated by strike-through. The following symbols are to be used in identifying changes to tariffs.

Symbol	Meaning
(C)	A change in regulation.
(D)	A discontinued rate or regulation.
(I)	An increased rate.
(N)	A new rate, treatment or regulation.
(R)	A reduced rate or new treatment resulting in a reduced rate.
(T)	A change in the text that does not include a change in rate, treatment, or regulation.

d. All sheets except the title page shall have, in addition to the information required above, the following further information:

(1) The name of the telecommunications service provider, which shall be set forth above the words "Telecommunications Service Provider Tariff" under which shall be set forth the words "Filed with commission." If the telecommunications service provider is not a corporation and a trade name is used, the name of the individual or partners must precede the trade name.

(2) The issue date and the name of the issuing official.

(3) The effective date.

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199—22.3(476) Customer complaints. Complaints from customers about telecommunications service shall be processed pursuant to the commission's rules in 199—Chapter 6. Unless a customer agrees to an alternative form of notice, local exchange telecommunications service providers shall notify customers by bill insert or notice on the bill form of the address and telephone number where a telecommunications service provider representative can be reached. The bill insert or notice shall also include a statement: "If (telecommunications service provider name) does not resolve your complaint, you may request assistance from the Iowa Utilities Commission by writing to the Iowa Utilities Commission, 1375 E. Court Avenue, Des Moines, Iowa 50319; by calling 515-725-7321 or toll-free 877-565-4450; or by email to customer@iuc.iowa.gov." The bill insert or notice on the bill shall be provided no less than annually.

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199—22.4(476) Intrastate access charge application, tariff procedures, and rates.

22.4(1) *Application of intrastate access charges.*

a. Intrastate access charges shall apply to all intrastate access services rendered to interexchange telecommunications service providers. Intrastate access charges shall not apply to extended area service (EAS) traffic. In the case of resale of services of interexchange telecommunications service providers, access charges shall apply as follows:

(1) The interexchange telecommunications service provider shall be billed as if no resale were involved.

(2) The resale telecommunications service provider shall be billed only for access services not already billed to the underlying interexchange telecommunications service provider.

(3) Specific billing treatment and administration shall be provided pursuant to tariff.

b. Except as provided in subparagraph 22.4(1)*"b"*(3), no person shall make any communication of the type and nature transmitted by telecommunications service providers, between exchanges located within Iowa, over any system or facilities, which are or can be connected by any means to the intrastate telecommunications network, and uses exchange telecommunications service provider facilities, unless the person shall pay to the exchange telecommunications service provider or telecommunications service providers which provide service to the exchange where the communication is originated and the exchange where it is terminated, in lieu of the carrier common line charge, a charge in the amount of $25 per month per circuit that is capable of interconnection. However, if the person provides actual access minutes to the exchange telecommunications service provider, the charge shall be the charge per access minute or fraction thereof, not to exceed $25 per line per month. The charge shall apply in all exchanges. However, if the

person attests in writing that the person's facility cannot interconnect and is not interconnected with the exchange in question, the person will not be subject to the charge in that exchange.

(1) In the event that a communication is made without compliance with this rule, the telecommunications service provider or telecommunications service providers serving the person shall terminate telecommunications service after notice to the person. The telecommunications service provider shall not reinstate service until the commission orders the telecommunications service provider to restore service. The commission shall order service to be restored when the commission has reasonable assurance that the person will comply with this rule.

(2) In any action concerning this rule, the burden of proof shall be upon the person making intrastate communications.

(3) This rule shall be inapplicable to administrative communications made by or to a telecommunications service provider.

22.4(2) *Filing of intrastate access service tariffs.*

a. Tariffs providing for intrastate switched access services shall be filed with the commission by a local exchange telecommunications service provider that provides such services. A local exchange telecommunications service provider whose tariff or concurring tariff does not contain automatic reductions to implement the applicable transitional intrastate access service reductions shall file revised transitional intrastate access services rates with the commission to become effective on or about July 1 of each year until such terminating rates are removed from the tariff. A competitive local exchange carrier that is required to benchmark its intrastate access service rates to the rates of an incumbent local exchange carrier shall file revised transitional intrastate access rates with the commission to become effective on or about August 1 of each year until such terminating rates are removed from the tariff. Unless otherwise provided, the filings are subject to the applicable rules of the commission.

b. Except in situations involving HVAS, a local exchange telecommunications service provider may concur in the intrastate access tariff filed by another local exchange telecommunications service provider serving the same exchange area. However, a competitive local exchange carrier may not concur in the intrastate access tariff of an incumbent local exchange carrier that qualifies as a rural telephone company pursuant to 47 U.S.C. § 153(44) unless the competitive local exchange carrier is also a rural CLEC pursuant to 47 CFR 61.26(a)(6).

(1) Alternatively, a local exchange telecommunications service provider may voluntarily elect to join another local exchange telecommunications service provider or telecommunications service providers in forming an association of local exchange telecommunications service providers. The association may file intrastate access service tariffs.

(2) All elements of the filings under this rule, including access service rate elements, shall be subject to review and approval by the commission.

c. All intrastate access service tariffs shall incorporate the following:

(1) Carrier common line charge. The rate for the intrastate carrier common line charge shall be three cents per access minute or fraction thereof for the originating segments of the communication unless a lower rate is required by the transitional intrastate access service reductions or if numbered paragraphs 22.4(2)*"c"*(1)"1," "2," and "3" are applicable. The carrier common line charge shall be assessed to exchange access made by an interexchange telecommunications service provider, including resale telecommunications service providers. In lieu of this charge, interconnected private systems shall pay for access as provided in paragraph 22.4(1)*"b."*

1. Incumbent local exchange telecommunications service provider intrastate access service tariffs shall include the carrier common line charges approved by the commission.

2. A competitive local exchange telecommunications service provider that concurs in or mirrors the rates in the access services tariff of the Iowa Communications Alliance, or its successor, shall deduct the originating and terminating carrier common line charges from its intrastate access service tariff.

3. Carrier common line charge for originating segments of the communication may be stepped down in compliance with requirements established by the Federal Communications Commission for originating access.

(2) End-user charge. No intrastate end-user charge shall be assessed.

(3) Universal service fund. No universal service fund shall be established.

(4) Transitional and premium rates. There shall be no discounted transitional rate elements applied in Iowa except as otherwise specifically set forth in these rules.

(5) A telecommunications service provider may, pursuant to tariff, bill for access on the basis of assumed minutes of use where measurement is not practical. However, if the interexchange telecommunications service provider provides actual minutes of use to the billing telecommunications service provider, the actual minutes shall be used.

(6) In the absence of a waiver granted by the commission, local exchange telecommunications service providers shall allow any interexchange telecommunications service provider the option to use its own facilities that were in service on March 19, 1992, to provide local access transport service to terminate its own traffic to the local exchange telecommunications service provider. The interexchange telecommunications service provider may use its facilities in the manner and to a meet point agreed upon by the local exchange telecommunications service provider and the interexchange telecommunications service provider as of March 19, 1992. Changes mutually agreeable to the local exchange telecommunications service provider and the interexchange telecommunications service provider after that date also shall be recognized in allowing the interexchange telecommunications service provider to use its own local access transport facilities to terminate its own traffic. Recognition under this rule will also be extended to improvements by an interexchange telecommunications service provider that provided all the transport facilities to an exchange on March 19, 1992, whether the improvements were mutually agreeable or not, unless the improvements are inconsistent with an agreement between the interexchange telecommunications service provider and the local exchange telecommunications service provider.

(7) A provision prohibiting the application of association access service rates to HVAS traffic.

d. A local exchange telecommunications service provider that is adding a new HVAS customer or otherwise reasonably anticipates an HVAS situation shall provide notice of the situation, the telephone numbers that will be assigned to the HVAS customer (if applicable), and the expected date service to the HVAS customer will be initiated, if applicable. Notice may be sent to each interexchange telecommunications service provider that paid for intrastate access services from the local exchange telecommunications service provider in the preceding 12 months; to any telecommunications service provider with whom the local exchange telecommunications service provider exchanged traffic in the preceding 12 months; and to all other local exchange telecommunications service providers authorized to provide service in the subject exchange, by a method calculated to provide adequate notice. Any interexchange telecommunications service provider may request negotiations concerning the access rates applicable to calls to or from the HVAS customer.

(1) Any interexchange telecommunications service provider that believes a situation has occurred or is occurring which does not specifically meet the HVAS threshold requirements defined in subrule 22.1(2), but which raises the same general concerns and issues as an HVAS situation, may file a complaint with the commission.

(2) A local exchange telecommunications service provider that experiences an increase in intrastate access billings that qualifies as an HVAS situation, but did not add a new HVAS customer or otherwise anticipate the situation, shall notify interexchange telecommunications service providers of the HVAS situation at the earliest reasonable opportunity, as described in the preceding paragraph. Any interexchange telecommunications service provider may request negotiations concerning whether the local exchange telecommunications service provider’s access rates, as a whole or for HVAS only, should be changed to reflect the increased access traffic. When a telecommunications service provider requests negotiations concerning intrastate access services, the companies shall negotiate in good faith to achieve reasonable terms and procedures for the exchange of traffic. No access charges shall apply to the HVAS traffic until an access tariff for HVAS has been approved by the commission. At any time that any telecommunications service provider believes negotiations will not be successful, the telecommunications service provider may file a written complaint with the commission. In any such proceeding, the commission will consider setting the rate for access services for HVAS traffic based upon the incremental cost of providing HVAS, although any other relevant evidence may also be considered. The incremental cost will not include marketing or other payments made to HVAS customers. The resulting rates for access services may include a range of

rates based upon the volume of access traffic or other relevant factors. Any negotiations pursuant to this subparagraph shall conclude within 60 days. After 60 days, a telecommunications service provider may petition the commission to extend the period of negotiations or may petition the commission to establish a procedural schedule and hearing date.

22.4(3) *Notice of intrastate access service tariffs.*

a. Each telecommunications service provider that files new or changed tariffs relating to access charges or access service shall give written notice of the new or changed tariffs to the telecommunications service provider's interexchange telecommunications service provider access customers, the commission, and the consumer advocate. Notice shall be given on or before the date of the filing of the tariff. The notice shall consist of: the file date and proposed effective date of the tariff, a description of the proposed changes, and the tariff section number where the service description is located. If two or more local exchange telecommunications service providers concur in a single tariff filing, the local exchange telecommunications service providers may send a joint written notice to the commission, the consumer advocate, and the interexchange telecommunications service providers.

b. The commission shall not approve any new or changed tariff described in paragraph 22.4(3)*"a"* until after the period for resistance.

22.4(4) *Resistance to intrastate access service tariffs.*

a. If an interexchange telecommunications service provider affected by an access service filing or the consumer advocate desires to file a resistance to a proposed new or changed access service tariff, it shall file its resistance within 14 days after the filing of the proposed tariff. The interexchange telecommunications service provider shall send a copy of the resistance to all telecommunications service providers filing or concurring in the proposed tariff.

b. After receipt of a timely resistance, the commission may:

(1) Deny the resistance if it does not on its face present a material issue of adjudicative fact or the commission determines the resistance to be frivolous or otherwise without merit and approve the tariff; or

(2) Either suspend the tariff or approve the tariff to become effective subject to refund; and initiate informal complaint proceedings; or

(3) Either suspend the tariff or approve the tariff to become effective subject to refund; and initiate contested case proceedings; or

(4) Reject the tariff, stating the grounds for rejection.

c. The interexchange telecommunications service provider or the consumer advocate shall have the burden to support its resistance.

d. If contested case proceedings are initiated upon resistance filed by an interexchange telecommunications service provider, the interexchange telecommunications service provider may be required to pay the expenses reasonably attributable to the proceedings. The commission will assess the costs of the proceeding on a case-by-case basis.

22.4(5) *Access charge rules to prevail.* The provisions of this rule shall be determinative of the procedures relating to intrastate access service tariffs and shall prevail over all inconsistent rules.

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199—22.5(476) Interexchange telecommunications service provider service and access.

22.5(1) *Interexchange telecommunications service provider service.* An interexchange telecommunications service provider may provide interexchange service by complying with the laws of this state and the rules of this commission. Any company or other entity accessing local exchange facilities or services in order to provide interexchange communication services to the public shall be considered to be an interexchange telecommunications service provider and subject to the rules herein, unless otherwise exempted. Such telecommunications service providers are required to file a registration form, reports, and other items and are subject to service standards as specified in commission rules, unless otherwise exempted.

22.5(2) *Interexchange telecommunications service provider intrastate access.* Intrastate access to local exchange services or facilities may be obtained by an interexchange telecommunications service provider by ordering and paying for such intrastate access pursuant to the applicable tariff filed by the

exchange telecommunications service provider in question, or as otherwise provided by agreement between the parties.

[**ARC 4831C**, IAB 12/18/19, effective 1/22/20; Editorial change: IAC Supplement 7/24/24]

199—22.6(476) Alternative operator services.

22.6(1) *Tariffs.* Alternative operator service companies must provide service pursuant to commission-approved tariffs covering both rates and service.

22.6(2) *Blocking.* AOS companies shall not block the completion of calls which would allow the caller to reach a long distance telecommunications service provider different from the AOS company. All AOS company contracts with contracting entities must prohibit call blocking by the contracting entity. The contracting entity shall not violate that contract provision.

22.6(3) *Posting.*

a. Contracting entities must post on or in close proximity to all telephones served by an AOS company the following information:

(1) The name and address of the AOS company;

(2) A customer service number for receipt of further service and billing information; and

(3) Dialing directions to the AOS operator for specific rate information.

b. Contracts between AOS companies and contracting entities shall contain provisions for posting the information. The AOS companies also are responsible for the form of the posting and shall make reasonable efforts to ensure implementation, both initially and on an updated basis.

22.6(4) *Oral identification.* All AOS companies shall announce to the end-user customer the name of the provider carrying the call and, before billing begins, shall include a sufficient delay period to permit the caller to terminate the call or advise the operator to transfer the call to the end-user customer's preferred telecommunications service provider.

22.6(5) *Billing.* All AOS company bills to end-user customers shall comply with the following requirements:

a. All calls, except those billed to commercial credit cards, shall be itemized and identified separately on the bill. All calls will be rated solely from the end-user customer's point of origin to point of termination.

b. All bills, except those for calls billed to commercial credit cards, shall be rendered within 60 days of the provision of the service.

c. All charges for the use of a telephone instrument shall be shown separately for each call, except for calls billed to a commercial credit card.

22.6(6) *Emergency calls.* All AOS companies shall have a commission-approved methodology to ensure the routing of all emergency zero-minus (0-) calls in the fastest possible way to the proper local emergency service agency.

22.6(7) *Service to inmates in correctional facilities.* AOS companies that provide local or intrastate calling services to inmates housed in correctional facilities may provide service that is not consistent with the requirements in this rule by including a statement of noncompliance in the AOS company's tariffs, which tariffs are required to be approved by the commission before service is provided. AOS companies providing inmate calling services shall file a copy of each contract in support of the statement of noncompliance.

[**ARC 4831C**, IAB 12/18/19, effective 1/22/20; Editorial change: IAC Supplement 7/24/24]

199—22.7(476) Service territories. Service territories are defined by the telephone exchange area boundary maps on file with the commission.

22.7(1) *Map availability.* The maps are available for viewing at the commission's office during regular business hours, and copies are available at the cost of reproduction.

22.7(2) *Map specifications.* All ILECs shall have on file with the commission maps which identify their exchanges and both the internal exchange boundaries where the telecommunications service provider's own exchanges abut and the ultimate boundaries where the telecommunications service provider's exchanges abut the exchanges of other telecommunications service providers. A CLEC shall either file its own exchange boundary map or adopt the exchange boundary map filed by the ILEC serving

that exchange. Maps shall be filed in electronic format as approved by the commission. ILECs and CLECs shall file updated exchange maps when the company adds service to an exchange or when the company ceases providing service to an exchange.

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199—22.8(476) Registration of telecommunications service providers. Each telecommunications service provider required to register with the commission pursuant to Iowa Code section 476.95A shall register with the commission annually thereafter. Registration shall be completed electronically as provided by the commission. If a telecommunications service provider is not required to register, the telecommunications service provider shall file an annual report in compliance with 199—Chapter 23.

22.8(1) The commission shall issue an acknowledgment of registration within five business days of receipt of a provider's completed application for registration. Such acknowledgment shall authorize the applicant to obtain telephone numbers, interconnect with other telecommunications service providers, cross railroad rights-of-way pursuant to Iowa Code section 476.27, and provide telecommunications services within the state.

22.8(2) Registration may be transferred to another telecommunications service provider by filing a new or updated registration form. The commission shall serve an acknowledgment of the new registration within five business days of receipt.

22.8(3) Registration is required even though a telecommunications service provider has a certificate of public convenience and necessity issued prior to July 1, 2018, and the provider retains the rights conferred by that certificate.

22.8(4) Telecommunications service providers that have not previously provided telecommunications service in Iowa shall register with the commission prior to providing telecommunications service in Iowa.

22.8(5) Telecommunications service providers shall include with the registration a list of the exchanges where the telecommunications service provider offers telecommunications service, if applicable. A telecommunications service provider shall file an amended registration prior to expanding service to an exchange not listed on the registration or when exiting an exchange listed on the registration.

22.8(6) Updated registrations are required when the contact information on the registration changes.

[**ARC 4831C**, IAB 12/18/19, effective 1/22/20; Editorial change: IAC Supplement 7/24/24]

199—22.9(476) Unauthorized changes in telecommunications service.

22.9(1) *Definitions.* As used in this rule, unless the context otherwise requires:

"Change in service" means the designation of a new provider of a telecommunications service to a customer, including the initial selection of a service provider, and includes the addition or deletion of a telecommunications service for which a separate charge is made to a customer account.

"Consumer" means a person other than a service provider who uses a telecommunications service.

"Cramming" means the addition or deletion of a product or service for which a separate charge is made to a telecommunications service customer's account without the verified consent of the affected customer. "Cramming" does not include the addition of extended area service to a customer account pursuant to commission rules, even if an additional charge is made. "Cramming" does not include telecommunications services that are initiated or requested by the customer, including dial-around services such as "10-10-XXX," directory assistance, operator-assisted calls, acceptance of collect calls, and other casual calling by the customer.

"Customer" means the person other than a service provider whose name appears on the account and others authorized by that named person to make changes to the account.

"Executing service provider" means, with respect to any change in telecommunications service, a telecommunications service provider who executes an order for a change in service received from another telecommunications service provider or from its own customer.

"Jamming" means the addition of a preferred telecommunications service provider freeze to a customer's account without the verified consent of the customer.

"Letter of agency" means a written document complying with the requirements of paragraph 22.9(2)*"b."*

"Preferred telecommunications service provider freeze" means the limitation of a customer's preferred telecommunications service provider choices so as to prevent any change in preferred telecommunications service provider for one or more services unless the customer gives the telecommunications service provider from which the freeze was requested the customer's express consent.

"Service provider" means a telecommunications service provider providing telecommunications service, not including commercial mobile radio service.

"Slamming" means the designation of a new telecommunications service provider to a customer, including the initial selection of a telecommunications service provider, without the verified consent of the customer. "Slamming" does not include the designation of a new provider of a telecommunications service to a customer made pursuant to the sale or transfer of another telecommunications service provider's customer base, provided that the designation meets the requirements of paragraph 22.9(2)*"e."*

"Soft slam" means an unauthorized change in service by a telecommunications service provider that uses the telecommunications service provider identification code of another telecommunications service provider, typically through the purchase of wholesale services for resale.

"Submitting service provider" means a telecommunications service provider who requests another telecommunications service provider to execute a change in service.

"Telecommunications service" means a local exchange or long distance telephone service other than commercial mobile radio service.

"Verified consent" means verification of a customer's authorization for a change in service.

22.9(2) *Prohibition of unauthorized changes in telecommunications service.* Unauthorized changes in telecommunications service, including but not limited to cramming and slamming, are prohibited. Telecommunications service providers shall comply with Federal Communications Commission requirements regarding verification of customer authentication of a change in service and change in service provider as provided for in 47 CFR 64.1120 and 47 CFR 64.2401.

a. Verification required.

(1) No service provider shall submit a preferred telecommunications service provider change order or other change in service order to another service provider unless and until the change has first been confirmed in accordance with one of the following procedures:

1. The service provider has obtained the customer's written authorization in a form that meets the requirements of this rule; or

2. The service provider has obtained the customer's electronic authorization to submit the preferred telecommunications service provider change order. Such authorization must be placed from the telephone number(s) on which the preferred telecommunications service provider is to be changed and must confirm the information required in numbered paragraph 22.9(2)*"a"*(1)"1" above. Service providers electing to confirm sales electronically shall establish one or more toll-free telephone numbers exclusively for that purpose. Calls to the number(s) will connect a customer to a voice response unit or to a similar mechanism that records the required information regarding the preferred telecommunications service provider change, including automatically recording the originating automatic numbering identification; or

3. An appropriately qualified independent third party has obtained the customer's oral authorization to submit the preferred telecommunications service provider change order that confirms and includes appropriate verification data. The independent third party must not be owned, managed, controlled, or directed by the service provider or the service provider's marketing agent; must not have any financial incentive to confirm preferred telecommunications service provider change orders for the service provider or the service provider's marketing agent; and must operate in a location physically separate from the service provider or the service provider's marketing agent. The content of the verification must include clear and conspicuous confirmation that the customer has authorized a preferred telecommunications service provider change; or

4. The local service provider may change the preferred service provider, for customer-originated changes to existing accounts only, through maintenance of sufficient internal records to establish a valid customer request for the change in service. At a minimum, any such internal records must include the date and time of the customer's request and adequate verification of the identification of the person requesting

the change in service. The burden will be on the local service provider to show that its internal records are adequate to verify the customer's request for the change in service.

All verifications shall be maintained for at least two years from the date the change in service is implemented, and all complaints regarding a change in preferred service provider must be brought within two years of the date the change in service is implemented. Verification of service freezes shall be maintained for as long as the preferred telecommunications service provider freeze is in effect.

(2) For other changes in service resulting in additional charges to existing accounts only, a service provider shall establish a valid customer request for the change in service through maintenance of sufficient internal records. At a minimum, any such internal records must include the date and time of the customer's request and adequate verification under the circumstances of the identification of the person requesting the change in service. Any of the three verification methods in numbered paragraphs 22.9(2)*"a"*(1)"1" to "3" are also acceptable. The burden will be on the telecommunications service provider to show that its internal records are adequate to verify the customer's request for the change in service. Where the additional charge is for one or more specific telephone calls, examples of internal records a telecommunications service provider may submit include call records showing the origin, date, time, destination, and duration of the calls, and any other data the telecommunications service provider relies on to show the calls were made or accepted by the customer, along with an explanation of the records and data.

b. Letter of agency form and content.

(1) A service provider may use a letter of agency to obtain written authorization or verification of a customer's request to change the customer's preferred service provider selection. A letter of agency that does not conform with this subrule is invalid for purposes of this rule.

(2) The letter of agency shall be a separate document (or an easily separable document) or located on a separate screen or web page and contain only the authorizing language described in subparagraph 22.9(2)*"b"*(5) having the sole purpose of authorizing a service provider to initiate a preferred service provider change. The letter of agency must be signed and dated by the customer to the telephone line(s) requesting the preferred service provider change. A local exchange telecommunications service provider may use a written or electronically signed letter of agency to obtain authorization or verification of a customer's request to change service.

(3) The letter of agency shall not be combined on the same document, screen, or web page with inducements of any kind.

(4) Notwithstanding subparagraphs 22.9(2)*"b"*(2) and (3), the letter of agency may be combined with checks that contain only the required letter of agency language as prescribed in subparagraph 22.9(2)*"b"*(5) and the necessary information to make the check a negotiable instrument. The letter of agency check shall not contain any promotional language or material. The letter of agency check shall contain, in easily readable, boldface type on the front of the check, a notice that the customer is authorizing a preferred service provider change by signing the check. The letter of agency language shall be placed near the signature line on the back of the check.

(5) At a minimum, the letter of agency must be printed in a readable type of sufficient size to be clearly legible and must contain clear and unambiguous language that confirms:

1. The customer's billing name and address and each telephone number to be covered by the preferred service provider change order;

2. The decision to change the preferred service provider from the current service provider to the soliciting service provider;

3. That the customer designates [insert the name of the submitting service provider] to act as the customer's agent for the preferred service provider change;

4. That the customer understands that only one service provider may be designated as the customer's interstate or interLATA preferred interexchange service provider for any one telephone number. To the extent that a jurisdiction allows the selection of additional preferred service providers (e.g., local exchange, intraLATA/intrastate toll, interLATA/interstate toll, or international interexchange), the letter of agency must contain separate statements regarding those choices, although a separate letter of agency for each choice is not necessary; and

5. That the customer understands that any preferred service provider selection the customer chooses may involve a charge to the customer for changing the customer's preferred service provider.

(6) Any service provider designated in a letter of agency as a preferred service provider must be the service provider directly setting the rates for the customer.

(7) Letters of agency shall not suggest or require that a customer take some action in order to retain the customer's current service provider.

(8) If any portion of a letter of agency is translated into another language, then all portions of the letter of agency must be translated into that language. Every letter of agency must be translated into the same language as any promotional materials, oral descriptions or instructions provided with the letter of agency.

c. Customer notification. Every change in service shall be followed by a written notification to the affected customer to inform the customer of the change. Such notice shall be provided within 30 days of the effective date of the change. Such notice may include, but is not limited to, a conspicuous written statement on the customer's bill, a separate mailing to the customer's billing address, or a separate written statement included with the customer's bill. Each such statement shall clearly and conspicuously identify the change in service, any associated charges or fees, the name of the service provider associated with the change, and a toll-free number by which the customer may inquire about or dispute any provision in the statement.

d. Preferred telecommunications service provider freezes.

(1) A preferred telecommunications service provider freeze (or "freeze") prevents a change in a customer's preferred service provider selection unless the customer gives the service provider from whom the freeze was requested express consent. All local exchange service providers who offer preferred telecommunications service provider freezes must comply with the provisions of this subrule.

(2) All local exchange service providers who offer preferred telecommunications service provider freezes shall offer freezes on a nondiscriminatory basis to all customers, regardless of the customers' service provider selections.

(3) Preferred telecommunications service provider freeze procedures, including any solicitation, must clearly distinguish among telecommunications services (e.g., local exchange, intraLATA/intrastate toll, interLATA/interstate toll, and international toll) subject to a preferred telecommunications service provider freeze. The service provider offering the freeze must obtain separate authorization for each service for which a preferred telecommunications service provider freeze is requested.

(4) Solicitation and imposition of preferred telecommunications service provider freezes.

1. All solicitation and other materials provided by a service provider regarding preferred telecommunications service provider freezes must include:

- An explanation, in clear and neutral language, of what a preferred telecommunications service provider freeze is and what services may be subject to a freeze;
- A description of the specific procedures necessary to lift a preferred telecommunications service provider freeze; an explanation that these steps are in addition to the verification requirements in this rule for changing a customer's preferred service provider selections; and an explanation that the customer will be unable to make a change in service provider selection unless the freeze is lifted; and
- An explanation of any charges associated with the preferred telecommunications service provider freeze.

2. No local exchange telecommunications service provider shall implement a preferred telecommunications service provider freeze unless the customer's request to impose a freeze has first been confirmed in accordance with one of the following procedures:

- The local exchange telecommunications service provider has obtained the customer's written or electronically signed authorization in a form that meets the requirements of this rule; or
- The local exchange telecommunications service provider has obtained the customer's electronic authorization, placed from the telephone number(s) on which the preferred telecommunications service provider freeze is to be imposed, to impose a preferred telecommunications service provider freeze. The electronic authorization shall confirm appropriate verification data. Service providers electing to confirm preferred telecommunications service provider freeze orders electronically shall establish one or more toll-free telephone numbers exclusively for that purpose. Calls to the number(s) will connect a customer to a voice response unit or to a similar mechanism that records the required information regarding the preferred

telecommunications service provider freeze request, including automatically recording the originating automatic numbering identification; or

- An appropriately qualified independent third party has obtained the customer's oral authorization to submit the preferred telecommunications service provider freeze and confirmed the appropriate verification data and the information required in this rule. The independent third party must not be owned, managed, or directly controlled by the service provider or the service provider's marketing agent; must not have any financial incentive to confirm preferred telecommunications service provider freeze requests for the service provider or the service provider's marketing agent; and must operate in a location physically separate from the service provider or the service provider's marketing agent. The content of the verification must include clear and conspicuous confirmation that the customer has authorized a preferred telecommunications service provider freeze.

3. A local exchange service provider may accept a written and signed authorization to impose a freeze on the customer's preferred service provider selection. Written authorization that does not conform with this subrule is invalid and may not be used to impose a preferred telecommunications service provider freeze.

- The written authorization shall comply with this rule concerning the form and content for letters of agency.
- At a minimum, the written authorization must be printed with a readable type of sufficient size to be clearly legible and must contain clear and unambiguous language that confirms:
    - The customer's billing name and address and the telephone number(s) to be covered by the preferred telecommunications service provider freeze;
    - The decision to place a preferred telecommunications service provider freeze on the telephone number(s) and particular service(s). To the extent that a jurisdiction allows the imposition of preferred telecommunications service provider freezes on additional preferred service provider selections (e.g., for local exchange, intraLATA/intrastate toll, interLATA/interstate toll service, and international toll), the authorization must contain separate statements regarding the particular selections to be frozen;
    - That the customer understands that the customer will be unable to make a change in telecommunications service provider selection unless the preferred telecommunications service provider freeze is lifted; and
    - That the customer understands that any preferred telecommunications service provider freeze may involve a charge to the customer.

(5) All local exchange telecommunications service providers that offer preferred telecommunications service provider freezes must, at a minimum, offer customers the following procedures for lifting a preferred telecommunications service provider freeze:

1. A local exchange service provider administering a preferred telecommunications service provider freeze must accept a customer's written or electronically signed authorization stating the intention to lift a preferred telecommunications service provider freeze; and

2. A local exchange service provider administering a preferred telecommunications service provider freeze must accept a customer's oral authorization stating the intention to lift a preferred telecommunications service provider freeze and must offer a mechanism that allows a submitting service provider to conduct a three-way conference call with the service provider administering the freeze and the customer in order to lift a freeze. When engaged in oral authorization to lift a preferred telecommunications service provider freeze, the service provider administering the freeze shall confirm appropriate verification data and the customer's intent to lift the particular freeze.

e. Procedures in the event of sale or transfer of customer base. A telecommunications service provider may acquire, through a sale or transfer, either part or all of another telecommunications service provider's customer base without obtaining each customer's authorization if the acquiring telecommunications service provider complies with the following procedures. A telecommunications service provider may not use these procedures for any fraudulent purpose, including any attempt to avoid liability for violations under this rule.

(1) No later than 30 days before the planned transfer of the affected customers from the selling or transferring telecommunications service provider to the acquiring telecommunications service provider, the

acquiring telecommunications service provider shall file with the commission a letter notifying the commission of the transfer and providing the names of the parties to the transaction, the types of telecommunications services to be provided to the affected customers, and the date of the transfer of the customer base to the acquiring telecommunications service provider. In the letter, the acquiring telecommunications service provider also shall certify compliance with the requirement to provide advance customer notice in accordance with this rule and with the obligations specified in that notice. In addition, the acquiring telecommunications service provider shall attach a copy of the notice sent to the affected customers.

(2) If, subsequent to the filing of the letter of notification with the commission any changes to the required information develop, the acquiring telecommunications service provider shall file written notification of these changes with the commission no more than ten days after the transfer date announced in the prior notification. The commission may require the acquiring telecommunications service provider to send an additional notice to the affected customers regarding such material changes.

(3) Not later than 30 days before the transfer of the affected customers from the selling or transferring telecommunications service provider to the acquiring telecommunications service provider, the acquiring telecommunications service provider shall provide written notice to each affected customer. The acquiring telecommunications service provider must fulfill the obligations set forth in the written notice. The written notice must inform the customer of the following:

1. The date on which the acquiring telecommunications service provider will become the customer's new telecommunications service provider;

2. The rates, terms, and conditions of the service(s) to be provided by the acquiring telecommunications service provider upon the customer's transfer to the acquiring telecommunications service provider, and the means by which the acquiring telecommunications service provider will notify the customer of any change(s) to these rates, terms, and conditions;

3. The acquiring telecommunications service provider will be responsible for any telecommunications service provider change charges associated with the transfer;

4. The customer's right to select a different preferred telecommunications service provider for the telecommunications service(s) at issue, if an alternative telecommunications service provider is available;

5. All customers receiving the notice, even those who have arranged preferred telecommunications service provider freezes through their local service providers on the service(s) involved in the transfer, will be transferred to the acquiring telecommunications service provider unless the customers select a different telecommunications service provider before the transfer date; existing preferred telecommunications service provider freezes on the service(s) involved in the transfer will be lifted; and the customers must contact their local service providers to arrange a new freeze;

6. Whether the acquiring telecommunications service provider will be responsible for handling any complaints filed, or otherwise raised, prior to or during the transfer against the selling or transferring telecommunications service provider; and

7. The toll-free customer service telephone number of the acquiring telecommunications service provider.

[**ARC 4831C**, IAB 12/18/19, effective 1/22/20; Editorial change: IAC Supplement 7/24/24]

These rules are intended to implement Iowa Code sections 476.1D, 476.2, 476.91, 476.95, 476.95A, 476.95B, 476.100, and 476.103.

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1 Effective date of 12/1/83 of subrules 22.1(3), 22.2(5)*"v,"* and 22.3(13) delayed 70 days by the Administrative Rules Review Committee on 11/8/83.

2 Effective date of 22.10(1)*"c"* delayed 70 days by the Administrative Rules Review Committee on 11/14/90; delay lifted 12/11/90, effective 12/12/90.

3 Effective date of 22.4(2)*"b"* delayed until the adjournment of the 1994 Session of the General Assembly pursuant to Iowa Code section 17A.8(9) by the Administrative Rules Review Committee at its meeting held September 15, 1993.

CHAPTER 23
ANNUAL REPORT
[Prior to 10/8/86, Commerce Commission[250]]

199—23.1(476) General information.

23.1(1) Every public utility shall keep and render its books, accounts, papers, and records accurately and faithfully in the manner and form prescribed by the commission and comply with all directions of the commission relating to such books, accounts, papers, and records.

23.1(2) Each public utility subject to Iowa Code chapter 476 shall file an annual report with this commission on or before April 1 of each year covering operations during the immediately preceding calendar year. This information will be used for a number of purposes, including to apportion the costs of the utilities commission pursuant to Iowa Code section 476.10 and to determine whether rate-regulated utilities' earnings are excessive pursuant to Iowa Code section 476.32.

23.1(3) The forms that are to be completed by each utility will be made publicly available on the commission's website or by other means readily accessible. The commission may direct the utilities to file the completed forms through a portal on the commission's website or the commission's electronic filing system.

[**ARC 7752C**, IAB 4/3/24, effective 5/8/24; Editorial change: IAC Supplement 7/24/24]

199—23.2(476) Annual report requirements.

23.2(1) *Forms.* The following annual report forms shall be filed by the following utilities:

a. Investor-owned, rate-regulated electric utilities file Form IE-1 with a copy of that utility's Federal Energy Regulatory Commission (FERC) Annual Report Form No. 1 or 1A as applicable.

b. Investor-owned, non-rate-regulated electric utilities file Form EC-1.

c. Investor-owned gas utilities file Form IG-1 with a copy of that utility's FERC Annual Report Form No. 2 or 2A as applicable.

d. Regulated water utilities file Form WA-1.

e. Cooperative electric utilities file Form EC-1.

f. Municipally owned electric utilities file Form ME-1.

g. Municipally owned gas utilities file Form MG-1.

h. Providers of telecommunications service file Form TC-1.

i. Competitive natural gas providers and aggregators file Form CNGP-1.

j. Generation and transmission cooperatives file Form EC-1N.

k. Storm water drainage and sanitary sewage utilities file Form SW-1.

23.2(2) *Additional requirements for rate-regulated utilities.* A rate-regulated utility shall include information concerning its Iowa operations in its report as requested on the forms and file as part of its annual report the following:

a. A list (by title, author and date) of any financial, statistical, technical or operational reviews or reports that a company may prepare for distribution to stockholders, bondholders, utility organizations or associations or other interested parties.

b. A list (by form number and title) of all financial, statistical, technical and operational review-related documents filed with an agency of the federal government.

[**ARC 7752C**, IAB 4/3/24, effective 5/8/24]

These rules are intended to implement Iowa Code sections 476.2, 476.9, 476.10, 476.22, and 476.31.

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CHAPTER 24
LOCATION AND CONSTRUCTION OF ELECTRIC POWER GENERATING FACILITIES

[Prior to 10/8/86, Commerce Commission[250]]

199—24.1(476A) Authority, purpose, and policy.

24.1(1) *Authority.* The regulations contained herein are prescribed by the Iowa utilities commission pursuant to authority granted the commission in Iowa Code chapter 476A, relating to the location and construction of electric power generating facilities.

24.1(2) *Purpose.* The purpose of these regulations is to provide guidelines for proceedings for the determination whether the proposed construction of a major electric generation facility or significant alteration thereto should be issued a certificate before such construction may commence and to state the procedures for determining compliance by the applicant with permit and licensing requirements of state regulatory agencies.

24.1(3) *Cooperative agreements.* The commission may enter into cooperative agreements pursuant to Iowa Code chapter 28E with the appropriate state agencies that will facilitate thorough review of all state issues arising in the certification process and will reduce the time and expense in determining, to the extent necessary, the environmental, economic, and social effects of the facility's construction and use. Under the auspices of these 28E agreements, the commission shall delegate to the various state agencies responsibility for the issuance of permits and licenses appropriate to the authority of the agency to ensure compliance with the steps in the certification process. The commission, where appropriate, may use a consolidated hearing process.

[Editorial change: IAC Supplement 7/24/24]

199—24.2(476A) Definitions. As used in this chapter:

"Acid Rain Program" means the sulfur dioxide and nitrogen oxides air pollution control program established pursuant to Title IV of the Clean Air Act, 42 U.S.C. Section 7401, et seq., as amended by Pub. L. 101-549, November 15, 1990.

"Act" means Iowa Code chapter 476A entitled Electric Power Generators.

"Agency" means an agency as defined in Iowa Code section 17A.2(1).

"Allowance" means an authorization, allocated by the federal Environmental Protection Agency under the Acid Rain Program, to emit up to one ton of sulfur dioxide, during or after a specified calendar year.

"Applicant" means the person or persons who make an application for a certificate for a facility or an amendment to a certificate for a facility under the Act. For projects with more than one participant, the applicant may be that person designated by and acting on behalf of the participants.

"Application" means an application for a certificate or an amendment to a certificate submitted to the commission pursuant to the Act.

"Certificate" means a certificate as defined in Iowa Code section 476A.1.

"Commission" means the utilities commission.

"Contested case proceeding" means the contested case proceeding before the board prescribed by Iowa Code section 476A.4.

"Facility" means any electric power generating plant or combination of plants at a single site, owned by any person, with a maximum generator nameplate capacity of 25 megawatts of electricity or more and those associated transmission lines connecting the generating plant to either a power transmission system or an interconnected primary transmission system or both. This term includes any generation addition that increases the total maximum generator nameplate capacity at one site to 25 megawatts or more, but does not include those transmission lines beyond the generation station's substation.

"Interested agency" means an agency, other than a regulatory agency, which the commission in its discretion determines to have a legitimate interest in the disposition of the application.

"Intervenor" means a person who received notice under 24.6(2)*"b," "c," "d," "e,"* or *"f"* and has filed with the commission a written notice of intervention, or a person granted permission to intervene by the commission after filing a petition pursuant to rule 199—7.13(17A,476).

"Participant" means any person who either jointly or severally owns or operates a proposed facility or significant alteration thereto or who has contracted or intends to contract for a purchase of electricity produced by the subject facility.

"Party" means each person or agency named or admitted as a party, including the applicant, intervenors, and consumer advocate.

"Person" means individual, corporation, cooperative, government or governmental subdivision or agency, partnership, association or other legal entity.

"Public utility" means a public utility as defined in Iowa Code section 476.1.

"Regulatory agency" means a state agency which issues licenses or permits required for the construction, operation or maintenance of a facility pursuant to statutes or rules in effect on the date on which an application for a certificate is accepted by the commission.

"Significant alteration" means:

a. A change in the generic type of fuel used by the major electric generating facility; or

b. Any change in the location, construction, maintenance, or operation of equipment at an existing facility that increases the maximum generator nameplate capacity of the facility by at least 10 percent and at least 25 megawatts.

"Site" means the land on which the generating unit of the facility, and any cooling facilities, cooling water reservoirs, security exclusion areas, and other necessary components of the facility, are proposed to be located.

"Site impact area" means the area within the state of Iowa within a ten-mile radius of the intersection of the transverse centerline axis and longitudinal centerline axis of the generator or all such generators where the proposed facility includes multiple generators.

"Zoning authority" means any city or county zoning authority in whose jurisdictional area a proposed facility site or portion thereof is located.

[**ARC 3751C**, IAB 4/11/18, effective 5/16/18; Editorial change: IAC Supplement 7/24/24]

199—24.3(476A) Form of application, place of filing.

24.3(1) *Form of application.*

a. The application, associated documents, or other papers filed with the commission in a certification proceeding shall be capable of being printed or typewritten and reproduced on sheets of 8½ inches by 11 inches (except for foldouts and special exhibits).

b. The information required by these rules shall be indexed and arranged in a sequential manner substantially similar to the outline form of the rules, with all material submitted categorized into the specific areas and sections set forth in the rules.

24.3(2) *Manner and place of filing.*

a. An applicant shall file the application electronically unless otherwise permitted by the commission.

b. The commission, through the use of its electronic filing system, shall include on the service list for the application each regulatory agency listed on the application in addition to other agencies as the commission deems appropriate.

c. Any amendments to the application shall be filed in a manner similar to that required of the application.

[Editorial change: IAC Supplement 12/29/10; **ARC 3751C**, IAB 4/11/18, effective 5/16/18; Editorial change: IAC Supplement 7/24/24]

199—24.4(476A) Application for a certificate—contents. Each person or group of persons proposing to construct a facility or a significant alteration to a facility shall file an application for certificate with the commission, unless otherwise provided by these rules. The applicant may file a portion of an application and, in conjunction therewith, a request that the commission accept such portion of the application pursuant to subrule 24.5(3) and conduct a separate phase of the proceeding with respect to issues presented by such portion of the application to the extent permitted pursuant to 24.5(3) and rule 199—24.9(476A). An application shall substantially comply with the following informational requirements:

24.4(1) In section 1, entitled "General Information," applicant shall include the following information:

a. The legal name, address, telephone number, facsimile transmission number, and email address of the applicant and all other participants of the proposed facility at the time of filing, as well as the name of the person authorized to receive communications relating to the application on behalf of those persons, Iowa business address, if applicable, and principal place of business of the applicant.

b. The name and type of business of the applicant's and all other participants' parent companies and affiliates. The information must include percentages of ownership.

c. A complete description of the current and proposed rights of ownership in the proposed facility and current or planned purchase power contracts with respect to the proposed facility.

d. A general site description including a legal description of the site location, a map showing the coordinates of the site and its location with respect to state, county, and other political subdivisions, and prominent features such as cities, lakes, rivers and parks within the site impact area. Applicant shall also provide a more detailed map showing the location of the facility perimeter, utility property, railroads and other transportation facilities, abutting and adjacent properties, cities, lakes, rivers, parks, other public facilities, cemeteries and places of historical significance within one mile of the site boundary. The general site description should include a discussion of whether the proposed site is located in a flood plain.

e. A general description of the proposed facility including a description of the principal characteristics of the facility such as the capacity of the proposed facility in megawatts expressed by the contracted maximum generator nameplate MW rating, the net facility addition in MW, by net to the busbar rating, and the portion (in MW) of the design capacity of the proposed facility which is proposed to be available for use by each participant, the number and type of generating units, primary fuel source for each such unit, total hours of operation anticipated seasonally and annually, and output in MWH during these hours, expected capacity factors, a description of the general arrangement of major structures and equipment to provide the commission with an understanding of the general layout of the facility, and a schedule for the facility's construction and utilization including the projected date significant site alteration is proposed to begin and the projected date the facility is to be placed into service. For this purpose, a group of several similar generating units operated together at the same location such that segregated records of energy output are not available shall be considered as a single unit.

f. A general description of all raw materials, including fuel, used by the proposed facility in producing electricity and of all wastes created in the production process. In addition to describing the wastes created in the production process, the applicant shall determine annual expected sulfur dioxide emissions from the facility and provide a plan for acquiring allowances sufficient to offset these emissions. The applicant shall describe all transportation facilities currently operating that will be available to serve the proposed facility and shall describe any additional transportation facilities needed to deliver raw materials and to remove wastes.

g. Identification, general description and chronology of all financial and other contractual commitments undertaken or planned to be undertaken with respect to the proposed facility.

h. A general map and description of the primary transmission corridors and the approximate routing of the rights-of-way. An analysis of the existing transmission network's capability to reliably support the proposed additional generation interconnection to the network. The analysis must also show that the interconnection to the transmission system is consistent with standard utility practices and the proposed interconnection does not degrade the adequacy, reliability, or operating flexibility of the existing transmission system in the area. A system impact analysis performed by the operator of the transmission system with which the facility will be interconnected, as well as any analysis, in applicant's possession, submitted to an area reliability council, concerning the impact of the facility on the area grid, shall satisfy the foregoing requirements. The impact analysis must include both local area and regional impacts.

i. The applicant, if a public utility, must include a statement of total cost to construct the proposed facility. Such cost shall include, but shall not be limited to, the cost of all electric power generating units, all electric supply lines within the facility site boundary, all electric supply lines beyond the facility site boundary with voltage of 69 kilovolts or higher used for transmitting power from the facility to the point of junction with the distribution system or with the interconnected primary transmission system, all

appurtenant or miscellaneous structures used and useful in connection with said facility or any part thereof, and all rights-of-way, lands or interest in lands, the use and occupancy of which are necessary or appropriate in the maintenance or operation of said facility.

j. The names and addresses of those owners and lessees of record of real property identified in 24.6(2)*"d"* and *"e."*

k. The names and addresses of those owners and lessees of record of real property for whom the applicant seeks the use of eminent domain.

24.4(2) In section 2, entitled "Regulatory requirements," applicant shall include the following:

a. All information related to the regulatory agency and zoning authority requirements for permits or licenses necessary to construct, operate, and maintain the facility.

b. A listing of every state agency from which any approval or authorization concerning the proposed facility is required and a listing of zoning authorities.

c. Information equivalent to the information required in the rules and application forms of such state regulatory agencies and zoning authorities, to the extent such information is ready to be filed.

24.4(3) In section 3, entitled "Community impact," the applicant shall include an identification and analysis of the effects the construction, operation and maintenance of the proposed facility will have on the site impact area including, but not limited to, the following:

a. A forecast of the permanent impact of the construction, operation, and maintenance of the proposed facility on commercial and industrial sectors, housing, land values, labor market, health facilities, sewage and water, fire and public protection, recreational facilities, schools and transportation facilities.

b. A forecast of any temporary impact placed upon housing, schools or other community facilities as a result of a temporary influx of workers during the construction of the proposed facility.

c. A forecast of the impact of the proposed facility on property taxes of affected taxing jurisdictions. The forecast shall include the effects on property taxes caused by all community development proximately related to the construction of the proposed facility.

d. A forecast of the impact on agricultural production and uses.

e. A forecast of the impact on open space areas and areas of significant wildlife habitat. Such forecast shall include identification and description of the impact of the proposed facility on terrestrial and aquatic plants and animals.

f. A forecast of the impact on transportation facilities.

g. A forecast of the impact on cultural resources including known archaeological, historical and architectural properties, which are on, or eligible for, the National Register of Historic Places.

h. A forecast of the impact on landmarks of historic, religious, archaeological, scenic, natural or other cultural significance. Such information shall include applicant's plans to coordinate with the office of state archaeologist to reduce or obviate any adverse impact and the applicant's plans to coordinate with the state office of disaster services in the event of accidental release of contaminants from the proposed facility.

24.4(4) Site selection methodology. In section 4, entitled "Site selection methodology," applicant shall present information related to its selection of the proposed site for the facility. Such information shall include the following:

a. The general criteria used to select alternative sites and how these criteria were used to select the proposed site.

b. A discussion of the extent to which reliance upon eminent domain powers could be reduced by use of an alternative site, alternative generation method or alternative waste handling method.

[**ARC 3751C**, IAB 4/11/18, effective 5/16/18; Editorial change: IAC Supplement 7/24/24]

199—24.5(476A) Initial commission review: Application acceptance.

24.5(1) Upon the filing of the application or a portion of the application, the commission and the appropriate regulatory agencies shall make an initial review thereof to determine if it is in substantial compliance with the requirements of rule 199—24.4(476A) which pertain thereto. If any significant deficiencies, including those noted by applicant, are determined to exist in the application, or such portion of the application by either the commission or regulatory agency, the commission shall notify the applicant specifying such deficiencies, within 45 days from the date of the filing of the application or such portion of the application.

24.5(2) The applicant shall have 30 days from notification of deficiencies to amend or request, for good cause, a reasonable extension of time to amend. In the event the applicant fails to amend within the time allowed or, after amendment, the application or portion thereof filed is not in substantial compliance with the requirements of rule 199—24.4(476A) which pertain thereto, the commission may reject the application or such portion thereof. Such rejection shall constitute final agency action, but shall not preclude reapplication.

24.5(3) If the application or portion thereof, after amendment or otherwise, is in substantial compliance with the requirements of rule 199—24.4(476A) which pertain thereto, the commission shall, within 45 days of the filing of the application or portion thereof or amendment thereto, accept the application or portion thereof and set the time and place for hearing as provided in rule 199—24.6(476A); provided, however, that upon acceptance of a partial application, the commission may order separate proceedings on particular phases of the application, pursuant to rule 199—24.9(476A), where such partial application permits a finding to be made with regard to any of the facility siting criteria contained in subrule 24.10(2).

[**ARC 3751C**, IAB 4/11/18, effective 5/16/18; Editorial change: IAC Supplement 7/24/24]

199—24.6(476A) Procedural schedule.

24.6(1) Upon acceptance of the application, the commission shall establish a schedule for the certification proceeding which shall include:

a. A hearing to be commenced in accordance with rule 199—24.8(476A), no earlier than 90 days nor later than 150 days from the date of acceptance. This hearing shall be conducted in the county in which the construction of the greater portion of the facility is being proposed.

b. Provision for the publication of notice of the schedule for the hearing held by the commission in the form provided in Iowa Code section 17A.12(2), which notice shall be published in a newspaper of general circulation in each county in which the proposed site is located once each week for two consecutive weeks with the second publication being no later than 30 days after acceptance of the application.

24.6(2) The commission shall serve notice of the acceptance of the application and proceeding schedule upon the following:

a. All regulatory agencies, including Iowa department of transportation and the Iowa department of natural resources.

b. Interested agencies as determined by the commission, including the office of state archaeologist and the office of historical preservation of the state historical society of Iowa.

c. County and city zoning authorities from the area in which the proposed site is located; and

d. All owners of record of real property located within one mile of the intersection of the transverse center-line axis and longitudinal center-line axis of the generator, or all such generator axis intersections where the proposed facility includes multiple generators, and all owners of record of real property located within 1000 linear feet of the proposed boundary, but outside any such one-mile radius.

e. All lessees of record of real property of one acre or more located within the site boundary or within 1000 linear feet outside of the proposed site boundary.

f. Owners and lessees of real property for which the applicant seeks the power of eminent domain.

g. Other interested persons as determined by the commission.

24.6(3) Status of notice recipient.

a. Those receiving notice under 24.6(2)*"a"* shall be deemed parties to the proceeding.

b. Such notice provided under 24.6(2)*"b," "c," "d," "e"* or *"f"* shall state that the recipient shall have the right to become an intervenor upon duly filing written notice of intervention.

[**ARC 3751C**, IAB 4/11/18, effective 5/16/18; Editorial change: IAC Supplement 7/24/24]

199—24.7(476A) Informational meeting.

24.7(1) *Place of meeting.* Not less than 30 days prior to the filing of an application the applicant shall hold an informational meeting in the county of the proposed site for the facility. In the event the proposed site is in more than one county, such meeting shall be in that county containing the greatest portion of the proposed facility site.

24.7(2) *Meeting facilities.* The applicant shall be responsible for all negotiations and compensation for a suitable facility to be used for the informational meeting, including but not limited to a building or facility which is in substantial compliance with the requirements of the Americans with Disabilities Act Accessibility Guidelines, Chapter 4, where such a building or facility is reasonably available.

24.7(3) *Location.* The location of the meeting shall be reasonably accessible to all persons which may be affected by the granting of the certificate.

24.7(4) *Commission approval.* Commission approval shall be obtained for the proposed informational meeting date, time, and location.

24.7(5) *Personnel.* The prospective applicant shall provide qualified personnel to speak for the applicant in matters relating to the following:

a. Utility planning which has resulted in the proposed construction.

b. When the facility or significant alteration will be constructed.

c. In general terms the physical construction, appearance and location of major structures with respect to proposed property lines.

d. In general terms the property rights which the applicant shall seek including purchase, option to buy, and easement.

e. Procedures to be followed in contacting affected parties for specific negotiations in acquiring property rights.

f. Methods and factors used in arriving at offered compensation.

g. Manner in which payments are made including discussion of conditional easements, signing fees and time of payment.

h. Other factors or damages for which compensation is made.

i. If the undertaking is a joint effort, other participants shall be represented at the informational meeting by qualified personnel designated to speak for them.

24.7(6) *Conduct of the meeting.* A member of the commission, or a hearing examiner designated by the commission, shall serve as the presiding officer at the meeting and present an agenda for such meeting, which shall include a summary of the legal rights of affected legal landowners. No formal record of the meeting is required. The meeting shall be considered an opportunity for interested members of the public to raise questions regarding the proposal, and an opportunity for the applicant to respond.

24.7(7) *Notice.* At least one week prior to the time set for the informational meeting, the applicant shall cause to be published a notice of such meeting in a newspaper of general circulation in each county containing a portion of the proposed site impact area. The notice of the informational meeting shall contain the following statement: Persons with disabilities requiring assistive services or devices to observe or participate should contact the utilities commission at (515)725-7300 in advance of the scheduled date to request that appropriate arrangements be made. Proof of such notice shall be provided to the commission by applicant. Additional notice shall be made through press release to all newspapers of general circulation in each county containing a portion of the proposed site impact area and, as deemed appropriate by the commission, electronic media.

This rule is intended to implement Iowa Code sections 476A.2 and 476A.12.

[Editorial change: IAC Supplement 12/29/10; Editorial change: IAC Supplement 7/24/24]

199—24.8(476A) Hearing procedure.

24.8(1) *General.* The proceedings conducted by the commission pursuant to this chapter shall be treated in the same manner as a contested case pursuant to the provisions of Iowa Code chapter 17A. Except where contrary to express provisions below, the hearing procedure shall conform to the commission's rules of practice and procedure, 199—Chapter 7. The proceeding for the issuance of certificate may be consolidated with the contested case proceeding for determination of applicable ratemaking principles under Iowa Code section 476.53. All filings shall be made electronically unless otherwise permitted by the commission.

24.8(2) *Intervention.*

a. Notice of intervention. An agency not receiving notice pursuant to 24.6(2)*"b"* may become a party to the contested case proceeding by filing a notice of intervention. Such notice shall contain a statement of the jurisdiction or interest of the particular agency with respect to the proposed facility.

b. Petition to intervene. Any other person wishing to become a party to the contested case proceeding may request to intervene in the proceeding by petition to intervene filed at least 30 days prior to the date of the scheduled hearing, but not afterward except for good cause shown. Such application shall specify the issues in which petitioner may contest before a regulatory agency or otherwise. A petition to intervene shall substantially comply with the form prescribed in 199—subrule 2.2. All other parties to the proceeding shall have the right to resist or respond to the petition to intervene within seven days subsequent to the petitioner's service thereof.

c. Commission discretion. The commission may, in its discretion, grant or deny such petition or may permit intervention by the petitioner limited to particular issues or to a particular phase or stage of the proceeding. The commission shall, in exercising its discretion, consider the substantiality of the petitioner's rights allegedly affected by the granting or denial of the application and whether granting the intervention will unduly delay the proceeding or have no probative value to the proceeding. The granting of any petition to intervene shall not have the effect of changing or enlarging the issues specified in the commission's notice of hearing or any prehearing order of the commission unless the commission shall, on motion, amend the same.

24.8(3) *Appearance.* If any regulatory agency fails to appear of record in the contested case proceeding conducted by the commission, the commission shall conclusively presume that the facility meets the regulatory agency's permit and licensing requirements and the regulatory agency shall immediately issue any license or permit required for the construction, operation, or maintenance of the facility.

24.8(4) *Discovery.* Discovery may begin after the commencement of the contested case proceeding. It will not be grounds for objection that the information sought will be inadmissible at the hearing if the information sought appears reasonably calculated to lead to the discovery of admissible evidence.

24.8(5) *Application for rehearing.* All applications for rehearing will be made and processed in accordance with Iowa Code sections 17A.16(2) and 476.12. Applications for rehearing after decisions made by the commission must state the specific grounds upon which the application is based and must specify such findings of fact and conclusions of law and such terms or conditions of any certificate or amendment to certificate as are claimed to be erroneous, with a brief statement of the grounds of error. An application for rehearing shall substantially comply with the form prescribed in 199—subrule 2.2.

[**ARC 3751C**, IAB 4/11/18, effective 5/16/18; Editorial change: IAC Supplement 7/24/24]

199—24.9(476A) Separate hearings on separate issues.

24.9(1) *By motion.* The commission, upon its own motion or on the motion of the applicant, may order separate phases on particular issues of the proceeding. Each phase shall be addressed to issues involved in applying one or more of the facility siting criteria set forth in subrule 24.10(2) and shall result in commission findings with respect thereto.

24.9(2) *By agreement.* In accordance with agreements made pursuant to Iowa Code chapter 28E, with regulatory agencies, the commission shall establish separate phases of the hearing process to determine whether the proposed facility will conform to the permit and licensing requirements of the regulatory agencies.

24.9(3) *Procedure.* Each such hearing phase shall be conducted in conformance with the requirements of rule 199—24.8(476A) or other rules of practice and procedure designated in the applicable chapter 28E agreement.

[Editorial change: IAC Supplement 7/24/24]

199—24.10(476A) Certification decision.

24.10(1) *Issuance of decision.* Upon the close of the record in the proceeding, the commission shall expeditiously render a written decision with complete determinations as to the facility siting criteria or portion thereof under consideration, other necessary findings of fact or conclusions of law necessary to support the commission's decision.

24.10(2) *Facility siting criteria.* In rendering its certification decision, the commission shall consider the following criteria:

a. Whether the service and operations resulting from the construction of the facility are consistent with the legislative intent as expressed in Iowa Code section 476.53 and the economic development policy of the state as expressed in Iowa Code Title I, Subtitle 5, and will not be detrimental to the provision of adequate and reliable electric service. Such determination shall include whether the existing transmission network has the capability to reliably support the proposed additional generation interconnection to the network.

b. Whether the construction, maintenance, and operation of the proposed facility will be consistent with reasonable land use and environmental policies, and consonant with reasonable utilization of air, land, and water resources, considering available technology and the economics of available alternatives. Such determination shall include:

(1) Whether all adverse impacts attendant the construction, maintenance and operation of the facility have been reduced to a reasonably acceptable level;

(2) Whether the proposed site represents a reasonable choice among available alternatives;

(3) Whether the proposed facility complies with applicable city, county or airport zoning requirements and, if not, whether the location of the proposed facility at the proposed site is reasonably justified from an economic, technical, and social standpoint.

c. Whether the applicant is willing to construct, maintain, and operate the facility pursuant to the provisions of the certificate and the Act.

d. Whether the proposed facility meets the permit and licensing requirements of regulatory agencies.

e. Requirement for good engineering practice. The applicant shall use the applicable provisions in the publications listed below as standards of accepted good practice unless otherwise ordered by the commission:

(1) Iowa Electrical Safety Code, as defined in 199—Chapter 25.

(2) National Electrical Code, as defined in 199—Chapter 25.

(3) Power Piping-ANSI standard B31.1-2004.

24.10(3) *Amendment.* If the commission finds that the application and record in the proceeding does not support affirmative findings with regard to these criteria, the commission will, in its order, specify any deficiencies determined to exist. The applicant shall have 30 days from the notification of the deficiencies to amend or, for good cause, to request a reasonable extension of time to amend the application or to request reopening of the record to correct the deficiencies, or both.

24.10(4) *Denial.* In the event the applicant fails to amend in a timely fashion, or after amendment or reopening the record, or both, the commission is still unable to make an affirmative finding, the commission will deny the application. The applicant may request rehearing on such denial in accordance with Iowa Code sections 17A.16(2) and 476.12.

24.10(5) *Application approval.* If the commission finds, after amendment or record reopening, or both, or otherwise, that affirmative findings are appropriate, the commission shall approve the application and, in accordance with rule 199—24.12(476A), prepare a certificate for construction of the facility.

[**ARC 3751C**, IAB 4/11/18, effective 5/16/18; Editorial change: IAC Supplement 7/24/24]

199—24.11(476A) Site preparation.

24.11(1) In the event no certificate has been issued after 90 days from the commencement of the hearing, the commission may permit the applicant to begin work to prepare the site for construction of the facility. Any activities conducted pursuant to this rule shall have no probative value to the commission's decision concerning the actual issuance of a certificate.

24.11(2) In the event the commission denies an application for a certificate or an amendment to a certificate, applicants who have received permission to begin site preparation, pursuant to 24.11(1), shall restore the site, in accordance with the commission order denying the application.

[**ARC 3751C**, IAB 4/11/18, effective 5/16/18; Editorial change: IAC Supplement 7/24/24]

199—24.12(476A) Issuance of a certificate.

24.12(1) *General.* The certificate shall authorize construction, maintenance, and operation of the facility on the site designated in the certificate according to the following:

a. Those terms and conditions imposed by the commission and stated in the certificate.

b. Those terms and conditions in licenses and permits issued by regulatory agencies before and during the proceeding.

c. Those terms and conditions which have been specifically recommended by regulatory agencies in the proceeding and declared by those regulatory agencies or the commission as being necessary for the applicant to comply with requirements of licenses or permits then sought but not yet issued.

24.12(2) *Eminent domain.* The certificate shall give the applicant the power of eminent domain to the extent and under such conditions as the commission approves, prescribes, and finds necessary for the public convenience, use, and necessity, proceeding in the manner of works of internal improvement under Iowa Code chapter 6B.

24.12(3) *Certificate transfer.* A certificate may be transferred, subject to the approval of the commission, to a person who agrees to comply with the terms of the certificate including any amendments to the certificate. Certificates shall be transferable by operation of law to any receiver, trustee or similar assignee under a mortgage, deed of trust or similar instrument.

24.12(4) *Application withdrawal.* Pursuant to Iowa Code section 476.53, a rate-regulated utility shall have the option of withdrawing its application for issuance of a certificate.

[**ARC 3751C**, IAB 4/11/18, effective 5/16/18; Editorial change: IAC Supplement 7/24/24]

199—24.13(476A) Exemptions from certification application; application for amendment for certificate: Contents.

24.13(1) Application for amendment.

a. Each person or group of persons proposing a significant alteration to any facility which was constructed pursuant to a certificate issued by the commission shall file an application for an amendment to a certificate in lieu of an application for a certificate.

b. Each person or group of persons proposing a significant alteration to any facility which was not constructed pursuant to a certificate issued by the commission must file an application for such certificate unless:

(1) The facility has not attained full commercial rating and has not operated in excess of 80 percent of its maximum nameplate megawatt rating for ten hours daily for 45 consecutive days; and

(2) The significant alteration requires no more land than was required for the facility, is within the scope of publicly announced plans for the facility's construction, and entails no additional contracts for major components than those let for the facility.

24.13(2) All applications for amendment to a certificate shall be filed in accordance with rule 199—24.3(476A) and shall include:

a. A complete identification and discussion of the nature of the amendment proposed; and

b. A complete enumeration of the effects the amendment has on the accuracy of the information contained in the application for a certificate filed pursuant to rule 199—24.4(476A).

24.13(3) Upon commission acceptance of the application in accordance with 24.13(1), the commission shall establish a hearing schedule. At the commission's discretion, the informational meeting and prehearing conference for this proceeding may be waived. Notice shall be in accordance with 24.6(2).

24.13(4) In the consideration of an application for a certificate, pursuant to 24.13(1)*"b,"* or amendment to a certificate, pursuant to 24.13(1)*"a,"* there shall be a rebuttable presumption that the decision criteria of 24.10(2) are satisfied.

24.13(5) Amendment to a certificate. In determining whether an amendment to a certificate will be issued to the applicant, the commission will be guided by the criteria set forth in 24.10(2) to the extent applicable and appropriate.

This rule is intended to implement Iowa Code sections 17A.3, 474.5, 476.1, and 476.2.

[Editorial change: IAC Supplement 7/24/24]

199—24.14(476A) Assessment of costs. The applicant for a certificate, or an amendment to a certificate, shall pay all the costs and expenses incurred by the commission in reaching a decision on the application including the costs of examinations of the site, the hearing, publishing of notice, commission staff salaries, the cost of consultants employed by the commission, and other expenses reasonably attributable to the proceeding.

This rule is intended to implement Iowa Code chapter 476A and sections 17A.3, 474.5, 476.1, and 476.2.
[Editorial change: IAC Supplement 7/24/24]

199—24.15(476A) Waiver. The commission, if it determines that the public interest would not be adversely affected, may waive any of the requirements of this chapter. In determining whether the public interest would not be adversely affected, the commission will consider the following factors:

1. The purpose of the facility.
2. The type of facility.
3. If the facility is for the applicant's own needs.
4. The effect of the facility on existing transmission systems.
5. Any other relevant factors.

In addition to other service requirements, the applicant must serve a copy of the waiver request on all owners of record of real property that adjoins the proposed facility site. A request for a waiver shall also comply with rule 199—1.3(17A,474,476).

This rule is intended to implement Iowa Code sections 476A.1, 476A.2, 476A.4, 476A.6, 476A.7 and 476A.15.
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CHAPTER 25
IOWA ELECTRICAL SAFETY CODE
[Prior to 10/8/86, Commerce Commission[250]]

199—25.1(476,476A,478) General information.

25.1(1) *Authority.* The standards relating to electric and communication facilities in this chapter are prescribed by the Iowa utilities commission pursuant to Iowa Code sections 476.1, 476.1B, 476.2, 476A.12, 478.19, and 478.20.

25.1(2) *Purpose.* The purpose of this chapter is to promote safe and adequate service to the public, to provide standards for uniform and reasonable practices by utilities, and to establish a basis for determining the reasonableness of such demands as may be made by the public upon the utilities. The rules apply to electric and communication utility facilities located in the state of Iowa and shall supersede all conflicting rules of any such utility. This rule shall in no way relieve any utility from any of its duties under the laws of this state.

25.1(3) *Definition of utility.* For the purpose of this chapter, a utility is any owner or operator of electric or communications facilities subject to the safety jurisdiction of the commission.

[**ARC 9501B**, IAB 5/18/11, effective 6/22/11; Editorial change: IAC Supplement 7/24/24]

199—25.2(476,476A,478) Iowa electrical safety code defined. The standard minimum requirements for the installation and maintenance of electric substations, generating stations, and overhead and underground electric supply or communications lines adopted below, collectively constitute the "Iowa Electrical Safety Code."

25.2(1) *National Electrical Safety Code.* The American National Standards Institute (ANSI) C2-2017, "National Electrical Safety Code" (NESC), including issued Correction Sheets, is adopted as part of the Iowa electrical safety code, except Part 4, "Rules for Operation of Electric Supply and Communications Lines and Equipment," which is not adopted by the commission.

25.2(2) *Modifications and qualifications to the NESC.* The standards set forth in the NESC are modified or qualified as follows:

a. Introduction to the National Electrical Safety Code. NESC 013A2 is modified to read as follows: "Types of construction and methods of installation other than those specified in the rules may be used experimentally to obtain information, if done where:

"1. Qualified supervision is provided,

"2. Equivalent safety is provided,

"3. On joint-use facilities, all joint users are notified in a timely manner, and

"4. Prior approval is obtained from the Iowa utilities commission."

b. Minimum clearances.

(1) In any instance where minimum clearances are provided in Iowa Code chapter 478 which are greater than otherwise required by these rules, the statutory clearances shall prevail.

(2) The following clearances shall apply to all lines regardless of date of construction: NESC 232, vertical clearances for "Water areas not suitable for sailboating or where sailboating is prohibited," "Water areas suitable for sailboating . . . ," and "Established boat ramps and associated rigging areas . . . "; and NESC 234E, "Clearance of Wires, Conductors, Cables or Unguarded Rigid Live Parts Installed Over or Near Swimming Areas With No Wind Displacement."

(3) Table 232-1, Footnote 21, is changed to read: "Where the U.S. Army Corps of Engineers or the state, or a surrogate thereof, issues a crossing permit, the clearances of that permit shall govern if equal to or greater than those required herein. Where the permit clearances are less than those required herein and water surface use restrictions on vessel heights are enforced, the permit clearances may be used."

(4) Except for clearances near grain bins, for measurements made under field conditions, the commission will consider compliance with the overhead vertical line clearance requirements of Subsection 232 and Table 232-1 of the 1987 NESC indicative of compliance with the 1990 through 2017 editions of the NESC. (For an explanation of the differences between 1987 and subsequent code edition clearances, see Appendix A of the 1990 through 2017 editions of the NESC.)

c. Reserved.

d. Rule 217C1 is changed to read:

"The ground end of anchor guys exposed to pedestrian or vehicle traffic shall be provided with a substantial marker not less than eight feet long. The guy marker shall be of a conspicuous color such as yellow, orange, or red. Green, white, gray or galvanized steel colors are not reliably conspicuous against plant growth, snow, or other surroundings. Noncomplying guy markers shall be replaced as part of the utility's inspection and maintenance plan."

e. There is added to Rule 381G:

(3) Pad-mounted and other aboveground equipment not located within a fenced or otherwise protected area shall have affixed to its outside access door or cover a prominent "Warning" or other appropriate sign of highly visible color, warning of hazardous voltage and including the name of the utility. This rule shall apply to all signs placed or replaced after June 18, 2003.

f. There is added to the first paragraph of Rule 110A1, after the sentence stating, "Entrances not under observation of an authorized attendant shall be kept locked," the following sentences:

Entrances may be unlocked while authorized personnel are inside. However, if unlocked, the entrance gate must be fully closed, and must also be latched or fastened if there is a gate-latching mechanism.

g. Lines crossing railroad tracks shall comply with the additional requirements of 199 IAC 42.6(476), "Engineering standards for electric and communications lines."

25.2(3) *Grain bins.*

a. Electric utilities shall conduct or participate in annual public information campaigns to inform farmers, farm lenders, grain bin merchants, and city and county zoning officials of the hazards of and standards for construction of grain bins near power lines.

b. An electric utility may refuse to provide electric service to any grain bin built near an existing electric line which does not provide the clearances required by the American National Standards Institute (ANSI) C2-2017 "National Electrical Safety Code," Rule 234F. This paragraph *"b"* shall apply only to grain bins loaded by portable augers, conveyors or elevators and built after September 9, 1992, or to grain bins loaded by permanently installed augers, conveyors, or elevator systems installed after December 24, 1997.

25.2(4) *General rules.*

a. Joint-use construction. Where it is mutually agreeable between an electric utility and a communication or cable television company, communication circuits or cables may be buried in the same trench or attached to the same supporting structure, provided this joint use is permitted by, and is constructed in compliance with, the Iowa electrical safety code.

b. Lines. In order to limit the residual currents and voltages arising from line unbalances, the resistance, inductance, capacitance and leakage conductance of each phase conductor of an electric supply circuit in any section shall be as nearly equal as practical to the corresponding quantities in the other phase conductors in the same section.

The ampacity of a multigrounded neutral conductor of an electric supply circuit shall be adequate for the load which it is required to carry. The ampacity of a multigrounded neutral conductor of an electric supply circuit shall not be less than 60 percent of that of any phase conductor with which it is associated, except for three phase four wire wye circuits where it shall have ampacity not less than 50 percent of that of any associated phase conductor. In no case shall the resistance of a multigrounded neutral conductor exceed 3.6 ohms per mile. (This does not modify the mechanical strength requirements for conductors.) A multigrounded conductor installed and utilized primarily for lightning shielding of the associated phase conductors need not comply with the above percentage ampacity requirements for neutral conductors.

Where the neutral conductor of the electric supply circuit is not multigrounded or in an inductive exposure involving communication or signal circuits and equipment where the controlling frequencies are 360 Hertz or lower, any neutral conductor shall have the same ampacity as the phase conductors with which it is associated.

25.2(5) *Other references adopted.*

a. The "National Electrical Code," ANSI/NFPA 70-2014, is adopted as a standard of accepted good practice for customer-owned electrical facilities beyond the utility point of delivery, except for installations subject to the provisions of the state fire marshal standards in 661—504.1(103).

b. "The Lineman's and Cableman's Handbook," Twelfth Edition; Shoemaker, Thomas M. and Mack, James E.; New York, McGraw-Hill Book Co., is adopted as a recommended guideline to implement the "National Electrical Safety Code" or "National Electrical Code," and for developing the inspection and maintenance plans required by 199—25.3(476,478).

[**ARC 7962B**, IAB 7/15/09, effective 8/19/09; **ARC 9501B**, IAB 5/18/11, effective 6/22/11; **ARC 1359C**, IAB 3/5/14, effective 4/9/14; **ARC 2711C**, IAB 9/14/16, effective 10/19/16; **ARC 3010C**, IAB 3/29/17, effective 5/3/17; Editorial change: IAC Supplement 7/24/24]

199—25.3(476,478) Inspection and maintenance plans.

25.3(1) *Filing of plan.* Each electric utility shall adopt and file with the commission a written plan for inspecting and maintaining its electric supply lines and substations (excluding generating stations) in order to determine the necessity for replacement, maintenance, and repair, and for tree trimming or other vegetation management. If the plan is amended or altered, revised copies of the appropriate plan pages shall be filed.

25.3(2) *Annual report.* Each investor-owned, rate-regulated utility shall include as part of its annual report to the commission, as required by 199—Chapter 23, certification of compliance with each area of the inspection and maintenance plan required by subrule 25.3(1) or a detailed statement on areas of noncompliance.

25.3(3) *Contents of plan.* The inspection plan shall include the following elements:

a. General. A listing of all counties or parts of counties in which the utility has electric supply lines in Iowa. If the utility has district or regional offices responsible for implementation of a portion of the plan, the addresses of those offices and a description of the territory for which they are responsible shall also be included.

b. Inspection of lines, poles, and substations.

(1) Inspection schedules. The plan shall contain a schedule for the periodic inspection of the various units of the utility's electric plant. The period between inspections shall be based on accepted good practice in the industry, but for lines and substations shall not exceed ten years for any given line or piece of equipment. Lines operated at 34.5 kV or above shall be inspected at least annually for damage and to determine the condition of the overhead line insulators.

(2) Inspection coverage. The plan shall provide for the inspection of all supply line and substation units within the adopted inspection periods and shall include a complete listing of all categories of items to be checked during an inspection.

(3) Conduct of inspections. Inspections shall be conducted in a manner conducive to the identification of safety, maintenance, and reliability concerns or needs.

(4) Instructions to inspectors. Copies of instructions or guide materials used by utility inspectors in determining whether a facility is in acceptable condition or in need of corrective action or further investigation.

c. Tree trimming or vegetation management plan.

(1) Schedule. The plan shall contain a schedule for periodic tree trimming or other measures to control vegetation growth under or along the various units of the utility's electric plant. The period between inspections shall be based on accepted good practice in the industry and may vary depending on the nature of the vegetation at different locations.

(2) Procedures. The plan shall include written procedures for vegetation management. The procedures shall promote the safety and reliability of electric lines and facilities. Where tree trimming is employed, practices shall be adopted that will protect the health of the tree and reduce undesirable regrowth patterns.

d. Pole inspections. Pole inspections shall periodically include an examination of the poles that includes tests in addition to visual inspection in appropriate circumstances. These additional tests may include sounding, boring, groundline exposure, and, if applicable, pole treatment.

25.3(4) *Records.* Each utility shall keep sufficient records to demonstrate compliance with its inspection and vegetation management plans. For each inspection unit, the records of line and substation inspections and pole inspections shall include the inspection date(s), the findings of the inspection, and the disposition or scheduling of repairs or maintenance found necessary during the inspection. For each inspection unit, the records of vegetation management shall include the date(s) during which the work was

conducted. The records shall be kept until two years after the next periodic inspection or vegetation management action in the inspection and maintenance plan cycle is completed or until all necessary repairs and maintenance are completed, whichever is longer.

25.3(5) *Guidelines.* Applicable portions of Rural Utilities Service (RUS) Bulletins 1730-1, 1730B-121, and 1724E-300 and "The Lineman's and Cableman's Handbook" are suggested as guidelines for the development and implementation of an inspection plan. ANSI A300 (Part 1)-2008 (R2014), "Pruning," and Section 35 of "The Lineman's and Cableman's Handbook" are suggested as guides for tree trimming practices.

[**ARC 1359C**, IAB 3/5/14, effective 4/9/14; **ARC 2711C**, IAB 9/14/16, effective 10/19/16; **ARC 3010C**, IAB 3/29/17, effective 5/3/17; **ARC 5531C**, IAB 3/24/21, effective 4/28/21; Editorial change: IAC Supplement 7/24/24]

199—25.4(476,478) Correction of problems found during inspections and pole attachment procedures.

25.4(1) Corrective action shall be taken within a reasonable period of time on all potentially hazardous conditions, instances of safety code noncompliance, maintenance needs, potential threats to safety and reliability, or other concerns identified during inspections. Hazardous conditions shall be corrected promptly. In addition to the general requirements stated in this subrule, pole attachments shall comply with the specific requirements and procedures established in subrule 25.4(2).

25.4(2) To ensure the safety of pole attachments to poles owned by utilities in Iowa, this subrule establishes requirements for attaching electric lines, communications lines, cable systems, video service lines, data lines, wireless antennae and other wireless facilities, or similar lines and facilities that are attached to the excess space on poles owned by utilities.

a. Definitions. The following definitions shall apply to this rule.

"Pole" means any pole owned by a utility that carries electric lines, communications lines, cable systems, video service lines, data service lines, wireless antennae or other wireless facilities, or similar lines and facilities.

"Pole attachment" means any electric line, communication circuit, cable system, video service line, data service line, antenna and other associated wireless equipment, or similar lines and facilities attached to a pole or other supporting structure subject to the safety jurisdiction of the commission pursuant to the Iowa electrical safety code, 199—25.2(476,476A,478).

"Pole occupant" means any electric utility, telecommunications carrier, cable system provider, video service provider, data service provider, wireless service provider, or similar person or entity that constructs, operates, or maintains pole attachments as defined in this chapter.

"Pole owner" means a utility that owns poles subject to the safety jurisdiction of the commission pursuant to the Iowa electrical safety code, 199—25.2(476,476A,478).

b. Compliance with Iowa electrical safety code. Pole attachments to poles shall be constructed, installed, operated, and maintained in compliance with the Iowa electrical safety code, 199—25.2(476,476A,478), and the requirements and procedures established in this subrule.

c. Requests for access to poles; exceptions for service drops and overlashing.

(1) A pole owner shall provide nondiscriminatory access to poles it owns, to the extent required by federal or state law. Requests for access to poles by an electric utility, telecommunications carrier, cable system operator, video service provider, data service provider, wireless service provider, or similar person or entity shall be made in writing or by any method as may be agreed upon by the pole owner and the person or entity requesting access to the pole. If access is denied, the pole owner shall explain in detail the specific reason for denial and how the denial relates to reasons of lack of capacity, safety, reliability, or engineering standards.

(2) Service drops are not subject to the notice and approval requirements in subparagraph 25.4(2)*"c"*(1). Instead, pole occupants shall provide notice to pole owners within 30 days of the installation of a new service drop, unless the pole occupant and pole owner have negotiated a different notification requirement.

(3) Overlashing of existing lines is not subject to the notice and approval requirements in subparagraph 25.4(2)*"c"*(1). Pole occupants shall provide notice to pole owners of proposed overlashing at

least 7 days prior to installation of the overlashing, unless the pole occupant and pole owner have negotiated a different notification requirement.

d. Notification of violation. A pole owner shall notify in writing a pole occupant of an alleged violation of the Iowa electrical safety code by a pole attachment owned by the pole occupant or may provide notice by another method as may be agreed upon by the parties to a pole attachment agreement. The notice shall include the address and pole location where the alleged violation occurred, a description of the alleged violation, and suggested corrective action.

e. Corrective action.

(1) Upon receipt of notification from a pole owner that the pole occupant has one or more pole attachments in violation of the Iowa electrical safety code, the pole occupant shall respond to the pole owner within 60 days in writing or by another method as may be agreed upon by the pole occupant and the pole owner. The response shall provide a plan for corrective action, state that the violation has been corrected, indicate that the pole attachment is owned by a different pole occupant, or indicate that the pole occupant disputes that a violation has occurred. The violation shall be corrected within 180 days of the date notification is received unless good cause is shown for any delay in taking corrective action. A disagreement that a violation has occurred, a claim that correction is not possible within the specific time frames due to events beyond the control of the pole occupant, or a claim that a different pole occupant is responsible for the alleged violation will be considered good cause to extend the time for taking corrective action. The pole occupant and pole owner may also agree to an extension of the time for taking corrective action. The pole owner and pole occupant shall cooperate in determining the cause of a violation and an efficient and cost-effective method of correcting a violation.

(2) If the violation could reasonably be expected to endanger life or property, the pole occupant shall take the necessary action to correct, disconnect, or isolate the problem immediately upon notification. If immediate corrective action is not taken by the pole occupant for a violation that could reasonably be expected to endanger life or property, the pole owner may take the necessary corrective action and the pole occupant shall reimburse the pole owner for the actual cost of any corrective measures. If the pole owner is later determined to have caused the violation and the pole occupant has taken corrective action, the pole owner shall reimburse the pole occupant for the actual cost of the corrective action. Disputes concerning the ownership of the pole attachment should be resolved as quickly as possible.

f. Negotiated resolution of disputes. Parties to disputes over alleged violations of the Iowa electrical safety code, the cause of a violation, the pole occupant responsible for the violation, the cost-effective corrective action, or any other dispute regarding the provisions of subrule 25.4(2) shall attempt to resolve disputes through good-faith negotiations. Parties may file an informal complaint with the commission pursuant to 199—Chapter 6 as part of negotiations.

g. Complaints. Complaints concerning the requirements or procedures established in subrule 25.4(2), including alleged violations of the Iowa electrical safety code, may be filed with the commission by pole owners or pole occupants pursuant to the complaint procedures in 199—Chapter 6.

h. Civil penalties. Persons found to have violated the provisions of subrule 25.4(2) may be subject to civil penalties pursuant to Iowa Code section 476.51 or to other action by the commission.

[**ARC 1259C**, IAB 1/8/14, effective 2/12/14; Editorial change: IAC Supplement 7/24/24]

199—25.5(476,478) Accident reports. This rule applies to all owners or operators of electrical facilities subject to the safety jurisdiction of the commission under this chapter.

25.5(1) All owners and operators of electrical facilities subject to the safety jurisdiction of the commission shall provide the commission with a 24-hour contact number where the commission can obtain immediate access to a person knowledgeable about any incidents involving contact with energized electrical facilities.

25.5(2) All owners and operators of electrical facilities subject to the safety jurisdiction of the commission shall notify the commission of any incident or accident involving contact with energized electrical facilities that meets the following conditions:

a. An employee or other person coming in contact with energized electrical facilities which results in death or personal injury necessitating in-patient hospitalization.

b. Estimated property damage of $15,000 or more to the property of the utility and others.

c. Any other incident considered significant by the company.

25.5(3) The commission shall be notified immediately, or as soon as practical thereafter, by email to the commission duty officer at dutyofficer@iuc.iowa.gov or, if email service is not available, by calling (515)745-2332. The person contacting the commission shall leave a telephone number of a person who can provide the following information:

a. The name of the company, 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 requiring in-patient hospitalization and the extent of those injuries.

e. Initial estimate of damages.

f. A summary of the significant information available regarding the probable cause of the incident and extent of damages.

g. Any oral or written report made to a federal agency, the agency receiving the report, and the name and telephone number of the person who made or prepared the report.

25.5(4) Written incident reports. Within 30 days of the date of the incident, the owner or operator shall file a written report with the commission. The report shall include the information required for notice in subrule 25.5(3), the probable cause as determined by the company, the number and cause of any deaths or personal injuries requiring in-patient hospitalization, and a detailed description of property damage and the amount of monetary damages. If significant additional information becomes available at a later date, a supplemental report shall be filed. Duplicate copies of any written reports filed with or submitted to a federal agency concerning the incident shall also be provided to the commission.

[Editorial change: IAC Supplement 12/29/10; **ARC 1359C**, IAB 3/5/14, effective 4/9/14; **ARC 1623C**, IAB 9/17/14, effective 10/22/14; **ARC 3010C**, IAB 3/29/17, effective 5/3/17; Editorial change: IAC Supplement 7/24/24]

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[Editorial change: IAC Supplement 7/24/24]

◊ Two or more ARCs

CHAPTER 26
RATE CASES, TARIFFS, AND RATE REGULATION ELECTION PRACTICE AND PROCEDURE

[Prior to 11/9/05, see 199—Ch 7]

199—26.1(17A,476) Scope.

26.1(1) This chapter contains utilities commission procedural rules and filing requirements for utility rate cases, other rate tariff filings, and rate regulation election of electric cooperatives. The general contested case procedural rules in 199—Chapter 7 apply to these types of proceedings where the rules in this chapter do not provide specific guidance.

26.1(2) The provisions of this chapter do not apply to municipal utilities.

26.1(3) The provisions of this chapter do not apply to electric utilities with fewer than 10,000 customers or to electric cooperatives or associations subject to the provisions of Iowa Code section 476.1A that have not elected to be rate-regulated by the commission. Electric utilities with fewer than 10,000 customers shall be subject to the same regulatory requirements as electric cooperatives prescribed in 199—Chapter 27.

26.1(4) The provisions of this chapter do not apply to natural gas utilities with fewer than 2,000 customers pursuant to Iowa Code section 476.1C unless a valid petition is filed with the commission pursuant to Iowa Code section 476.1C(1)*"e"*(1).

[**ARC 5629C**, IAB 5/19/21, effective 6/23/21; Editorial change: IAC Supplement 7/24/24]

199—26.2(17A,476) Definitions. Terms not otherwise defined in these rules shall be understood to have their usual meanings.

"Bridge period" means the period between the most recent calendar year and the beginning of the proposed future test year.

"Commission" means the Iowa utilities commission or a majority of its members.

"Commission staff" means the staff employed by the commission.

"Commodity" or *"commodities"* means water, sanitary sewage disposal, storm water drainage, electricity, or natural gas.

"Effective date" means the date, approved by the commission, on which the utility may begin charging a new rate or charge or implementing tariff changes approved by the commission.

"Future test year" means any 12-month period beginning no later than the date on which a proposed rate change is expected to take effect.

"Historic test year" means a 12-month period preceding when the application for a general rate increase is filed for which verifiable data exists concerning the utility's costs and revenues.

"Rates" means the per-unit or per-occurrence amounts billed to customers for a recurring or nonrecurring service or commodity rendered or offered by the utility, and any charge, schedule, or regulation which a utility includes in a tariff approved by the commission.

"Subsequent proceeding" means the proceeding the commission is required to conduct subsequent to the effective date of the rates approved by the commission based upon a future test year.

"Utility" means an investor-owned public utility subject to rate regulation by the commission pursuant to Iowa Code chapter 476.

"Verification period" means the 12-month period of data required to be filed as part of the subsequent proceeding. The 12-month period begins the first day of the month following the month in which the rates approved by the commission become effective.

"Written notice" means any form of written communication, including first-class mail or electronic mail if a customer has agreed to receive electronic notices from the utility for matters other than billing.

[**ARC 5629C**, IAB 5/19/21, effective 6/23/21; Editorial change: IAC Supplement 7/24/24]

199—26.3(17A,476) Tariffs required.

26.3(1) *Tariffs to be filed.*

a. A utility shall not make effective any new or changed rate, charge, schedule, or regulation until it has been approved by the commission and the commission has determined an effective date, except as

provided in Iowa Code sections 476.6(8) and 476.6(9). A proposed tariff consistent with this rule shall be filed with an application for a new or changed rate, charge, schedule, or regulation.

b. If the proposed new or changed rate, charge, schedule, or regulation is neither rejected nor approved by the commission, the commission will docket the tariff filing as a formal proceeding within 30 days after the filing date.

c. Proposed new or changed rates, charges, schedules, or regulations which contain energy efficiency expenditures and related costs for demand-side programs shall not be included in a utility's proposed tariff which relates to a general increase in revenue. A utility may propose to recover the costs of process-oriented industrial assessments not related to energy efficiency as defined in rule 199—35.2(476).

d. The consumer advocate or any customer affected by the filing may submit within 20 days after the filing date a written objection to the filing and a written request that the commission docket the filing. The commission may grant the request at its discretion. The written objections and requests for docketing shall set forth specific grounds relied upon in making the objection or request.

26.3(2) *Transmittal letter and tariff changes.*

a. Two versions of all applicable proposed tariff revisions along with an accompanying transmittal letter shall be filed at the same time as an application for a general increase in rates. One version shall be a marked version that shows all of the tariff language changes for which the utility seeks approval. The second version shall be a clean copy of the tariff with all of the proposed tariff language changes incorporated. The transmittal letter shall include or be accompanied by such information as is necessary to explain the nature, effect, and purpose of the proposed tariff. The information shall include, when applicable:

(1) The amount of the aggregate annual increase or decrease proposed.

(2) The names of communities affected.

(3) A summary of the reasons for filing and such other information as may be necessary to support the proposed changes.

(4) The number and classification of customers affected.

b. The marked version shall show all additions and deletions, with all new language marked by underlined text and all deleted language indicated by strike-through. The original sheet shall include the following symbols in the right margin to indicate the place, nature, and extent of any text changes.

(1) The symbol C shall indicate a change in regulation.

(2) The symbol D shall indicate a discontinued rate or regulation.

(3) The symbol I shall indicate an increased rate.

(4) The symbol N shall indicate a new treatment or regulation.

(5) The symbol R shall indicate a reduced rate.

(6) The symbol T shall indicate a change in the text that does not include a changed rate or regulation.

[**ARC 5629C**, IAB 5/19/21, effective 6/23/21; Editorial change: IAC Supplement 7/24/24]

199—26.4(17A,476) General rate increase applications filed pursuant to Iowa Code section 476.6.

26.4(1) *Customer notification procedures.* When a utility intends to file an application for a general rate increase pursuant to Iowa Code section 476.6, the utility shall provide notice of the application as described below.

a. Notification of rate increase to customers.

(1) All utilities which propose to increase rates shall provide written notice of the proposed increase to all customers in all affected rate classifications. The written notice shall be mailed or delivered before the application for increase is filed, but not more than 62 days prior to filing the application for increase with the commission. The utility may send one notice to customers who receive service from a utility for two different types of service.

(2) A utility may use the standard notice form found on the commission's website for notification to customers without seeking prior commission approval. If the standard notice is used to provide notice to customers of a general rate increase, the utility shall file the standard notice, with the rates that are being proposed, with the commission at least five days prior to sending the notice to customers. A utility that uses the standard customer notice form shall issue a press release and post notice on the utility's website of the application for a general rate increase when the utility sends the notice to customers. A utility that uses the

standard customer notice form shall be required to send separate notice to customers with the dates, times, and locations of any consumer comment meetings scheduled by the commission. The second notice may be sent to customers as a bill insert if the customers receive at least 20 days of notice prior to the first consumer comment meeting. The utility shall issue a press release about the consumer comment meetings and put the dates, times, and locations of the meetings on the utility's website.

(3) A utility which proposes to increase rates and to provide notice to customers by a method that is not in substantial compliance with the standard customer notice on the commission's website shall file its proposed notice for approval of the commission not less than 45 days before the utility proposes to deliver the notice to its customers. A utility that uses a nonstandard customer notice shall issue a press release and post notice on the utility's website of the application for a general rate increase when the utility sends the notice to customers.

(4) The notice requirements in this paragraph are not applicable to rate increases for telecommunications services. Notice requirements for intrastate access service rates are subject to the requirements of rule 199—22.4(476).

b. Requirements for rate increase notices.

(1) A standard notice shall comply with the standard form notice on the commission's website. Any deviation from the standard notice requires the filing of a proposed nonstandard notice in compliance with subparagraph 26.4(1)*"b"*(2).

(2) At a minimum, a nonstandard customer notice shall include the following information:

1. If the utility is proposing to place interim rates in effect, an explanation of the interim rate process applicable to the proceeding and, with respect to such proposed interim rates, all of the information that this subrule requires a utility to submit concerning final rates.

2. A description of the proposed increase in rates.

3. The proposed effective date of the proposed final increase in rates, including a statement that ultimately the commission will determine if and when any changes in final rates become effective.

4. The proposed overall increase in total and base rate annual revenues stated in dollars and as a percentage for each applicable customer class.

5. A table that includes the utility's primary customer classes and that, for each class, shows the proposed monthly base rate increase, the proposed monthly base rate increase percentage, the proposed monthly overall increase in the average monthly bill, and the proposed average monthly overall percentage increase. Increases in monthly customer rates, rates for lighting, and similar rates shall be described in a footnote to the table. The utility shall highlight on the notice the rates that are proposed for a customer receiving the notice.

6. If a utility proposes significant changes to nonrecurring rates, a table that contains the following for each nonrecurring rate: the current rate, the proposed rate, and the percentage increase.

7. A statement indicating that the impact proposed new rates have on amounts billed to customers may differ depending on the type and extent of usage.

8. A statement indicating that a written explanation of all current and proposed rate schedules is available without charge from the utility's local business office.

9. A statement indicating how a customer may contact the utility with any questions concerning the proposed increase in rates.

10. A statement indicating that customers have the right to file written objections to the proposed increase with the commission and to request a hearing to determine whether the rate increase should be allowed. The statement shall include the commission's mailing address, email address, and electronic filing system website address. The statement shall also direct customers to provide the commission with any facts that would assist the commission in determining the justness and reasonableness of the requested increase and shall indicate that the written objection will be made available to the consumer advocate, who represents the public interest in rate cases before the commission.

11. The time, date, and place of any applicable consumer comment meetings. The utility shall include a list of proposed locations for consumer comment meetings, and the location of consumer comment meetings to be included in the notice shall be approved by the commission.

12. A statement indicating that, after a thorough investigation, the commission will make a determination on final rates, which may be different from those that the utility proposes, and that, if final rates are lower than interim rates or the interim rates are not based upon previously established regulatory principles, the utility shall make refunds, including interest, to customers.

13. A statement that the overall increase includes estimated rate case expense.

(3) The proposed notice shall contain estimated cost figures and cost percentages. The estimated cost figures and cost percentages may be updated when the utility sends its approved notice.

(4) The notice shall not contain a message from the utility about the proposed rate increase. The utility may include as a separate document a message from the utility.

(5) A copy of the notice with the final dates, cost figures, and cost percentages shall be filed with the commission in the rate proceeding docket at the time of customer notification along with an exhibit showing the calculations of all amounts included in the notice with source references.

(6) The form of the notice, once approved by the commission, may not be altered except to include dates, cost figures, and cost percentages reflecting the latest updates. The size and quality of the type used in the notice shall be easily legible.

c. Deficiencies in nonstandard notices. Within 30 days of the utility's filing of its proposed customer notice, the commission shall issue an order either approving the notice or identifying any deficiencies and setting forth the corrections and additional information necessary for the notice to comply with Iowa Code chapter 476 and with commission rules. A notice found to be deficient under this rule shall not constitute adequate notice under Iowa Code section 476.6. If the commission fails to issue an order within 30 days of filing, the proposed notice shall be deemed approved without change.

d. Delivery of notices.

(1) The standard customer notice form or the nonstandard notice, as approved by the commission, shall be mailed or delivered electronically to all affected customers pursuant to the timing requirements of paragraph 26.4(1)*"a."* Notice of proposed increases may be mailed with a regularly scheduled mailing of the utility. Electronic notice shall only be sent to customers who have agreed to receive electronic billing notice and notice of other information from the utility.

(2) Standard customer notice form notices and nonstandard notices shall be conspicuously marked "Notice of Proposed Rate Increase" on the notice itself. If a separate mailing is utilized by a utility for customer notification, the outside of the mailing shall also be conspicuously marked "Notice of Proposed Rate Increase." For notices delivered electronically, the subject line shall include "Notice of Proposed Rate Increase."

(3) Failure of the postal service or Internet service provider to deliver the notice to any customers shall not invalidate or delay the proposed rate increase proceeding.

(4) After the date the first notice is mailed or delivered to any affected customer and until such rates are resolved in proceedings before the commission, any person who requests utility service and is affected by the proposed increase in rates shall receive either the standard form and the notice of consumer comment meetings or the nonstandard notice approved by the commission not later than 30 days after the date of commencement of service to the customer.

(5) An approved notice is required for each filing proposing a rate increase that is not directly identifiable with a previous customer notification.

e. Telecommunications service provider rate increases. Subrule 26.4(1) shall not apply to telecommunications service providers proposing to increase rates for interexchange services, excluding extended area service and intrastate access services.

26.4(2) *Applications.* Applications for a general increase in rates based upon either a historic test year or future test year shall include the filing requirements in this rule. The commission shall review the application and supporting testimony, exhibits, and other information to determine if the application is complete and complies with the rules in this chapter.

a. The utility shall file a cover sheet or index listing each minimum filing requirement and identify all documents applicable to each requirement filed to support an application for a general rate increase. The application and minimum filing requirements shall not be accepted by the commission until all of the documents listed have been filed.

b. The commission may issue an order requiring additional information during its review of the application. Within 30 days of the date the application is filed, the commission may reject an application that is not in substantial compliance with the filing requirements in subrule 26.4(4) for a historic test year application or subrule 26.4(5) for a future test year application.

c. No application, pleading, document, testimony or other submission filed with a tariff incorporating a general increase in rates for utility service shall be rejected for noncompliance after the date of a commission order docketing the tariff and application as a formal proceeding.

26.4(3) *Temporary rate authority pursuant to Iowa Code section 476.6.* When proposing a general rate increase based on a historic test year, a utility may implement without commission approval temporary rates ten days or more after filing notice with the commission with the effective date of temporary rates pursuant to Iowa Code section 476.6(9).

a. A utility that chooses to implement temporary rates pursuant to Iowa Code section 476.6(9) shall file the following information with its application for permanent rates:

(1) A statement that the utility has elected to implement temporary rates pursuant to Iowa Code section 476.6(9).

(2) A bond or other corporate undertaking subject to review and approval by the commission that, at a minimum, is equal to the increased amount of revenue that will be recovered through temporary rates. The bond or corporate undertaking shall include a commitment to refund, as directed by the commission, any amounts the commission determines are in excess of the amounts that would have been collected under final rates ultimately approved by the commission and amounts that are not supported by established regulatory principles.

(3) The established regulatory principles that support the amounts included in the temporary rate filing may be established by statute, court decision, or by commission orders where the regulatory issue was not settled.

(4) All workpapers supporting the request for temporary authority.

b. If at the conclusion of the proceeding the commission finds that permanent rates are less than temporary rates implemented by a utility, the commission shall order refunds with interest calculated at a rate consistent with Iowa Code section 476.6(9)*"c."*

c. If at the conclusion of the proceeding the commission determines that the temporary rates were not based upon previously established regulatory principles, the commission shall consider ordering refunds based upon the overpayments made by each individual customer class, rate zone, or customer group with interest calculated at a rate consistent with Iowa Code section 476.6(9)*"c."*

d. Objections to the temporary rates put into effect pursuant to Iowa Code section 476.6(9) shall be raised as an issue in the general rate proceeding through prepared testimony filed by a party and shall be addressed by the commission at the hearing and in the commission's final rate order, unless otherwise ordered by the commission.

e. The return on equity used to calculate temporary rates shall not be greater than the return on equity proposed by the utility for permanent rates. The return on equity proposed for permanent rates is a cap and is not presumed reasonable for temporary rates.

26.4(4) *Testimony and exhibits to support applications based on a historic test year.* A utility proposing changes in tariffs or rates which relate to a general increase in revenue based upon a historic test year shall prepare and file with its proposed tariff the following evidence in the form of testimony and exhibits.

a. Factors relating to value. A statement showing the original cost of the items of plants and facilities, for the beginning and end of the last available calendar year, and any other factors relating to the value of the items of plants and facilities the utility deems pertinent to the commission's consideration, together with information setting forth budgeting accounts for the construction of scheduled improvements.

b. Comparative operating data. Information covering the test year.

(1) Operating revenue and expenses by primary account.

(2) Balance sheet at beginning and end of test year.

c. Test year and pro forma income statements. Information setting forth revenues, expenses, net operating income for the last available calendar year, the adjustment of unusual items, and by adjustment to

reflect operations for a full year under existing and proposed rates. The format of the information to be filed is available on the commission's website at iuc.iowa.gov.

d. Additional testimony and exhibits for utilities. Unless otherwise specified in these rules, the information required to be filed in this paragraph shall be based upon the calendar year immediately preceding the year in which the application for a general rate increase is filed.

(1) Rate base for Iowa jurisdictional operations calculated by utilizing a 13-month average of month-ending balances ending on December 31 of the year preceding the year of filing, and also calculated on a year-end basis, except for the cash working capital component of this figure, which will be computed on the basis of a lead-lag study as set forth in subparagraph 26.4(4)*"d"*(5).

(2) Revenue requirements for both total company and Iowa jurisdictional operations, to include: operating and maintenance expense, depreciation, taxes, and return on rate base.

(3) Capital structure calculated utilizing a 13-month average of month-ending balances ending on December 31 of the year preceding the year of filing, and also calculated on a year-end basis.

(4) Information supporting the proposed capital structure and information showing the calculation of the proposed capital cost for each component of the capital structure and showing requested return on rate base with capital structure and corresponding capital cost.

(5) Cash working capital requirements, including a recent lead-lag study which accurately represents conditions during the test period. For the purposes of this rule, a lead-lag study is defined as a procedure for determining the weighted average of the days for which investors or customers supply working capital to operate the utility.

(6) Complete federal and state income tax returns for the two calendar years preceding the year of filing and all amendments to those returns. If a tax return or amendment has not been prepared at the time of filing, the return shall be filed with the commission under this subrule at the time it is filed with the Internal Revenue Service or the Iowa department of revenue.

(7) Information showing monthly Iowa jurisdictional expense by account as required by 199—Chapter 16 unless, upon application of the utility and prior to filing, the commission finds that the utility is incapable of reporting jurisdictional expense on a monthly basis and prescribes another periodic basis for reporting jurisdictional expense.

(8) A schedule of monthly consumption (units sold) and revenue by customer rate classes, reflecting separately revenue collected in base rates and adjustment clause revenues.

(9) Information showing that the rates proposed will produce the revenues requested and information showing the dollar and percent increases expected for the average rate of consumption and at the 25th and 75th percentile within major rate classes. In addition to this information, the utility shall submit in support of the design of the proposed rate a narrative statement describing and justifying the objectives of the design of the proffered rate. If the purpose of the rate design is to reflect costs, the narrative statement should state how that objective is achieved and be accompanied by a cost analysis that would justify the rate design. If the rate design is not intended to reflect costs, a narrative statement should be furnished justifying the departure from cost-based rates. This filing shall be in compliance with all other rules of the commission concerning rate design and cost studies.

(10) All monthly or periodic financial and operating reports to management beginning in January two years preceding the year of filing. The item or items to be filed under this rule include reports of sales, revenue, expenses, number of employees, number of customers, or similar data, and related statistical material. This requirement shall be a continuing one, to remain in effect through the month that the rate proceeding is finally resolved.

(11) Information showing monthly tax accruals, separated between federal, state, and property taxes, including the methods used to determine these amounts.

(12) Allocation methods, including formulas, supporting revenue, expenses, and plant or tax allocations.

(13) Information showing interest rates, dividend rates, amortizations of discount and premium and expense, and unamortized 13 monthly balances of discount and premium and expense, ending on December 31 of the year preceding the year of filing, for long-term debt and preferred stock.

(14) Information showing the 13 monthly balances of common stock expense, ending on December 31 of the year preceding the year of filing.

(15) Information showing the 13 monthly balances of paid-in capital in excess of par, separated between common and preferred stock, ending on December 31 of the test year.

(16) Stockholders' reports, including supplements for the year of filing and the two preceding calendar years. If such reports are not available at the time of filing, they shall be filed immediately upon their availability to stockholders.

(17) If applicable, Securities and Exchange Commission Form 10-Q for all past quarters in the year of filing and the preceding calendar year, and Form 10-K for the two preceding calendar years or, if applicable, comparable filings for corporations headquartered outside the United States. If these forms have not been filed with the Securities and Exchange Commission at the time the rate increase is filed, they shall be filed under this subrule immediately upon filing with the Securities and Exchange Commission. This requirement is not applicable for any such reports which are routinely and formally filed with the commission.

(18) Any prospectus issued during the year of filing or during the two preceding calendar years.

(19) Consolidated and consolidating financial statements.

(20) Revenue and expenses involving transactions with affiliates and the transfer of assets between the utility and its affiliates, and transactions between the utility and the utility's parent company.

(21) Information showing the following for each of the ten calendar years preceding the year of filing, and for each quarter from the first quarter of the calendar year immediately preceding the year of filing through the current quarter.

1. Earnings, annual dividends declared, annual dividends paid, book value of common equity, and price of common equity (each item should be shown per average actual common share outstanding, adjusted for stock splits and stock dividends).
2. Rate of return to average common equity.
3. Common stock earnings retention ratio.
4. For other issues of common stock: net proceeds per common share issued, and number of shares issued and previously outstanding for each issue of common stock.

(22) If the utility is applying for a gas rate increase, the model used to calculate the weather normalization adjustment and documentation supporting the model inputs. The weather normalization model preferred by the commission is available on the commission's website at iuc.iowa.gov.

(23) A statement that no direct or indirect lobbying expenses or advertising expenses not allowed by Iowa Code section 476.18(3) are included for recovery in the proposed rates.

(24) All testimony and exhibits in support of the rate filing, attached to affidavits of the sponsoring witnesses. All known and measurable changes in costs and revenues upon which the utility relies in its application shall be included.

1. Unless otherwise required, all testimony, exhibits, and other information shall be filed in the commission's electronic filing system as described in rule 199—14.5(17A,476). In addition, three paper copies of all of the documents filed electronically in the commission's electronic filing system, including confidential information, shall be provided to the commission and three copies to the consumer advocate within five days of the date the application is filed. The utility is not required to print voluminous workpapers that only provide supporting information as long as the utility has filed a summary of the information and the utility includes a page in the printed material that indicates the information in the workpapers that has not been printed and where that information is found in the application or minimum filing requirements. The commission or the consumer advocate may request a printed copy of this information if the information is required for review of the application or minimum filing requirements. The paper copies shall be certified by an officer of the utility or by an attorney representing the utility.
2. If the utility that has filed for the rate increase is affiliated with another company as either parent or subsidiary, the information required in subparagraphs 26.4(4)*"d"*(3), (4), (6), (13) to (19), and (21) shall be provided for the parent company (if any) and for all affiliates which are not included in the consolidating financial statements filed pursuant to this rule.

e. At the time of filing an application for increased rates based upon a historic test year, all utilities shall file, as exhibits to testimony, all workpapers and data used to prepare the analyses, including the Excel spreadsheet version of each Excel-based document containing all formulae, calculations, and specific source references to all keyed-in data, along with a PDF version of each Excel document, formatted for printing. The Excel spreadsheets and PDF documents shall be searchable. The filing requirements in this paragraph may be modified with prior commission approval.

f. The utility may file any other testimony and exhibits which it deems pertinent to the application.

g. In rate-regulatory proceedings under Iowa Code section 476.6, the commission shall consider the use of the most current test period possible in light of existing and verifiable data respecting costs and revenues available as of the date of commencement of the proceedings.

h. Known and measurable changes. In rate-regulatory proceedings under Iowa Code section 476.6, the commission shall consider:

(1) Verifiable data, existing as of the date of commencement of the proceedings, respecting known and measurable changes in costs not associated with a different level of revenue, and known and measurable revenues not associated with a different level of costs that are to occur within 12 months after the date of commencement of the proceedings.

(2) Data which becomes verifiable prior to the closing of the record at the hearing respecting known and measurable:

1. Capital infrastructure investments that will not produce significant additional revenues and will be in service in Iowa within nine months after the conclusion of the test year.

2. Cost of capital changes that will occur within nine months after the conclusion of the test year that are associated with a new generating plant that has been the subject of a ratemaking principles proceeding pursuant to Iowa Code section 476.53.

3. Verifiable data filed pursuant to subparagraph 26.4(4)*"h"*(2) shall be provided to other parties as soon as the data is available so that other parties have a reasonable opportunity to verify the data to be considered by the commission.

i. Postemployment benefits other than pensions. For ratemaking purposes, the amount accrued for postemployment benefits other than pensions in accordance with Accounting Standards Codification No. 715, Compensation—Retirement Benefits (ASC 715) will be allowed in rates where:

(1) The net periodic postemployment benefit cost and accumulated postemployment benefit obligations have been determined by an actuarial study completed in accordance with the specific methods required and outlined by ASC 715.

(2) The accrued postemployment benefit obligations have been funded in a commission-approved, segregated, and restricted trust account, or alternative arrangements have been approved by the commission. Cash deposits shall be made to the trust at least quarterly in an amount that is proportional and, on an annual basis, at least equal to the annual test period allowance for postemployment benefits other than pensions.

(3) The transition obligation is amortized over a period of time determined by the commission and does not exceed 20 years.

(4) Any funds, including income, returned to the utility from the trust not actually used for postemployment benefits other than pensions shall be refunded to customers in a manner approved by the commission.

(5) The commission finds the benefit program and all calculations are prudent and reasonable.

j. An actuarial study of the net periodic postemployment benefit cost and accumulated postemployment benefit obligations shall be determined and filed with the commission at the time a rate increase is requested, when there has been a change in postemployment benefits other than pensions offered by the utility, or every three years, whichever comes first.

k. The utility shall provide its revenue requirement calculation in an Excel spreadsheet. The required spreadsheet format for this calculation is available on the commission's website at iuc.iowa.gov.

26.4(5) *Filing requirements to support applications based on a future test year.* An application for a general increase in rates based upon a future test year may be based upon one test year for each type of service, or one test year for a combined application for two types of service. If the application is for an

increase in rates for two types of service, the application shall include separate financial schedules for each type of service and shall specifically identify in testimony, exhibits, and workpapers the type of service being addressed. An application for a general increase in rates based upon a future test year shall not be filed prior to the effective date of a final order regarding the subsequent proceeding in a previous proceeding based upon a future test year. An application for a general increase in revenue based upon a future test year shall include the following information to support the application:

a. For each forecast for a major component of the rate application provide the following information:

(1) Describe how each forecast was developed and include a description of the applicable starting point.

(2) Explain how and why the applicable assumptions, methods, models, and modeling inputs were used.

(3) Identify and explain any significant changes in forecast assumptions, adjustments, or methodology since the utility's last rate case or contested case review.

b. The utility's application shall include the following information for the test year:

(1) Operations and maintenance expenses by primary account, or functional grouping, including:

1. Any amounts previously specifically disallowed by the commission or otherwise eliminated from current rates.

2. Any regulatory amortizations previously authorized by the commission or that are being requested.

3. Additional detail outlining operations and maintenance expenses by labor costs and nonlabor costs.

4. Additional detail bifurcating operations and maintenance expenses that are recovered through automatic adjustment mechanisms.

(2) Utility payroll reconciliation, including distribution of total payroll between plant, operations, and maintenance, and any other accounts.

(3) Taxes other than income taxes.

(4) Income taxes, including any net operating losses (NOL) or other tax credits generated or utilized.

(5) Utility plant and other rate base, including:

1. Monthly utility plant in service by major function, summarizing and explaining plant additions, retirements, and transfers.

2. Monthly accumulated reserve for depreciation and amortization by major function, detailing depreciation, retirements, removal, salvage, and other amortizations or adjustments.

3. Depreciation and amortization expense by primary account or functional group.

4. Any regulatory amortizations previously authorized by the commission or being requested, including unamortized balances.

5. Utility working capital rate base, including a lead-lag study.

6. Monthly balances of other adjustments to utility rate base.

(6) Revenue and expenses involving transactions with affiliates and the transfer of assets between the utility and its affiliates, and transactions between the utility and the utility's parent company.

(7) Projected revenue requirement for operations, to include: operating and maintenance expense, depreciation, taxes, and return on rate base.

(8) Monthly and annual billing unit information by rate schedule.

1. Provide an explanation of any significant changes in the number of customers or usage between the most recent calendar year and the test year billing units.

2. The data and support should identify and explain: weather normalization methods, growth expectations, time period used as the base for building test year sales, and discrete adjustments to the base sales forecast and associated energy impacts.

3. Provide monthly and annual kilowatt-hour or therm sales by rate schedule, monthly and annual weather-normalized kilowatt-hour or therm sales, and monthly and annual customer numbers.

(9) Proof of revenue documentation showing that the rates proposed will produce the total requested revenue requirement. The proof of revenue should separately reflect revenue collected in base rates, revenue collected through all applicable adjustment clauses, sales for resale, and other revenues.

(10) Rate impact information showing the dollar and percent increases expected within the average rate of consumption, and at the 25th and 75th percentile, within major classes.

(11) Narrative statement describing and justifying the objectives of the proposed rate design. If the purpose of the rate design is to reflect projected costs, the narrative statement should state how that objective is achieved and be accompanied by a cost-of-service study that would justify the rate design. If the rate design is not intended to reflect projected costs, a narrative statement should be furnished describing and justifying the departure from cost-based rates. This filing shall be in compliance with all other rules of the commission concerning rate design and cost studies.

(12) Allocation methods, including formulas, supporting projected revenue, expenses, plant, or tax allocations.

(13) A statement that no direct or indirect lobbying expenses or advertising expenses not allowed in Iowa Code section 476.18(3) are included for recovery in the proposed rates.

c. The utility shall file the following financial information:

(1) Projected capital structure.

(2) Information showing the calculation of the proposed capital cost for each component of the capital structure and information showing requested return on rate base with capital structure and corresponding capital cost for the test year, including:

1. Debt issuances, principal repayments, and retirement of debt, all by month.
2. Preferred stock issuances and retirements, all by month.
3. Common stock estimated net income, dividends, and capital infusions, all by month.
4. Source and use of funds schedule (cash flow) from the most recent actual balances, all by month.
5. Interest rates and dividend rates.
6. Amortizations of discount, premium, and expense, and unamortized balances of discount, premium, and expense for long-term debt and preferred stock, all by month.
7. Common stock expense, all by month.
8. Capital in excess of par, separated between common and preferred stock, by month.

(3) Projected balance sheet and income statement.

(4) Stockholders' reports, including supplements for the year of filing and the two preceding calendar years. If such reports are not available at the time of filing, they shall be filed immediately upon their availability to stockholders.

(5) If applicable, Securities and Exchange Commission Form 10-Q for all past quarters in the year of filing and the preceding calendar year, and Form 10-K for the two preceding calendar years or, if applicable, comparable filings for corporations headquartered outside the United States. If these forms have not been filed with the Securities and Exchange Commission at the time the rate increase is filed, they shall be filed under this subrule immediately upon filing with the Securities and Exchange Commission. This requirement is not applicable for any such reports which are routinely and formally filed with the commission.

(6) Any prospectus issued during the year of filing or during the two preceding calendar years.

(7) Consolidated and consolidating financial statements for the calendar year preceding the filing.

(8) Information showing the following for each of the ten calendar years preceding the year of filing, and for each quarter from the first quarter of the calendar year immediately preceding the year of filing through the current quarter.

1. Earnings, annual dividends declared, annual dividends paid, book value of common equity, and price of common equity (each item should be shown per average actual common share outstanding, adjusted for stock splits and stock dividends).
2. Rate of return to average common equity.
3. Common stock earnings retention ratio.
4. For other issues of common stock: net proceeds per common share issued, and number of shares issued and previously outstanding for each issue of common stock.

d. The utility shall file three years of historic information for the following:

(1) Subparagraphs 26.4(5)*"b"*(1), (3), (4), (6), and (8), and subparagraph 26.4(5)*"b"*(5), except for the requirement in numbered paragraph "5."

(2) A reconciliation of the historic billing unit information to the sales included in the utility's annual report filings.

(3) Natural gas utilities shall also provide weather-normalized sales for each of the most recent three years on a calendar-year basis based on the commission's preferred weather normalization model.

e. The utility shall file actual updated monthly data 120 days after the filing of the application and file an update with the subsequent monthly data 30 days before the hearing for the following: subparagraphs 25.4(5)*"b"*(1), (3), (4), (6), and (8), and subparagraph 26.4(5)*"b"*(5), except for numbered paragraph "5," and subparagraphs 26.4(5)*"c"*(2) and (3).

f. The utility shall provide its revenue requirement calculation in an Excel spreadsheet. The required spreadsheet format for this calculation is available on the commission's website at iuc.iowa.gov.

g. Unless otherwise required, all testimony, exhibits, and other information shall be filed in the commission's electronic filing system as described in rule 199—14.5(17A,476). In addition, three paper copies of all of the documents filed by the utility, including confidential information, shall be provided to the commission and three copies to the consumer advocate within five days of the date the application is filed. The utility is not required to print voluminous workpapers that only provide supporting information as long as the utility has filed a summary of the information and the utility includes a page in the printed material that indicates the information in the workpapers and where that information is found in the application or minimum filing requirements. The commission or the consumer advocate may request a printed copy of this information if the information is required for review of the application or minimum filing requirements. The paper copies shall be certified by a utility official or an attorney representing the utility.

h. Workpapers, spreadsheets, and formulas. At the time of filing an application for increased rates based upon a future test year, all utilities shall file, as exhibits to testimony, all workpapers and data used to prepare the analyses, including the Excel spreadsheet version of each Excel-based document containing all formulae, calculations, and specific source references to all keyed-in data, along with a PDF version of each Excel document, formatted for printing. The Excel spreadsheets and PDF documents shall be searchable.

i. Additional testimony and exhibits. The applicant may submit any other testimony and exhibits that the applicant deems relevant to the application.

[**ARC 5629C**, IAB 5/19/21, effective 6/23/21; Editorial change: IAC Supplement 7/24/24]

199—26.5(17A,476) Compliance filings and tariffs.

26.5(1) A utility may file compliance filings and compliance tariffs at any time after the commission issues the final order in a rate proceeding, unless otherwise ordered by the commission.

26.5(2) The consumer advocate and other parties shall file responses, comments, or objections to the compliance filings and tariffs within 20 days of the date the compliance filings or tariffs are filed with the commission, unless otherwise ordered by the commission.

26.5(3) Compliance tariffs shall become effective on the date approved by the commission or on a date set by the commission.

[**ARC 5629C**, IAB 5/19/21, effective 6/23/21; Editorial change: IAC Supplement 7/24/24]

199—26.6(17A,476) Subsequent proceeding in rate case proceedings based upon a future test year.

26.6(1) *Time period for updates for subsequent proceeding.* The utility shall file within 90 days of the end of the verification period the information, exhibits, and workpapers described in subrule 26.6(2).

26.6(2) *Updated information required.* The filing required in subrule 26.6(1) shall include an update of the cost-of-service study, revenue allocation, resulting rates, and revenue verifications, based upon methodologies approved by the commission in the general rate proceeding, with actual costs, revenues, and sales applicable during the verification period. The filing shall include a calculation of the utility's return on equity based upon the updated information, exhibits, and workpapers.

26.6(3) *Other parties' filing requirements.* Any party to the future test year rate proceeding, or any other party who is granted intervention in the subsequent proceeding, may file a response to the return on equity calculation, and other information, exhibits, and workpapers, filed by the utility with information,

exhibits, and workpapers within 30 days of the date the utility files its information, exhibits, and workpapers.

26.6(4) *Commission order required.* The commission shall issue within 30 days of the filing of any response, or, if no response is filed, within 60 days of the utility's filing, an order which finds that the actual costs and revenues are reasonably consistent with the costs and revenues approved by the commission or shall set the matter for hearing to address questions from the commission. If the commission determines that the actual return on equity of the utility during the verification period falls within a standard of reasonableness of 50 basis points above or 50 basis points below the return on equity approved by the commission, the actual costs and revenues shall be presumed to be reasonably consistent with the costs and revenues approved by the commission.

26.6(5) *Hearing to be scheduled.* If the commission determines that the return on equity based upon actual costs and revenues does not fall within the standard of reasonableness in subrule 26.6(4) or the commission has questions about any of the information, exhibits, and workpapers filed by the utility, the commission shall schedule the review of the actual costs and revenues for hearing. The hearing date of the subsequent proceeding shall be set no more than 90 days from the date the utility files its information, exhibits, and workpapers, unless otherwise ordered by the commission. The issues to be considered at the hearing are the review of any inconsistencies between actual costs and revenues compared to the costs and revenues approved by the commission. The utility and other parties shall provide witnesses to respond to commission questions at the hearing and parties may ask questions of the witnesses.

26.6(6) *Order addressing issues in subsequent proceeding.* The commission shall issue a final order within 120 days of the filing of the utility's information, exhibits, and workpapers required in subrule 26.6(2), unless otherwise ordered by the commission. In the order, the commission will determine whether the actual costs and revenues are reasonably consistent with the costs and revenues approved by the commission and whether there should be any adjustment in rates based upon the commission's determination. Any increase or reduction in rates based upon a return on equity outside of the standard of reasonableness band shall be calculated in relation to the band and not the return on equity approved by the commission.

[**ARC 5629C**, IAB 5/19/21, effective 6/23/21; Editorial change: IAC Supplement 7/24/24]

199—26.7(476) Rate case expense.

26.7(1) A utility making an application pursuant to Iowa Code section 476.6 shall file, within one week of the docketing of the rate case, the estimated or, if available, actual expenses incurred to date or to be incurred by the utility in litigating the rate case. Except for expenses incurred in preparation of the rate filing and notification of customers, the expenses shall be limited to expenses incurred in the time period from the date the initial application is filed through the filing of the utility's briefs unless the time period is extended by the commission on a case-by-case basis. Each expense shall be designated as either estimated or actual.

26.7(2) Estimated or, if available, actual expenses shall identify specifically:

a. Printing costs for the following:

(1) Rate notification letters.

(2) Initial filing.

(3) Testimony.

(4) Briefs.

(5) Other (specify).

b. Postage costs.

c. Outside counsel costs, including support personnel:

(1) The name of each attorney contracted for as outside counsel and the names of support personnel.

(2) Hours worked by each attorney engaged as outside counsel and support personnel.

(3) Cost per hour charged by each attorney and support personnel and support for the reasonableness of the rate.

(4) Scope of work and reason outside counsel was needed.

d. Outside expert witness/consultant costs:

(1) The name of each outside consultant employed.

(2) Hours each outside consultant worked.

(3) Cost/hour per consultant employed and support for the reasonableness of this rate.

(4) Scope of work and reason consultant was needed.

If a flat-fee arrangement is used for the services of an outside expert witness/consultant, the other information in this paragraph is still required to be provided.

e. Expenses stated by individual for outside consultants, outside counsel, and utility personnel:

(1) Travel.

(2) Hotel.

(3) Meals.

(4) Other (specify).

f. Other (specify).

26.7(3) Rate case expense shall not include recovery for expenses that are otherwise included in temporary or test year expenses, including salaries for staff preparing the filing, staff attorneys, and staff witnesses. Rate case expense approved for recovery from customers shall include only reasonable, nonrecurring, incremental expenses not covered by test year expenses for the period stated in subrule 26.7(1).

26.7(4) Total allowable rate case expense shall include expenses incurred by commission staff and the consumer advocate for the time period stated in subrule 26.7(1). The rate case expense to be filed by the utility shall not include these expenses.

26.7(5) Estimated rate case expense may be litigated during or after the rate case proceeding. At the request of the consumer advocate, another party, or the commission, the utility shall make witnesses available for cross-examination on any rate case expense item included in rate case expense.

26.7(6) Actual utility expenses shall be filed in the same format and detail as estimated expenses and shall be filed within two weeks after the utility files its reply brief or at some other point as approved by the commission. All material differences between estimated and actual expenses shall be fully supported and justified. Objections to actual utility expenses shall be filed within 15 days of the filing of actual expenses.

26.7(7) The commission may schedule any additional hearings to litigate the reasonableness of the final expenses. At the request of the consumer advocate, another party, or the commission, the utility shall make witnesses available for cross-examination on any item included in rate case expenses.

26.7(8) The recovery mechanism for rate case expense shall be determined by the commission. Recovery may be through base rates, by means of a rider, or otherwise. The applicable recovery period will be determined in the rate proceeding. Recovery through a rider will end once the expense is fully recovered.

26.7(9) A utility may recover rate case expenses for the subsequent proceeding for the preparation of the information and filing required in rule 199—26.6(476) through the date of the filing. A utility may request recovery of additional rate case expenses on a case-by-case basis.

[**ARC 5629C**, IAB 5/19/21, effective 6/23/21; Editorial change: IAC Supplement 7/24/24]

199—26.8(476) Procedural schedule in Iowa Code section 476.6 proceedings.

26.8(1) In any proceeding initiated by a utility filing for new or changed rates, charges, schedules, or regulations pursuant to Iowa Code section 476.6, the commission or presiding officer shall set a procedural schedule. The procedural schedule for an application for a general rate increase and associated revised tariffs shall be as follows unless otherwise ordered by the commission:

a. Direct testimony and exhibits from the consumer advocate and other parties filed within five months from the date the application for a general rate increase is filed.

b. The consumer advocate's and other parties' cross-rebuttal testimony and exhibits filed 15 days after responsive testimony.

c. Rebuttal testimony and exhibits from the utility filed not later than six months from the date the application for a general rate increase is filed.

d. Hearing completed not later than seven and one-half months from the date the application for a general rate increase is filed.

e. Briefs of all parties filed not later than eight and one-half months after the date the application for a general rate increase is filed.

26.8(2) In setting the procedural schedule in a case, the commission or presiding officer shall take into account the existing hearing calendar and shall give due regard to other obligations of the parties, attorneys, and witnesses. The commission or presiding officer may, on the commission's or the presiding officer's own motion or upon the motion of any party, including the consumer advocate, for good cause shown, change the time and place of any hearing. Any effect such a change has on the remainder of the procedural schedule or the deadline for decision shall be addressed when the change is ordered.

26.8(3) Additional time may be granted to a party, including the consumer advocate, upon a showing of good cause for the delay on a case-by-case basis.

26.8(4) If any party, including the consumer advocate, wishes to utilize the electric generating facility exception to the ten-month decision deadline contained in Iowa Code section 476.6, the party shall expeditiously file a motion seeking this exception, including an explanation of that portion of the suspended rates, charges, schedules, or regulations necessarily connected with the inclusion of the generating facility in rate base. Any other party may file a response to the motion.

[**ARC 5629C**, IAB 5/19/21, effective 6/23/21; Editorial change: IAC Supplement 7/24/24]

199—26.9(17A,476) Consumer comment meetings in Iowa Code section 476.6 general rate case proceedings.

26.9(1) The commission may hold consumer comment meetings to provide an opportunity for members of the general public who are customers of a utility involved in a general rate case to express their views regarding the case before the commission as well as the general quality of service provided by the utility. However, specific service complaints must follow the procedure prescribed in rule 199—6.2(476). Nothing shall prohibit the commission from holding consumer comment meetings in any other docketed case.

26.9(2) The location of consumer comment meetings shall be approved by the commission and included in a notice to customers. A member of the commission shall be assigned to preside over a consumer comment meeting. Representatives from the utility shall be present to explain, in a concise manner, the pertinent points of the utility's proposal and the utility may be required to present a graphic presentation at the consumer comment meeting that can also be provided to attendees. The utility's representatives shall also reasonably respond to any questions directed to the utility either at the consumer comment meeting or in a subsequent filing in the docket.

26.9(3) The consumer comment meeting shall be held in a major population center served by the utility at a time of day convenient to the largest number of customers. The commission may schedule consumer comment meetings at multiple locations. Each meeting shall be conducted in a facility large enough to accommodate all who wish to attend. Notice of the consumer comment meeting shall be sent by the commission to appropriate media outlets.

26.9(4) Individuals may submit written comments to the commission. Written comments shall become part of the permanent case file but shall not constitute evidence in the rate proceeding.

[**ARC 5629C**, IAB 5/19/21, effective 6/23/21; Editorial change: IAC Supplement 7/24/24]

199—26.10(476) Switching from a future test year to a historic test year. Consistent with Iowa Code section 476.33, a utility may file an application for a rate-regulatory proceeding under Iowa Code section 476.6 using either a historic test year or future test year. A utility shall not file an application for a general rate increase using a historic test year until after the commission issues a final order in the future test year subsequent proceeding.

[**ARC 5629C**, IAB 5/19/21, effective 6/23/21; Editorial change: IAC Supplement 7/24/24]

199—26.11(476) Rate proceedings for small utilities. For purposes of this rule, a small utility shall mean a utility subject to rate regulation that serves fewer than 10,000 customers. A small utility that has had a rate case before the commission within the past ten years shall be eligible to file an application for a rate increase under this rule no more frequently than once every 24 months.

26.11(1) At least 60 days prior to filing an application under this rule, a utility shall participate in a public technical conference with commission staff and the consumer advocate at which the utility shall provide an overview of its planned rate increase application.

26.11(2) A utility filing under this rule is subject to the notice requirements of subrule 26.4(1) and the temporary rate provisions of subrule 26.4(3).

26.11(3) A utility's filing under this rule will take the form of a proposed tariff with a 30-day effective date along with supporting testimony and exhibits. The commission will docket the proposed tariff for further review.

26.11(4) A utility shall file information showing the revenue requirement and revenue deficiency for Iowa jurisdictional operations, a template for which can be found on the commission's website at iuc.iowa.gov. If the utility is applying for a gas rate increase, the utility shall file information utilizing the weather normalization model preferred by the commission, which is available on the commission's website.

26.11(5) The filing shall be based upon the following assumptions:

a. Adjustments to book values shall be limited to 400 series accounting entries that are required to be excluded from rates.

b. Return on equity (ROE) will be based on ROEs approved for utilities by the commission in the prior 24 months, or if the commission has not approved an ROE in the past 24 months, the utility shall use the average of the ROEs approved by other jurisdictions for the same utility service for the year preceding the date of filing, provided there was a minimum of five such approvals. If there was not a minimum of five such approvals, the commission may extend the one-year period as necessary to increase the number of approvals to five or more, or may make such other provision of ROE as the commission may determine to be just and reasonable.

c. Utility and parent capital structures will be the same as those approved in the utility's last rate case.

26.11(6) The proposed overall rate increase will be applied uniformly to all rates and charges so that no changes in class cost-of-service allocations occur.

26.11(7) No new rates, charges, or riders shall be proposed.

26.11(8) The commission establishes a rebuttable presumption that rate case expense in excess of $150,000 for a filing under this rule is unreasonable.

26.11(9) The recovery mechanism for rate case expense shall be determined by the commission. Recovery may be through base rates, by means of a rider, or otherwise. The applicable recovery period will be determined in the rate proceeding. Recovery through a rider will end once the expense is fully recovered.

26.11(10) The commission shall issue an order granting, modifying, or rejecting the proposed rate increase within 90 days of the tariff required in subrule 26.11(3).

[**ARC 5629C**, IAB 5/19/21, effective 6/23/21; Editorial change: IAC Supplement 7/24/24]

199—26.12(17A,476) Applications pursuant to Iowa Code section 476.6 that are not general rate increase applications. At the time a utility, other than a rural electric cooperative that has elected to be rate regulated by the commission, files for new or changed rates, charges, schedules, or regulations, except in conjunction with general rate increase applications, the utility shall file the following:

26.12(1) Any cost, revenue, or economic data underlying the filing.

26.12(2) An explanation of how the proposed tariff would affect the rates and service of the utility.

26.12(3) All testimony and exhibits in support of the filing, attached to affidavits of the sponsoring witnesses.

26.12(4) Automatic adjustment clauses. The notice requirements in this chapter do not apply to rates filed pursuant to an automatic adjustment mechanism approved by the commission. Nothing in this paragraph shall be construed to prohibit a utility from making provision for the automatic adjustment of rates for utility service, provided that a schedule showing the automatic adjustment of rates shall first be filed with and approved by the commission. The initial approval of an automatic adjustment mechanism requires notice to customers and may require a contested case proceeding.

[**ARC 5629C**, IAB 5/19/21, effective 6/23/21; Editorial change: IAC Supplement 7/24/24]

199—26.13(17A,476) Rate investigation pursuant to Iowa Code section 476.3. Complaints filed pursuant to Iowa Code section 476.3(1) shall follow the procedures in 199—Chapter 6. The commission

shall commence a formal rate investigation as required by Iowa Code section 476.3(2) if a petition is filed by the consumer advocate alleging that a utility's rates are excessive. Rate complaint investigations to review the allegation made pursuant to Iowa Code section 476.3(2) shall include prepared testimony, exhibits, and workpapers to support the issues raised in the petition, all of which shall conform to the filing requirements for historic test year applications in subrule 26.4(4).

[**ARC 5629C**, IAB 5/19/21, effective 6/23/21; Editorial change: IAC Supplement 7/24/24]

199—26.14(17A,476) Applications pursuant to Iowa Code section 476.7.

26.14(1) Any utility filing an application with the commission requesting a determination of the reasonableness of its rates, charges, schedules, service, or regulations shall submit at the time the application is filed testimony and exhibits to fully support the utility's filing. All such testimony and exhibits shall be given or presented by competent witnesses, under oath or affirmation, at the proceeding ordered by the commission as a result of the application, and the proceeding shall be governed by the applicable provisions of 199—Chapter 7 and rule 199—26.4(476).

26.14(2) All of the foregoing requirements shall apply in the event the commission, on its own motion, initiates a formal proceeding to determine the reasonableness of a utility's rates, charges, schedules, service, or regulations.

26.14(3) All testimony and exhibits shall be marked and identified in compliance with the naming convention as described in the commission's electronic filing system filing standards or as required by commission order.

[**ARC 5629C**, IAB 5/19/21, effective 6/23/21; Editorial change: IAC Supplement 7/24/24]

199—26.15(17A,476) Proposal of settlements.

26.15(1) In proposed settlements which resolve all revenue requirement issues in a rate case proceeding, parties to the settlement shall jointly file the revenue requirement calculations reflecting the adjustments proposed to be settled and the following cost-of-service information: an updated cost-of-service study showing the allocation of costs to customer classes, alternative revenue allocations if applicable, the resulting rates, the revenue verification, and the overall increase to total revenues and base rate revenues by class as compared to test year revenues. If the cost of service that supports the settlement is not agreed to by all of the settling parties, each party shall file the information based upon a party's position.

26.15(2) In proposed settlements which resolve some revenue requirement issues in a rate case proceeding and retain some issues for litigation, each party to the settlement shall file a revenue requirement calculation reflecting the adjustments proposed to be settled and the parties' positions on any remaining issues to be litigated in addition to cost-of-service information.

26.15(3) In proposed settlements which produce an agreed-upon revenue requirement as a mutually acceptable outcome to the proceeding without an agreement on each revenue requirement issue, parties to the settlement shall jointly file as exhibits to the settlement supporting documentation reflecting the specific adjustments for which the parties reached agreement and cost-of-service information.

26.15(4) For those revenue issues included in the proposed settlement which were not specifically resolved, the supporting documentation should identify the range between the positions of the parties.

26.15(5) Cost-of-service information to support a settlement may be filed up to five days after the settlement is filed.

[**ARC 5629C**, IAB 5/19/21, effective 6/23/21]

199—26.16(476) Rate regulation election—electric cooperative corporations and associations.

26.16(1) *Application of rules.* Electric cooperative corporations and associations shall not be subject to the jurisdiction of the commission except as provided in Iowa Code section 476.1A and this chapter.

a. Procedure for election by members. Upon petition of not less than 10 percent of the members of an electric cooperative or upon its own motion, the board of directors of an electric cooperative shall order a referendum election to be held to determine whether the electric cooperative shall be subject to the jurisdiction of the commission. A petition for election shall be completed within 60 days of commencement.

(1) Any member of an electric cooperative desiring a referendum election shall sign a petition for election addressed to the board of directors of an electric cooperative, in substantially the following form:

PETITION FOR ELECTION

TO: (Board of Directors of subject electric cooperative)

The undersigned members request you call an election to submit to the members the following proposition:

Shall . . . (name of the electric cooperative) be subject to rate regulation by the Iowa Utilities Commission?

Signature	Address	Date

(2) Where signatures are made on more than one sheet, each sheet of the petition shall reproduce above the signatures the same matter as is on the first sheet. Each petitioner shall sign the petitioner's name in the petitioner's own handwriting and shall write the petitioner's address and the date on which the petitioner signed.

(3) The petition shall be filed with the board of directors of the electric cooperative and an election shall be held not less than 60 days nor more than 90 days from the date on which the petition was filed.

(4) On the election date, the board of directors of the electric cooperative shall mail by first-class mail to each member of the electric cooperative a ballot containing the following language:

Shall . . . (name of the electric cooperative) be subject to rate regulation by the Iowa Utilities Commission? Yes/No.

(5) The ballot shall also contain a self-addressed envelope to return the ballot to the secretary of the board of directors of the electric cooperative. The ballot shall be dated when received by the secretary. The ballot must be received by the secretary not more than 30 days after it was mailed to the members. The election procedure shall require a signature form for verification, but shall not allow the signature to be traced to the vote of a particular member.

(6) The issue in the election shall be decided by a majority of the members voting, whose ballots are received by the secretary. Fifty-one percent of the membership shall constitute a quorum for the election. The secretary shall certify the results of the election and file the results with the commission within 30 days of the election.

b. Procedure for election by commission. Upon the resolution of a majority of the board of directors of an electric cooperative, the board of directors may elect to be subject to the jurisdiction of the utilities commission. The secretary of the board of directors of the electric cooperative shall file a certified copy of the resolution with the board of directors within 30 days of the adoption of the resolution.

c. Effective date. Upon the resolution of a majority of the board of directors of an electric cooperative or when a majority of the members voting vote to place the cooperative under the jurisdiction of the commission, the utilities commission shall determine an effective date of its jurisdiction, which shall be not more than 90 days from the election. On and after the effective date of jurisdiction, the cooperative shall be subject to regulation by the utilities commission.

d. Prohibited acts. Funds of an electric cooperative shall not be used to support or oppose the issue presented in the election. Nothing shall prohibit a letter of explanation and direction from being enclosed with the ballot.

e. Procedure for exemption. After the cooperative has been under the jurisdiction of the commission for two years, the members or the board of directors of the electric cooperative may elect to remove the cooperative from under the jurisdiction of the commission as allowed by Iowa Code section 476.1A(4). If the membership elected to have the cooperative's rates regulated by the commission, only the membership may elect to exempt the cooperative from the rate regulation authority of the commission.

f. Frequency of election. An electric cooperative shall not conduct more than one election pursuant to this subrule within a two-year period.

26.16(2) *Rate increase requirements—rural electric cooperatives.* The commission's consideration of the fair and reasonable level of rates necessary for rural electric cooperatives that have elected to be subject to rate regulation by the commission shall include the following:

a. Minimum filing requirements. An electric cooperative subject to rate regulation proposing changes in tariffs or rates which relate to a general increase in revenue shall prepare and file with its proposed tariff evidence in the form of testimony and exhibits.

b. Factors relating to value. A statement showing the original cost of the items of plant and facilities, for the beginning and end of the last available calendar year, and any other factors relating to the value of the items of plant and facilities the utility deems pertinent to the commission's consideration, together with information setting forth budgeting accounts for the construction of scheduled improvements.

c. Comparative operating data. Information covering the test year.

(1) Operating revenue and expenses by primary account.

(2) Balance sheet at beginning and end of test year.

d. Test year and pro forma income statements. Information setting forth revenues, expenses, net operating income of the last available calendar year, the adjustment of unusual items, and by adjustment to reflect operations for a full year under existing and proposed rates. The format of the information to be filed is available on the commission's website at iuc.iowa.gov.

e. After investigation of the historic test year results and pro forma adjustments thereto, the commission shall determine the extent to which the applicant has met the following conditions:

(1) Revenues are sufficient for a times interest earned ratio between 1.5 and 3.0 for coverage of interest on outstanding utility short-term and long-term debt; or

(2) Revenues are sufficient for a debt service coverage ratio between 1.25 and 2.5 on utility long-term debt; or

(3) Utility operating margins are sufficient for a ratio between 1.5 and 2.5 of utility operating margins to interest on utility short-term and long-term debt; or

(4) Utility operating margins are sufficient for a ratio between 1.25 and 1.75 of utility operating margins plus utility depreciation, all divided by utility long-term interest plus principal; and

(5) Utility operating margins are sufficient to return utility patronage capital credits accumulated from utility operating margins, with a retention of such credits of no more than 20 years allowed, subject to modification where compelling circumstances require time period adjustments.

f. In addition to the information in subrule 26.12(2), evidence of the necessity for the requested rate relief may include, but need not be limited to, utility operating margins which will enable the cooperative to attain and maintain a reasonable ratio of utility long-term debt to retained utility operating margins. The cooperative's authorized construction program and an official policy statement of the cooperative's board of directors on a desired ratio will be considered factors in the determination of the reasonableness of any such ratio.

g. The commission's initial decision will become final 15 days following its date of issuance; however, if filed within that 15-day period, allegations of error by the cooperative or any intervenor as to the commission's findings of fact, together with a statement of readiness to present testimony, will serve to hold final disposition in abeyance pending the scheduling and completion of an evidentiary hearing. When such allegation is made, testimony in support of such position must be filed within 30 days of such filing. Upon receipt of the testimony, the commission will schedule additional filing dates and set the matter for hearing. When a hearing is scheduled, final disposition of the rate proceeding will be accomplished under the contested case provisions of Iowa Code chapter 17A and the commission's rules and regulations thereunder.

[**ARC 5629C**, IAB 5/19/21, effective 6/23/21; Editorial change: IAC Supplement 7/24/24]

These rules are intended to implement Iowa Code sections 476.2, 476.3, 476.6, 476.7, and 476.33.

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CHAPTER 27
REGULATION OF ELECTRIC COOPERATIVES AND MUNICIPAL ELECTRIC UTILITIES UNDER IOWA CODE CHAPTER 476

199—27.1(476) General information. Iowa Code section 476.2(1) provides that the Iowa utilities commission has authority to establish all needful, just and reasonable rules, not inconsistent with law, to govern the exercise of its powers and duties; the practice and procedure before it; and to the form, content and filing of reports, documents and other papers provided for in Iowa Code chapter 476 or in the commission's rules.

27.1(1) *Application of rules.* The rules apply to electric cooperatives and municipal electric utilities operating within the state of Iowa subject to Iowa Code sections 476.1A and 476.1B, and to the construction, operation and maintenance of electric transmission lines to the extent provided in Iowa Code chapter 478, and supersede all tariffs on file with the commission that are in conflict with these rules.

27.1(2) *Regulation of electric cooperatives.* Iowa Code section 476.1A provides that electric cooperatives are not subject to the regulation of the commission, except for regulatory action pertaining to the following:

a. Assessment of fees for the support of the commission and the office of consumer advocate pursuant to Iowa Code section 476.10.

b. Safety standards and engineering standards.

c. Assigned service areas, as set forth in Iowa Code sections 476.22 through 476.25.

d. Public utility railroad crossings, as set forth in Iowa Code section 476.27.

e. Filing of alternative energy purchase program plans with the commission, and offering such programs to customers, pursuant to Iowa Code section 476.47.

f. Iowa Code sections 476.20(1) through 476.20(4), 476.21, 476.51, 476.56, 476.58, 476.62, and 476.66 and chapters 476A and 478, to the extent applicable.

27.1(3) *Regulation of municipal electric utilities.* Iowa Code section 476.1B provides that municipal electric utilities are not subject to regulation by the commission under Iowa Code chapter 476, except for regulatory action pertaining to the following:

a. Assessment of fees for the support of the commission and the office of consumer advocate.

b. Safety standards.

c. Assigned areas of service as set forth in Iowa Code sections 476.22 through 476.26.

d. Public utility railroad crossings, as set forth in Iowa Code section 476.27.

e. An electric power agency as defined in Iowa Code chapter 28F and section 390.9 that includes as a member a city- or municipality-owned utility that builds transmission facilities after July 1, 2001, is subject to applicable transmission reliability rules or standards adopted by the commission for these facilities.

f. Filing alternate energy purchase program plans with the commission, and offering such programs to customers, pursuant to Iowa Code section 476.47.

g. Iowa Code sections 476.20(1) through 476.20(4), 476.51, 476.56, 476.58, 476.62, and 476.66, as applicable.

h. An electric utility subject to regulatory action pursuant to Iowa Code section 476.1A or 476.1B is subject to complaints and investigations as set forth in Iowa Code section 476.3, but only with regard to matters within the regulatory authority of the commission as set forth in Iowa Code sections 476.1A and 476.1B.

27.1(4) *Definitions.* The following words and terms, when used in these rules, have the meanings indicated below:

"Capacity" means the instantaneous rate at which energy can be delivered, received, or transferred, measured in kilowatts.

"Complaint" means a statement or question by any person, whether a utility customer or not, alleging a wrong, grievance, injury, dissatisfaction, illegal action or procedure, dangerous condition or action, or obligation of an electric cooperative or municipal electric utility.

"Customer" means any person, firm, association, or corporation; any agency of the federal, state, or local government; or any legal entity responsible by law for payment for the electric service or heat from the electric cooperative or municipal electric utility.

"Delinquent" or *"delinquency"* means an account for which a service bill or service payment agreement bill has not been paid in full on or before the last day for timely payment.

"Distribution line" means any single or multiphase electric power line operating at nominal voltage in either of the following ranges: 2,000 to 26,000 volts between ungrounded conductors or 1,155 to 15,000 volts between grounded and ungrounded conductors, regardless of the functional service provided by the line.

"Electric plant" includes all real estate, fixtures, and property owned, controlled, operated, or managed in connection with or to facilitate production, generation, transmission, or distribution in providing electric service or heat by an electric utility.

"Electric service" means furnishing electricity to the public for compensation for use as heat, light, power, or energy.

"Energy" means electric energy measured in kilowatt hours.

"Engineering standards" means standards adopted by the American National Standards Institute (ANSI), the Institute of Electrical and Electronics Engineers, Inc. (IEEE), Rural Utilities Service (RUS), or comparable engineering organization or engineering standards adopted by the commission.

"Major event" means when an event results in extensive physical damage to transmission or distribution facilities within an electric cooperative or municipal electric utility's operating area due to unusually severe and abnormal weather or event and:

1. Wind speed exceeds 90 mph for the affected area, or
2. One-half inch of ice is present and wind speed exceeds 40 mph for the affected area, or
3. 10 percent of the affected area total customer count is incurring a loss of service for a length of time to exceed five hours, or
4. 20,000 customers in a metropolitan area are incurring a loss of service for a length of time to exceed five hours, or
5. A regional transmission organization or independent system operator declares an energy emergency alert that the organization can no longer provide expected energy requirements or has lower than established reserves, implements procedures up to shedding load, declares a maximum generation warning, declares conservative operations, or calls a maximum generation alert event in compliance with North American Electric Reliability Corporation requirements.

"Meter" means, unless otherwise qualified, a device that measures and registers the integral of an electrical quantity with respect to time.

"Power" means electric power measured in kilowatts.

"Rates" means the same as defined in Iowa Code section 384.80 and includes all charges or fees imposed or collected for the provision of or incidental to utility service.

"Safety standard" means applicable regulations promulgated by the United States Occupational Safety and Health Administration. Safety standards for electric utilities subject to Iowa Code section 476.1A also include outage notifications, safety standards contained in the National Electrical Safety Code, as published by IEEE, and electric safety standards approved by ANSI.

"Secondary line" means any single or multiphase electric power line operating at nominal voltage less than either 2,000 volts between ungrounded conductors or 1,155 volts between grounded and ungrounded conductors, regardless of the functional service provided by the line.

"Service limitation" means the establishment of a limit on the amount of power that may be consumed by a residential customer through the installation of a service limiter device on the customer's meter.

"Tariff" means the service classifications, rules, procedures, and policies filed with and approved by the commission.

"Timely payment" means a payment on a customer's account made on or before the date shown on a current bill for service, or on a form that records an agreement between the customer and a utility for a series of partial payments to settle a delinquent account, as the date which determines application of a late payment charge to the current bill or future collection efforts.

"Transmission line" means any single or multiphase electric power line operating at nominal voltages at or in excess of either 69,000 volts between ungrounded conductors or 40,000 volts between grounded and ungrounded conductors, regardless of the functional service provided by the line.

27.1(5) *Abbreviations.* The following abbreviations are used in this chapter where appropriate:

ANSI—American National Standards Institute, www.ansi.org.

IEEE—Institute of Electrical and Electronics Engineers, www.ieee.org.

NESC—National Electrical Safety Code.

NFPA—National Fire Protection Association, www.nfpa.org.

RUS—United States Department of Agriculture Rural Utilities Service, www.rd.usda.gov/about-rd/agencies/rural-utilities-service.

27.1(6) *Electric cooperative service rules tariffs.* Electric cooperatives subject to the commission's jurisdiction under Iowa Code section 476.1A shall maintain tariffs in the commission's electronic filing system that are consistent with the rules in this chapter and that are approved by the commission.

a. Those portions of their tariff or tariff pages regarding matters over which the commission has jurisdiction are to be filed with strikethroughs for the language deleted and underlining of the language that is added.

b. Portions of electric cooperative tariffs that are nonjurisdictional are to be identified in the tariff.

c. An electric cooperative association may file a model tariff for commission approval that may be adopted by an electric cooperative with any revisions the electric cooperative proposes to the model tariff.

d. Any electric cooperative may concur with an approved model tariff on file with the commission. For any electric cooperative that chooses to concur, the commission shall acknowledge the electric cooperative's tariff as being in compliance.

e. Tariffs approved by the commission are to be made available to all customers.

27.1(7) *Municipal electric utilities service rules.* Municipal utilities service rules or other legally enforceable provisions are to be consistent with the provisions in this chapter and must be available to all customers.

[**ARC 8177C**, IAB 8/7/24, effective 9/11/24]

199—27.2(476) Assigned area of service and maps.

27.2(1) *Service areas.* Service areas are defined by the boundaries on service area maps. Electronic maps are available for viewing during regular business hours at the commission's offices. Maps are also available for viewing on the commission's website. These service area maps are the official electric service territory maps pursuant to Iowa Code section 476.24.

27.2(2) *Modification of service area and answers.*

a. An exclusive service area is subject to modification through a contested case proceeding, which may be commenced by filing a petition for modification of service area with the commission. The commission may commence a service area modification proceeding on its own motion. The commission may grant a modification if the modification promotes the public interest. In determining whether the modification is in the public interest, the commission will consider the factors described in Iowa Code section 476.25(1) and any other relevant factors.

b. Any electric cooperative or municipal electric utility may file a petition for modification of service area, which includes:

(1) A legal description of the service area desired,

(2) A designation of the utilities involved in each boundary section,

(3) A justification for the proposed service area modification, including addressing the public interest,

(4) A PDF (Portable Document Format) map, an electronic file of the proposed service area boundaries, in a format designated by the commission, as described on the electronic filing system (EFS) homepage under EFS filing standards, and

(5) A map showing the affected areas that complies with the map paragraph contained within this chapter is to be attached to the petition as an exhibit.

c. Electric cooperatives and municipal electric utilities may agree with other electric utilities to service territory modifications by contract pursuant to Iowa Code section 476.25(2). Contracts to be enforceable are to be approved by the commission.

27.2(3) *Certificate of authority.* A request for a service territory modification filed by an electric cooperative or municipal electric utility pursuant to this rule that would result in service to a customer by a public utility other than the public utility currently serving the customer will need a certificate of authority under Iowa Code section 476.23. Unless voluntarily agreed otherwise, the party currently serving the customer is to be paid a reasonable price for the facilities serving the customer.

27.2(4) *Maps.*

a. Each electric cooperative and municipal electric utility is to maintain a current map or set of maps showing the physical location of electric lines, stations, and electric transmission facilities for its service areas. The maps are to include the exact location of the following:

(1) Generating stations, with capacity designation.

(2) Purchased power supply points, with maximum contracted capacity designation.

(3) Purchased power metering points if located at other than power delivery points.

(4) Transmission lines, with size and type of conductor designation and operating voltage designation.

(5) Transmission-to-transmission voltage transformation substations, with transformer voltage and capacity designation.

(6) Transmission-to-distribution voltage transformation substations, with transformer voltage and capacity designation.

(7) Distribution lines, with size and type of conductor designation, phase designation, and voltage designation.

(8) All points at which transmission, distribution, or secondary lines of the utility cross Iowa state boundaries.

(9) All current information required in Iowa Code section 476.24(1).

(10) All county boundaries and county names.

(11) Natural and artificial lakes that cover more than 50 acres and all rivers.

(12) Any additional information required by the commission.

b. All maps, except those deemed confidential by the commission, are to:

(1) Be available for examination at the designated offices of the electric cooperative or municipal electric utility during regular office hours,

(2) Include maps drawn with clean, uniform lines to a scale of one inch per mile,

(3) Include a large scale where it is necessary to clarify areas where there is a heavy concentration of facilities, and

(4) Ensure that cartographic details are clean cut, and the background contains little or no coloration or shading.

[**ARC 8177C**, IAB 8/7/24, effective 9/11/24]

199—27.3(476) Customer relations.

27.3(1) *Notification to customers by bill insert at least annually.* 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, and include the following statement: "If (utility name) does not resolve your complaint, you may request assistance from the Iowa Utilities Commission by calling 515.725.7300 or toll-free 877.565.4450; by writing to 1375 E. Court Ave., Des Moines, IA 50319-0069; or by email to customer@iuc.iowa.gov." The utility may use different language with commission approval. A utility that bills by postcard may place an advertisement in a local newspaper of general circulation or a customer newsletter instead of a mailing. The advertisement must be of a type size that is easily legible and conspicuous and must contain the information required in this subrule.

27.3(2) *Payment agreements.*

a. Availability of a first payment agreement. When a residential customer cannot pay in full a delinquent bill for utility service or has an outstanding debt to the electric cooperative or municipal electric utility for residential utility service and is not in default of a payment agreement with the electric cooperative or municipal electric utility, an electric cooperative or municipal electric utility shall offer the customer an opportunity to enter into a reasonable payment agreement. The offer of a payment agreement is to be made prior to disconnection. The electric cooperative or municipal electric utility is not required to

offer a customer who has been disconnected from service a payment agreement consistent with these rules, unless the utility did not comply with these rules prior to disconnection.

b. Reasonableness. Whether a payment agreement is reasonable will be determined by considering the current household income, ability to pay, payment history including prior defaults on similar agreements, the size of the bill, the amount of time and the reasons why the bill has been outstanding, and any special circumstances creating extreme hardships within the household. The electric cooperative or municipal electric utility may require the person to confirm financial difficulty with an acknowledgment from the department of health and human services or another agency.

c. Terms of payment agreements.

(1) First payment agreement. The following conditions are to be offered to customers who have received a disconnection notice and are not in default of a payment agreement:

1. For customers who received a disconnection notice in conformance with these rules, an agreement with at least 12 even monthly payments is to be offered. A customer may pay off the delinquency early without incurring any prepayment penalties. A customer will not be charged interest, or a late payment charge, on a payment agreement where the customer is making payments consistent with the terms of the payment agreement, and the customer will not be required to pay a portion of the delinquent amount to enter into a payment agreement.

2. A provision for payment of the current amount owed by the customer is to be offered.

3. The electric cooperative or municipal electric utility may also require the customer to enter into a budget billing plan to pay the current bill.

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

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

6. When a payment agreement is made over the telephone or through electronic transmission, a written agreement is to be provided to the customer within three days of the date the oral or electronic agreement is entered into.

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

8. The payment agreement is deemed accepted by the customer unless the customer notifies the utility otherwise within ten days from the date the document is provided. The address and toll-free telephone number where a qualified representative can be reached is to be included in the payment agreement.

9. Once the first payment required by the agreement is made by the customer or on behalf of the customer, the oral or electronic agreement is deemed accepted by the customer.

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

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

(2) Second payment agreement. A second payment agreement is to be offered to a customer who is in default of a first payment agreement if the customer has made at least two consecutive full payments under the first payment agreement.

1. The second payment agreement will be for a term at least as long as the term of the first payment agreement.

2. The customer is to pay for current service in addition to the monthly payments.

3. The customer may be required to make the first payment up front as a condition of entering into the second payment agreement.

4. The electric cooperative or municipal electric utility may also require the customer to enter into a budget billing plan to pay the current bill.

(3) Additional payment agreements. The electric cooperative or municipal electric utility may offer additional payment agreements to the customer.

d. Refusal by electric cooperative or municipal electric utility. A customer may offer the electric cooperative or municipal electric utility a proposed payment agreement. If the electric cooperative or municipal electric utility and the customer do not reach an agreement, the electric cooperative or municipal electric utility may refuse the offer orally, but the electric cooperative or municipal electric utility will provide a written refusal to the customer, stating the reason for the refusal, within three days of the oral notification. The written refusal is considered provided to the customer when addressed to the customer's last-known address and deposited in the U.S. mail with postage prepaid. If delivery is by other than U.S. mail, the written refusal is considered provided to the customer when handed to the customer or when delivered to the last-known address of the person responsible for the payment for the service.

e. Customer request for assistance. A customer may ask the commission for assistance in working out a reasonable payment agreement. The request for assistance is to be made to the commission within ten days after the written refusal is provided and disconnection will not take place during the commission's review.

27.3(3) *Bill payment terms.* The bill is to be considered provided to the customer when deposited in the U.S. mail with postage prepaid or sent by electronic mail to the customer, if agreed to by the customer. If delivery is by other than U.S. mail, the bill is to be considered provided when delivered to the last-known address of the party responsible for payment, or to the last-known email address of the customer. A bill becomes delinquent not less than 20 days from the date the bill is provided to the customer. For customers on more frequent billing intervals, bills may not be considered delinquent less than five days from the date the bill is provided, and a late payment charge may not be assessed if payment is received within 20 days of the date the bill is provided.

a. The date of delinquency for all residential customers or other customers whose consumption is less than 3,000 kWh per month is changeable for cause; such as, but not limited to, 15 days from the approximate date each month upon which income is received by the person responsible for payment. Thirty days beyond the date of delinquency is the maximum delay allowed. Thirty days beyond the date of previous bill preparation is the maximum delay allowed.

b. In any case where net and gross amounts are billed to customers, the difference between net and gross is a late payment charge and is valid only when part of a delinquent bill payment. A utility's late payment charge is limited to 1.5 percent per month of the past due amount. No collection fee may be levied in addition to this late payment charge.

c. If the customer makes partial payment in a timely manner, and does not designate the service or product for which payment is made, the payment is to be credited pro rata between the bill for utility services and related taxes.

d. Each account is allowed not less than one complete forgiveness of a late payment charge each calendar year. The utility's rules are to include 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 utility's rules are to state how the customer is notified that the eligibility has been used. Complete forgiveness has no effect upon the credit rating of the customer or collection of late payment charges.

27.3(4) *Meter testing standards.* Electric cooperatives and municipal electric utilities are to establish meter testing standards and procedures for customers who have complaints about the accuracy of the customer's meter. The meter testing standards are to be made available to a customer upon request.

[**ARC 8177C**, IAB 8/7/24, effective 9/11/24]

199—27.4(476) Disconnection of service.

27.4(1) *Disconnection procedures and notice.* Electric cooperatives and municipal electric utilities may only disconnect service to customers in compliance with the following procedure and requirements:

a. Service may be disconnected without notice:

(1) In the event of a condition on the customer's premises determined by the utility to be hazardous.

(2) In the event of customer use of equipment in a manner that adversely affects the utility's equipment or the utility's service to others.

(3) In the event of tampering with the equipment furnished and owned by the utility. A broken or absent meter seal alone does not constitute tampering.

(4) In the event of unauthorized use.

b. The electric cooperative or municipal electric utility shall give written notice of pending disconnection, except as specified in paragraph 27.4(1)*"a."* The notice includes the reason for the notice and the final date by which the account is to be settled or specific action taken. The notice is to be addressed to the customer's last-known address and deposited in the U.S. mail with postage prepaid. If delivery is by other than U.S. mail, the notice is to be delivered to the last-known address of the person responsible for payment for the service. The date for disconnection of service is not to be less than 12 days after the notice is provided. The date for disconnection of service for customers on shorter billing intervals is not to be less than 24 hours after the notice is posted at the service premises.

c. Where more than one cause of disconnection exists, one written notice is to be given that includes all reasons for the notice. In determining the final date by which the account is to be settled or other specific action taken, the days of notice for the causes run concurrently.

d. Service may be disconnected after proper notice:

(1) For violation of or noncompliance with the utility's rules.

(2) For failure of the customer to furnish the service equipment, permits, certificates, or rights-of-way which are specified to be furnished, in the utility's rules filed with the commission, as conditions of obtaining service, or for the withdrawal of that same equipment, or for the termination of those same permissions or rights, or for the failure of the customer to fulfill the contractual obligations imposed as conditions of obtaining service by any contract filed with and subject to the regulatory authority of the commission.

(3) For failure of the customer to permit the utility reasonable access to the utility's equipment.

e. Service may be disconnected after proper notice for nonpayment of a bill or deposit, provided that the electric cooperative or municipal electric utility has complied with the following provisions:

(1) Given the customer a reasonable opportunity to dispute the reason for the disconnection or refusal.

(2) Given the customer, and any other person or agency designated by the customer, written notice that the customer has at least 12 days in which to make settlement of the account to avoid disconnection and a written summary of the rights and responsibilities set out in subrule 27.4(2). Customers billed more frequently than monthly are to be given posted written notice that they have 24 hours to make settlement of the account to avoid disconnection and a written summary of the rights and responsibilities. All written notices include a toll-free or collect telephone number where a utility representative qualified to provide additional information about the disconnection can be reached. Each electric cooperative or municipal electric utility representative provides the representative's name and has immediate access to current, detailed information concerning the customer's account and previous contacts with the utility.

(3) A service limitation policy shall include the following sentence: "Service limitation: We have adopted a limitation of service policy for customers who otherwise could be disconnected. Contact our business office for more information or to learn if you qualify."

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

1. If an attempt at personal or telephone contact of a customer occupying a rental unit has been unsuccessful, the electric cooperative or municipal electric utility is to make a diligent attempt to contact the landlord of the rental unit, if known, to determine if the customer is still in occupancy and, if so, the customer's present location. The landlord is to be informed of the date when service may be disconnected. The electric cooperative or municipal electric utility will make a diligent attempt to inform the landlord at least 48 hours prior to disconnection of service to a tenant.

2. If the disconnection will affect occupants of residential units leased from the customer, the premises of any building known by the electric cooperative or municipal electric utility to contain residential units affected by disconnection are to be posted at least two days prior to disconnection, with a

notice informing any occupants of the date when service will be disconnected and the reasons for the disconnection.

3. If the customer has received notice of disconnection and has a dispute concerning a bill for electric service, the electric cooperative or municipal electric utility may require the customer to pay a sum of money equal to the amount of the undisputed portion of the bill pending settlement and thereby avoid disconnection of service. Disconnection for nonpayment of the disputed bill is delayed for up to 45 days after the providing of the bill if the customer pays the undisputed amount. The 45 days may be extended by up to 60 days if requested of the utility by the commission in the event the customer files a written complaint with the commission in compliance with 199—Chapter 6.

f. Disconnection of a residential customer may take place only between the hours of 6 a.m. and 2 p.m. on a weekday and not on weekends or holidays. If a disconnected customer makes payment or other arrangements during normal business hours, or by 7 p.m. for utilities permitting such payment or other arrangements after normal business hours, all reasonable efforts are to be made to reconnect the customer that day. If a disconnected customer makes payment or other arrangements after 7 p.m., all reasonable efforts are to be made to reconnect the customer not later than 11 a.m. the next day.

g. A disconnection is not to take place where electricity is used as the only source of space heating or to control or operate the only space heating equipment at a residence when the actual temperature or the 24-hour forecast of the National Weather Service for the residence's area is predicted to be 20 degrees Fahrenheit or colder. If the electric cooperative or municipal electric utility has properly posted a disconnect notice but is precluded from disconnecting service because of severe cold weather, the utility may immediately proceed with appropriate disconnection procedures, without further notice, when the temperature in the residence's area rises above 20 degrees Fahrenheit and is forecasted to remain above 20 degrees Fahrenheit for at least 24 hours, unless the customer has paid in full the past due amount or is otherwise entitled to postponement of disconnection.

h. Disconnection of a residential customer will be postponed if the disconnection of service would present an especial danger to the health of any permanent resident of the premises.

(1) An especial danger to health is indicated if a person appears to be seriously impaired and may, because of mental or physical problems, be unable to manage the person's own resources, to carry out activities of daily living or to be protected from neglect or hazardous situations without assistance from others. Indicators of an especial danger to health include but are not limited to age, infirmity, or mental incapacitation; serious illness; physical disability, including blindness and limited mobility; and any other factual circumstances that indicate a severe or hazardous health situation.

(2) The electric cooperative or municipal electric utility may require written verification of the especial danger to health by a physician or a public health official, including the name of the person endangered; a statement that the person is a resident of the premises in question; the name, business address, and telephone number of the certifying party; the nature of the health danger; and approximately how long the danger will continue. Initial verification by the verifying party may be by telephone if written verification is forwarded to the utility within five days.

(3) Verification will postpone disconnection for 30 days. In the event service is terminated within 14 days prior to verification of illness by or for a qualifying resident, service is to be restored to that residence if a proper verification is thereafter made in accordance with the foregoing provisions. If the customer does not enter into a reasonable payment agreement for the retirement of the unpaid balance of the account within the first 30 days and does not keep the current account paid during the period that the unpaid balance is to be retired, the customer is subject to disconnection.

i. Winter energy assistance (November 1 through April 1). If the electric cooperative or municipal electric utility is informed that the customer's household may qualify for winter energy assistance or weatherization funds, service is not to be disconnected for 30 days from the date the electric cooperative or municipal electric utility is notified to allow the customer time to obtain assistance. Disconnection of service is not allowed from November 1 through April 1 for a resident who is a head of household and who has been certified to the electric cooperative or municipal electric utility by the community action agency as eligible for either the low-income home energy assistance program or the weatherization assistance program.

j. Military service deployment. If the electric cooperative or municipal electric utility is informed that one of the heads of household as defined in Iowa Code section 476.20 is a service member deployed for military service, as defined in Iowa Code section 29A.90, disconnection cannot take place at the residence during the deployment or prior to 90 days after the end of the deployment.

k. Abnormal electric consumption. A customer who is subject to disconnection for nonpayment of bill, and who has electric consumption that appears to the customer to be abnormally high, may request the utility provide assistance in identifying the factors contributing to this usage pattern and to suggest remedial measures. Assistance will be provided by the electric cooperative or municipal electric utility by discussing patterns of electric usage that may be readily identifiable, suggesting that an energy audit be conducted, and identifying sources of energy conservation information and financial assistance available to the customer.

l. An electric cooperative or municipal electric utility may disconnect electric service after 24-hour notice (and without the written 12-day notice) for failure of the customer to comply with the terms of a payment agreement.

m. Prior to November 1, a notice describing the availability of winter energy assistance funds and the application process is to be mailed to customers. The notice is to be of a type size that is easily legible and conspicuous and contain the information set out by the state agency administering the assistance program. A utility serving fewer than 25,000 customers may publish the notice in a customer newsletter in lieu of mailing. An electric cooperative or municipal electric utility serving fewer than 6,000 customers may publish the notice in an advertisement in a local newspaper of general circulation or shopper's guide.

27.4(2) *Notice of customer rights and responsibilities.* The standard form of the summary of the rights and responsibilities to be provided to customers is set out below, and will be provided by an electric cooperative or municipal electric utility with all disconnection notices. A nonstandard rights and responsibilities notice may be used with commission approval. The standard customer rights and responsibilities notice is as follows:

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

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

a. Pay the bill in full;

b. Enter into a reasonable payment plan with the utility (see #2 below);

c. Apply for and become eligible for low-income energy assistance (see #3 below);

d. Give the electric cooperative or municipal electric utility a written statement from a doctor or public health official stating that shutting off your electric service would pose an especial health danger for a person living at the residence (see #4 below); or

e. Tell the utility if you think part of the amount shown on the bill is wrong. However, you must still pay the part of the bill you agree you owe the utility (see #5 below).

2. How do I go about making a reasonable payment plan? (Residential customers only)

a. Contact the electric cooperative or municipal electric utility as soon as you know you cannot pay the amount you owe. If you cannot pay all the money you owe at one time, you are to be offered a payment plan that spreads payments evenly over at least 12 months. The plan may be longer depending on your financial situation.

b. If you have not made the payments you promised in a previous payment plan with the utility and still owe money, you may qualify for a second payment agreement under certain conditions.

c. If you do not make the payments you promise, the utility may shut off your electric service on one day's notice, unless all the money you owe the utility is paid or you enter into another payment agreement.

3. How do I apply for low-income energy assistance? (Residential customers only)

a. Applications are taken at your local community action agency. If you are unsure where to apply, call 211 or 800.244.7431, or visit hhs.iowa.gov/programs/programs-and-services/liheap. To prevent disconnection, you must contact the utility prior to disconnection of your service.

b. To avoid disconnection, you must apply for energy assistance or weatherization before your service is shut off. Notify your utility that you may be eligible and have applied for energy assistance. Once your service has been disconnected, it will not be reconnected based on approval for energy assistance.

c. Being certified eligible for energy assistance will prevent your service from being disconnected from November 1 through April 1.

4. What if someone living at the residence has a serious health condition? (Residential customers only)

Contact the electric cooperative or municipal electric utility if you believe this is the case. Contact your doctor or a public health official and ask the doctor or health official to contact the utility and state that shutting off your electric service would pose an especial health danger for a person living at your residence. The doctor or public health official must provide a written statement to the electric cooperative's or municipal electric utility's office within five days of when your doctor or public health official notifies the utility of the health condition; otherwise, your electric service may be shut off. If the utility receives this written statement, your service will not be shut off for 30 days. This 30-day delay is to allow you time to arrange payment of your utility bill or find other living arrangements. After 30 days, your service may be shut off if payment arrangements have not been made.

5. What should I do if I believe my bill is not correct?

You may dispute your bill by telling the electric cooperative or municipal electric utility that you dispute the bill and paying 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 electric cooperative or municipal electric utility work out the dispute over the part of the bill you think is incorrect. You may ask the Iowa Utilities Commission for assistance in resolving the dispute (see #9 below).

6. When can the electric cooperative or municipal electric utility shut off my electric service because I have not paid my bill?

a. Your electric cooperative or municipal electric utility can shut off service between the hours of 6 a.m. and 2 p.m. Monday through Friday.

b. The electric cooperative or municipal electric utility will not shut off your service on nights, weekends, or holidays for nonpayment of a bill.

c. The electric cooperative or municipal electric utility will not shut off your service if you enter into a reasonable payment plan to pay the overdue amount (see #2 above).

d. The electric cooperative or municipal electric utility will not shut off your service if the temperature is forecasted to be 20 degrees Fahrenheit or colder during the following 24-hour period, including the day your service is scheduled to be shut off.

e. If you have qualified for low-income energy assistance, the electric cooperative or municipal electric utility cannot shut off your service from November 1 through April 1. However, you will still owe the electric cooperative or municipal electric utility for the service used during this time.

f. The electric cooperative or municipal electric utility will not shut off your service if you have notified the electric cooperative or municipal electric utility that you dispute a portion of your bill and you pay the part of the bill that you agree is correct.

g. If one of the heads of household is a service member deployed for military service, electric service cannot be shut off during the deployment or within 90 days after the end of deployment. In order for this exception to disconnection to apply, the electric cooperative or municipal electric utility will need to be informed of the deployment prior to disconnection. However, you will still owe the electric cooperative or municipal electric utility for service used during this time.

7. How will I be told the electric cooperative or municipal electric utility is going to shut off my service?

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

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

c. The electric cooperative or municipal electric utility must try to reach you by telephone or in person before it shuts off your service. From November 1 through April 1, if the electric cooperative or municipal

electric utility cannot reach you by telephone or in person, the electric cooperative or municipal electric utility will put a written notice on the door of or another conspicuous place at your residence to tell you that your electric service will be shut off.

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

a. The electric cooperative or municipal electric utility will turn your service back on if you pay the whole amount you owe.

b. If you make your payment during regular business hours, or by 7 p.m. for electric cooperatives or municipal electric utilities permitting such payment or other arrangements after regular business hours, the electric cooperative or municipal electric utility must make a reasonable effort to turn your service back on that day. If service cannot reasonably be turned on that same day, the utility is to do it by 11 a.m. the next day.

c. The electric cooperative or municipal electric utility may charge you a fee to turn your service back on. That fee may be higher in the evening or on weekends, so you may ask that your service be turned on during normal utility business hours.

9. Is there any other help available besides my electric cooperative or municipal electric utility?

If the electric cooperative or municipal electric utility has not been able to help you with your problem, you may contact the Iowa Utilities Commission toll-free at 877.565.4450. You may also write the Iowa Utilities Commission at 1375 E. Court Ave., Des Moines, IA 50319-0069, or email customer@iuc.iowa.gov. Low-income customers may also be eligible for free legal assistance from Iowa Legal Aid and may contact Iowa Legal Aid at 800.532.1275.

27.4(3) *When disconnection is not allowed.*

a. No disconnection may take place from November 1 through April 1 for a resident who has been certified to the public utility by the local community action agency as being eligible for either the low-income home energy assistance program or weatherization assistance program.

b. If the electric cooperative or municipal electric utility is informed that one of the heads of household as defined in Iowa Code section 476.20 is a service member deployed for military service, as defined in Iowa Code section 29A.90, disconnection cannot take place at the residence during the deployment or prior to 90 days after the end of the deployment.

27.4(4) *Servicing of utilization control equipment.* Each electric cooperative or municipal electric utility is to service and maintain any equipment it uses on a customer's premises and correctly set and keep in proper adjustment any utility-owned thermostats, clocks, relays, time switches or other devices that control the customer's service in accordance with the provisions in the utility's schedules.

27.4(5) *Customer complaints.* Complaints concerning the practices, facilities, or service of the electric cooperative or municipal electric utility are to be investigated promptly and thoroughly. The electric cooperative or municipal electric utility is to keep such records of customer complaints as will enable it to review and analyze its procedures and actions.

a. Each electric cooperative and municipal electric utility are to develop a fully informative procedure for the resolution of customer complaints.

b. The utility is to take reasonable steps to ensure that customers unable to travel are not denied the right to be heard.

c. The final step in a complaint review procedure, if the utility and customer are not able to agree on a resolution of the complaint, is a filing for commission resolution of the issues if the commission determines it has jurisdiction.

27.4(6) *Limitation of service.* The electric cooperative or municipal electric utility may adopt a policy for service limitation at a customer's residence as a measure to be taken in lieu of disconnection of service to the customer. The service limiter policy is to contain the following:

a. No activation without the customer's agreement.

b. A requirement for default on all payment agreements the customer has qualified for and agreed to.

c. Usage of a minimum of 3,600 watts. If the service limiter policy provides for different usage levels for different customers, specific nondiscriminatory criteria for determining the usage levels are set out. Electric-heating residential customers may have their service limited if otherwise eligible, but consumption limits are to be set at a level that allows customers to continue to heat their residences. For purposes of this

rule, "electric heating" means heating by means of a fixed-installation electric appliance that serves as the primary source of heat and not, for example, one or more space heaters.

d. A provision that, if the minimum usage limit is exceeded such that the limiter function interrupts service, the service limiter function is to be capable of being reset manually by the customer, or the service limiter function will reset itself automatically within 15 minutes after the interruption. In addition, the service limiter function may also be capable of being reset remotely. If the option of resetting the meter remotely is available, the utility is to provide a 24-hour toll-free number for the customer to notify the electric cooperative or municipal electric utility that the limiter needs to be reset and the meter is to be reset immediately following notification by the customer. If the remote reset option is used, the meter is to be capable of being reset manually by the customer or the service limiter function will reset itself automatically within 15 minutes after the interruption.

e. There may be no disconnect, reconnect, or other charges associated with service limiter interruptions or restorations.

f. A provision that, upon installation of a service limiter or activation of a service limiter function on the meter, the electric cooperative or municipal electric utility is to provide the customer with information on the operation of the limiter, including how it can be reset, and information on what appliances or combination of appliances can generally be operated to stay within the limits imposed by the limiter.

g. A provision that the service limiter function of the meter is to be disabled no later than the next working day after the residential customer has paid the delinquent balance in full.

h. A service limiter customer that defaults on the payment agreement is subject to disconnection after a 24-hour notice.

[**ARC 8177C**, IAB 8/7/24, effective 9/11/24]

199—27.5(476) Engineering standards.

27.5(1) *Requirement for good engineering practice.* The electric plant of the electric cooperative or municipal electric utility shall be constructed, installed, maintained, and operated in accordance with accepted good engineering practice in the electric industry to ensure, as far as reasonably possible, continuity of service, uniformity in the quality of service furnished, and the safety of persons and property.

27.5(2) *Standards incorporated by reference.* Applicable provisions in the publications listed below as standards of accepted good practice unless otherwise ordered by the commission. The standards listed below are recommended for use by municipal electric utilities.

a. Iowa Electrical Safety Code, as defined in 199—Chapter 25.

b. National Electrical Code, ANSI/NFPA 70-2023, published September 14, 2022.

c. American National Standard Requirements for Instrument Transformers, ANSI/IEEE C57.13-2016, as approved August 21, 2017; and C57.13.3-2016, as published June 29, 2016.

d. American National Standard for Electric Power Systems and Equipment Voltage Ratings (60 Hertz), ANSI C84.1-2020, published September 3, 2020.

e. Recommended Practice for System Grounding of Industrial and Commercial Power Systems, IEEE 3003.1-2019, published August 9, 2019.

f. Recommended Practice for Monitoring Electric Power Quality, IEEE 1159-2019, published August 13, 2019.

g. Standard for Harmonic Control in Electric Power Systems, IEEE 519-2022, published August 5, 2022.

h. At railroad crossings, 199—Chapter 42, "Engineering Standards for Electric and Communications Lines."

i. Iowa Stray Voltage Guide, located at www.iowastrayvoltageguide.com, published July 2014.

j. American National Standard for Electric Meters—Code for Electricity Metering, ANSI C12.1-2022, published August 31, 2022.

k. IEEE Guide for Electric Power Distribution Reliability Indices, IEEE 1366-2022, published November 22, 2022.

[**ARC 8177C**, IAB 8/7/24, effective 9/11/24]

199—27.6(476) Safety.

27.6(1) *Interconnection compliance.* Each electric cooperative and municipal electric utility shall comply with commission rules for standards for interconnection, safety, and operating reliability under this subrule and the "standards for interconnection, safety, and operating reliability" rule in 199—Chapter 15.

27.6(2) *Protective measures.* Each electric cooperative and municipal electric utility shall exercise reasonable care to reduce those hazards inherent in connection with its electric service and to which its employees, its customers, and the general public may be subjected and shall adopt and execute a safety program designed to protect the public and fitted to the size and type of its operations.

27.6(3) *Accident investigation and prevention.* Electric cooperatives and municipal electric utilities are to give reasonable assistance to the commission in the investigation of the cause of accidents and in the determination of suitable means of preventing accidents.

27.6(4) *Reportable accidents.* Electric cooperatives and municipal electric utilities are to maintain a summary of all reportable accidents, as defined in commission rules in 199—Chapter 25, arising from operations.

27.6(5) *Grounding of secondary distribution system.* Unless otherwise specified by the commission, each electric cooperative and municipal electric utility is to comply with, and encourage customers to comply with, the applicable provisions of the acceptable standards for the grounding of secondary circuits and equipment.

a. Ground connections should be tested for resistance at the time of installation. Each electric cooperative and municipal electric utility are to keep a record of all ground resistance measurements.

b. Each electric cooperative and municipal electric utility is to establish a program of inspection so that all artificial grounds installed are inspected within reasonable periods of time.

[**ARC 8177C**, IAB 8/7/24, effective 9/11/24]

199—27.7(476) Customer contribution fund.

27.7(1) *Applicability and purpose.* This rule applies to each electric cooperative and municipal electric utility, as defined in Iowa Code sections 476.1A and 476.1B. Pursuant to Iowa Code section 476.66, each electric cooperative or municipal electric utility is to maintain a program plan to assist the electric cooperative's or municipal electric utility's low-income customers with weatherization and to supplement assistance received under the federal low-income home energy assistance program for the payment of winter heating bills.

27.7(2) *Notification.* Notice of the customer contribution fund is to be given to all customers at least twice a year. Upon commencement of service and at least once a year, the notice is to be mailed or personally delivered to all customers, or provided by electronic means to those customers who have consented to receiving electronic notices. The other notice may be published in a local newspaper(s) of general circulation within the service territory of the electric cooperative or municipal electric utility. A utility serving fewer than 6,000 customers may publish its semiannual notices locally in a free newspaper, utility newsletter or shopper's guide instead of a newspaper. At a minimum, the notice is to include:

a. A description of the availability and the purpose of the fund.

b. A customer authorization form that includes a monthly billing option and methods of contribution.

27.7(3) *Methods of contribution.* Contribution methods may include monthly pledges, as well as one-time or periodic contributions. A pledge by a customer or other party is not a binding contract between the electric cooperative or municipal electric utility and the pledger. Delayed contributions are not subject to late payment charges. Each electric cooperative or municipal electric utility may allow persons or organizations to contribute matching funds.

27.7(4) *Annual report.* On or before September 30 of each year, each electric cooperative or municipal electric utility is to file with the commission a report of all the customer contribution fund activity for the previous fiscal year from July 1 through June 30, on a form provided by the commission that contains an accounting of the total revenues collected and all distributions of the fund.

[**ARC 8177C**, IAB 8/7/24, effective 9/11/24]

199—27.8(476,478) Service reliability requirements for electric utilities. Each electric cooperative and municipal electric utility is to adopt and have approved by its board of directors or governing authority a

reliability plan. The reliability plan is to be updated not less than annually. A copy of the EC-1 (Annual Report) is to be filed with the commission for informational purposes.
[**ARC 8177C**, IAB 8/7/24, effective 9/11/24]

199—27.9(476,478) Notification of outages.

27.9(1) *Notification.* The notification requirements in this rule are for the timely collection of electric outage information that may be useful to emergency management agencies in providing for the safety and welfare of individual Iowa citizens. Each electric cooperative and municipal electric utility shall notify the commission when it is projected that an outage may result in a loss of service for more than six hours and the outage meets one of the following criteria:

a. Loss of service for more than six hours to substantially all of a municipality, including the surrounding area served by the same electric cooperative or municipal electric utility. An electric cooperative or municipal electric utility may use loss of service within the utility's service territory to 75 percent or more of customers within a municipality, including the surrounding area served by the utility, to meet this criterion;

b. A major event as defined in this chapter, except for notifications of emergency alerts from regional transmission organizations or independent system operators; or

c. Any other outage considered significant by the electric cooperative or municipal electric utility. This includes loss of service for more than six hours to significant public health and safety facilities known to the electric cooperative or municipal electric utility at the time of the notification.

27.9(2) *Information about outages.*

a. Notification shall be provided regarding outages that meet the requirements of subrule 27.9(1) by notifying the commission duty officer by email at dutyofficer@iuc.iowa.gov or, in appropriate circumstances, by telephone at 515.745.2332. Notification shall be made at the earliest possible time after it is determined the event may be reportable and should include the following information, as available:

(1) The general nature or cause of the outage;

(2) The area affected;

(3) The approximate number of customers that have experienced a loss of electric service as a result of the outage;

(4) The time when service is estimated to be restored; and

(5) The name of the electric cooperative or municipal electric utility, the name and telephone number of the person making the report, and the name and telephone number of a contact person knowledgeable about the outage. The notice should be supplemented as more complete or accurate information is available.

b. The electric cooperative or municipal electric utility is to provide to the commission updates of the estimated time when service will be restored to all customers able to receive service or of significantly changed circumstances, unless service is restored within one hour of the time initially estimated.

c. The electric cooperative or municipal electric utility is to notify the commission once service is fully restored to all customers after an outage meeting the requirements of subrule 27.9(1).

27.9(3) *Planned interruptions.* Planned interruptions by electric cooperatives and municipal electric utilities are to be made at a time that will not cause an unreasonable inconvenience to customers. Adequate notice should be provided to customers that will be affected when a planned interruption lasts longer than one hour.
[**ARC 8177C**, IAB 8/7/24, effective 9/11/24]

199—27.10(476) Electric vehicle charging service. The requirements in 199—Chapter 20 regarding electric vehicle charging stations apply to electric cooperatives and municipal electric utilities.
[**ARC 8177C**, IAB 8/7/24, effective 9/11/24]

199—27.11(476) Exterior flood lighting.

27.11(1) *Newly installed lighting.* All newly installed exterior flood lighting owned by an electric cooperative or municipal electric utility are to be solid-state lighting or lighting with equivalent or better energy efficiency.

27.11(2) *In-service lighting replacement schedule.* In-service lighting is to be replaced with solid-state lighting or lighting with equivalent or better energy efficiency when worn out due to ballast, lamp, or fixture failure or for any other reason, such as vandalism or storm damage. Electric cooperatives and municipal electric utilities are to include in their annual report to be filed pursuant to 199—Chapter 23, as part of the IUC 24/7 filing requirements, a report stating the progress in converting to higher pressure sodium lighting or lighting with equivalent or higher energy efficiency.

27.11(3) *Efficacy standards.* Lighting other than solid-state has equivalent or better efficacy if one or more of the following can be established:

a. For fixtures, the mean lumens-per-watt lamp rating is greater than 100;

b. The new lighting uses no more energy per installation than comparable, suitably sized solid-state; or

c. The new lighting luminaires have a mean efficacy rating equal to or greater than 100 lumens per watt according to a Department of Energy (DOE) Lighting Facts label, testing under the DOE Commercially Available LED Product Evaluation and Reporting Program (CALiPER), Design Lights Consortium (DLC) or any other testing agency that follows Illuminating Engineering Society of North America LM-79-08 test procedures, approved by the IES Board of Directors on December 31, 2007.

[**ARC 8177C**, IAB 8/7/24, effective 9/11/24]

These rules are intended to implement Iowa Code sections 476.1A, 476.1B, 476.2, and 476.20.

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CHAPTER 28
IOWA SUPPLEMENTAL ENERGY CONSERVATION PLAN

[Prior to 10/8/86, Commerce Commission[250]]

Rescinded IAB 12/19/07, effective 1/23/08

CHAPTER 29
MANAGEMENT EFFICIENCY EVALUATION

[Prior to 10/8/86, Commerce Commission[250]]

199—29.1(476) Policy and purpose. It is the policy of the commission that a public utility shall be operated in an efficient manner. This chapter describes the methodology by which the commission may evaluate the management efficiency of a rate-regulated utility and the actions that the commission may take upon a finding as to the efficiency of a utility's management.

[**ARC 8203C**, IAB 8/21/24, effective 9/25/24]

199—29.2(476) Efficiency considered in a complaint or rate case proceeding. In a complaint proceeding conducted pursuant to Iowa Code section 476.3 or in a rate proceeding conducted pursuant to Iowa Code section 476.6, the commission may determine whether a public utility subject to rate regulation is being operated in an efficient or inefficient manner. In making such a determination, the commission shall evaluate the management of the utility in the manner prescribed by this chapter.

[**ARC 8203C**, IAB 8/21/24, effective 9/25/24]

199—29.3(476) Management efficiency evaluation. The commission may evaluate a utility's management efficiency based upon the utility's particular circumstances and considering a range of factors that may differ among utilities. In evaluating a utility's management efficiency, the commission may consider any of the factors listed in this chapter and any additional relevant factors. No single factor will be deemed conclusive evidence of efficiency or inefficiency. In performing the evaluation, the commission may collect data to compare a utility to other rate-regulated utilities providing the same service within the state of Iowa. The commission may consider data for time periods outside a rate case test year.

29.3(1) *Factors.* The commission may consider the following factors:

a. Price per unit of service (including amounts collected subject to refund) by customer class and type of service.

b. Operation and maintenance costs per unit of service. Low operations and maintenance costs may not support a finding of efficiency if quality of service is substandard.

c. Quality of service, as reflected in objective measures of service quality, customer complaints shown in company and commission records, findings made in complaint proceedings, penalties assessed, and measures of customer satisfaction.

d. Customer mix.

e. Total compensation for each officer of the utility.

f. Company's bad debt ratio.

g. Innovative practices implemented by utility management that result in improved service or that control costs.

h. Geographic service territory.

i. Economic conditions in the areas served.

j. Weather patterns and disasters.

k. Development and implementation of energy efficiency programs.

29.3(2) *Electric utilities.* When evaluating an electric utility, in addition to considering the factors listed in subrule 29.3(1), the commission may consider factors specific to electric utilities, including the following:

a. Fuel cost per kilowatt-hour.

b. Availability for each generating unit with 2,000 or more service hours per year.

c. Companywide load factor.

29.3(3) *Natural gas utilities.* When evaluating a natural gas utility, in addition to considering the factors listed in subrule 29.3(1), the commission may consider factors specific to natural gas utilities, including the following:

a. Total cost per unit of gas purchased from a pipeline (to be considered separately from operations and maintenance costs).

b. Total cost per unit of gas purchased from other sources (to be considered separately from operations and maintenance costs).

c. Residential and commercial sales volume in relation to investment in the system (rate base).

d. Unaccounted-for gas as a percentage of total sales volume.

[**ARC 8203C**, IAB 8/21/24, effective 9/25/24]

199—29.4(476) Rewards and penalties. If the commission makes a determination as to the efficiency of the management of a utility pursuant to this chapter, except for an electric cooperative that has elected rate regulation, the commission may prescribe an adjustment of the utility's return on common equity or revenue requirement as allowed pursuant to Iowa Code section 476.52. Upon making a determination as to the efficiency of the management of a rural electric cooperative that has elected rate regulation, the commission may prescribe an adjustment of the rates charged by the cooperative as part of an adjustment to the utility's revenue requirement.

[**ARC 8203C**, IAB 8/21/24, effective 9/25/24]

These rules are intended to implement Iowa Code section 476.52.

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1 Effective date of Ch 29 delayed 70 days by the Administrative Rules Review Committee.

CHAPTER 30
RENEWABLE ENERGY PERCENTAGE VERIFICATION

Rescinded **ARC 8410C**, IAB 11/27/24, effective 1/1/25

CHAPTER 31
ACCESS TO AFFILIATE RECORDS, REQUIREMENTS FOR ANNUAL FILINGS, AND SERVICE AND ASSET TRANSFER COSTING STANDARDS

199—31.1(476) Applicability and definition of terms. This chapter applies to all rate-regulated gas, electric, water, sanitary sewage, or storm water drainage service public utilities. All terms used in this chapter are defined in Iowa Code section 476.72 unless further defined in this chapter.

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

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

[**ARC 8009C**, IAB 5/15/24, effective 6/19/24]

199—31.2(476) Availability of records.

31.2(1) *Separate records.* All affiliates of a public utility shall maintain records that are separate from the records of the public utility.

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

31.2(3) *Method of inspection.* The records of each affiliate are to be made available to the commission. Upon receipt of a formal request in writing from the commission for information, the public utility shall produce the requested information within seven days. Upon a showing of good cause, the commission may approve additional time for response.

[**ARC 8009C**, IAB 5/15/24, effective 6/19/24; Editorial change: IAC Supplement 7/24/24]

199—31.3(476) Annual filing.

31.3(1) On or before June 30 of each year, all public utilities shall file with the commission the following information:

a. An executive summary of each contract, arrangement, or other similar transaction between the public utility and an affiliate. The executive summary shall include the start and end date of the contract, the providing affiliate, the receiving affiliate, the total estimated dollar value, the dollar amount reported for the calendar year, and a description of the service or goods covered.

b. Verified copies of contracts, arrangements, or other similar transactions between the public utility and an affiliate are to be provided to the commission upon request. This includes all contracts, arrangements, or other similar transactions as required by Iowa Code sections 476.74(1) through 476.74(4).

31.3(2) Contracts, arrangements, or other similar transactions with an affiliate where the consideration is not in excess of $250,000 or 5 percent of the capital equity of the utility, whichever is smaller, are exempt from this filing requirement. In lieu of the filing requirement, the public utility shall file on or before June 30 of each year a report of the total amount of each contract, arrangement, or other similar transactions with affiliates qualifying under this exemption. Each affiliate is to be identified separately.

31.3(3) After an initial filing under this rule, only new contracts, arrangements, or other similar transactions and modifications or amendments to existing contracts, arrangements, or other similar transactions need to be reported on an annual basis. If there have been no new contracts, arrangements, or other similar transactions, the public utility may file a statement to that effect.

31.3(4) If a new affiliate is created, if an existing affiliate is dissolved or merged, if a contractual arrangement or other similar transactional relationship between the public utility and an affiliate is created, or if a contractual arrangement or other similar transactional relationship is terminated between the public utility and an affiliate, the public utility shall notify the commission in writing within 60 days of the date of

the event. This subrule does not apply if a proposal for reorganization pursuant to 199—Chapter 32 is to be filed with the commission or the affiliate does not conduct business with the public utility.
[**ARC 8009C**, IAB 5/15/24, effective 6/19/24; Editorial change: IAC Supplement 7/24/24]

199—31.4(476) Verified copies. For purposes of this chapter, a copy is verified if it is accompanied by an affidavit signed by a corporate officer with personal knowledge of the veracity of the copy. Only one affidavit signed by a corporate officer with personal knowledge of the veracity of the copy needs to be included in an individual filing in order to verify all contracts, arrangements, or other similar transactions included in the filing.
[**ARC 8009C**, IAB 5/15/24, effective 6/19/24]

199—31.5(476) Comparable information. For the purpose of satisfying the filing requirements of this chapter, the public utility may request approval to file alternative but comparable information that the public utility files with other state or federal regulatory agencies. If the proposal is approved by the commission, the public utility may file the information as a partial substitute for, or in lieu of, the information stipulated in rule 199—31.3(476) and the commission may provide that the public utility continue to file the approved alternative information in future filings. The public utility shall file the same information, whether it is the alternative information filed with other agencies or the information stipulated in rule 199—31.3(476), for at least five consecutive years. Proposals to file alternative information may be filed by the public utility on or before December 1 of the year preceding the year for which approval is sought.
[**ARC 8009C**, IAB 5/15/24, effective 6/19/24; Editorial change: IAC Supplement 7/24/24]

199—31.6(476) Standards for costing services between regulated operations and nonregulated affiliates.

31.6(1) *Nonregulated affiliate provides service to a regulated affiliate.* The service shall be priced to the regulated affiliate's operations at the price charged to nonaffiliates. If no such price is available, the service shall be priced at the lower of fully distributed cost, the lowest price actually charged to other affiliates, or a market price of comparable services. If a market price of comparable services is not reasonably determinable, the service may be priced at the lower of fully distributed cost or the lowest price actually charged to other affiliates. Under no circumstances is the service to be priced to a regulated affiliate's operations at a higher cost than what the regulated affiliate actually paid the unregulated affiliate for the service.

31.6(2) *Service provided by the utility to a nonregulated affiliate.* Utility service shall be provided at the tariffed price. If it is not a tariffed service, the service is to be recorded at fully distributed cost.
[**ARC 8009C**, IAB 5/15/24, effective 6/19/24]

199—31.7(476) Standards for costing asset transfers between regulated operations and nonregulated affiliates valued at less than $2 million.

31.7(1) *Asset of a nonregulated affiliate transferred to a regulated affiliate.* The asset transfer shall be recorded at the lesser of net book value, the price actually charged to affiliates or nonaffiliates, or the market price of comparable assets. Under no circumstances is the asset to be recorded at a cost higher than what the regulated affiliate actually paid for the asset.

31.7(2) *Asset of a regulated affiliate transferred to a nonregulated affiliate.* The asset transfer to the nonregulated affiliate shall be recorded at the greater of net book value, a price actually charged to other affiliates or nonaffiliates, or the market price of comparable assets.
[**ARC 8009C**, IAB 5/15/24, effective 6/19/24]

These rules are intended to implement Iowa Code sections 476.73 and 476.74.

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[Editorial change: IAC Supplement 7/24/24]

CHAPTER 32
REORGANIZATION

199—32.1(476) Applicability and definition of terms.

32.1(1) This chapter applies to any person who intends to acquire, sell, lease, or otherwise dispose directly or indirectly of the whole or any substantial part of a public utility's assets; or purchase, acquire, sell, or otherwise dispose of the controlling capital stock of any public utility, either directly or indirectly. For utilities with more than one regulated line of business, the utility revenue limit shall be calculated using the revenue of the specific line of utility business involved in the transaction, not the combined utility revenues.

32.1(2) This chapter does not apply to transfers or removals of a public utility's assets that are made specifically pursuant to a commission deregulation order, as long as those transfers or removals occur within 12 months of the commission's approval of an accounting separation plan, or to transactions where commission approval is otherwise required in a contested case proceeding.

[**ARC 8063C**, IAB 6/12/24, effective 7/17/24; Editorial change: IAC Supplement 7/24/24]

199—32.2(476) Substantial part of a public utility's assets.

32.2(1) No public utility shall acquire or lease assets, directly or indirectly, with a value in excess of 3 percent of the utility's Iowa jurisdictional utility revenue during the immediately preceding calendar year or $5 million, whichever is greater, without prior approval from the commission pursuant to Iowa Code section 476.77. For purposes of this subrule and subrule 32.2(2), "value" means the greater of market value or book value.

32.2(2) No public utility shall sell or otherwise dispose of assets, directly or indirectly, with a value in excess of 3 percent of the utility's Iowa jurisdictional utility revenue during the immediately preceding calendar year or $5 million, whichever is greater, without prior approval from the commission pursuant to Iowa Code section 476.77. However, for utilities for which the 3 percent limit is greater than $5 million, if the assets being sold or otherwise disposed of are used in the generation or delivery of utility services to Iowa consumers, an application or a waiver is required if the assets have a value in excess of $10 million.

32.2(3) Commission approval of the following types of transactions is not necessary: fuel purchases, energy and capacity purchases and sales, gas purchases, sale of accounts receivables, sale of bonds, claim and litigation payments, tax payments and credit transfers, regulatory fees and assessments, insurance premiums, payroll, stock dividends, financings, routine financial transactions, operation and maintenance expense, construction expense, or similar transactions that occur in the ordinary course of business. Any transaction involving more than 10 percent of a public utility's gross utility assets less depreciation, or any transaction outside the ordinary course of business, is not exempt under this subrule.

[**ARC 8063C**, IAB 6/12/24, effective 7/17/24; Editorial change: IAC Supplement 7/24/24]

199—32.3(476) Proposal for reorganization—filing requirements. Any person who intends to accomplish a reorganization shall file supporting testimony and evidence with its proposal for reorganization, including but not limited to the following information:

32.3(1) General information.

a. A statement of the purposes of the reorganization and a description of the events that led to the reorganization.

b. An analysis of the alternatives to the proposed reorganization that were considered and their impact on rates and services, if any.

32.3(2) Reorganization details.

a. Written accounting policies and procedures for the subsequent operation, including the type of system of accounts to be used.

b. The situs of the books and records of the public utility after reorganization and their availability to the commission.

c. A description of the proposed accounting to be utilized in any transfer of assets necessary to accomplish reorganization.

d. The proposed method for:

(1) Accounting for and allocating officers' time between the public utility and any affiliates, and

(2) Compliance with the commission's rules on affiliate transactions and relationships.

e. Copies of all contracts that directly relate to the reorganization and a summary of any unwritten contracts or arrangements verified by an officer of the operating company.

f. Before and after organizational charts for the affected public utility and affiliates, including staffing changes.

g. A statement of any proposed physical removal of assets from the commission's jurisdiction to another jurisdiction or removal or transfer of assets from a regulated to a nonregulated environment.

32.3(3) Financial details.

a. An analysis of whether the affected public utility's ability to attract capital on reasonable terms, including the maintenance of a reasonable capital structure and corporate financial integrity, is impaired.

b. A description of the financing components of the proposed reorganization.

c. Information concerning the funding provided to any new entity.

d. Current and proposed reorganization balance sheets and capital structures.

e. Stockholder annual reports for two years preceding the year of filing for all affected companies.

f. Stockholder quarterly reports for the two quarters just prior to the date of the filing and any subsequent reports as they become available during the proceeding, for all affected companies.

g. The major credit rating agencies' reports for two years preceding the filing date of the merger and updates as they become available during the proceeding, for all affected companies.

h. Any proxy statement to the stockholders regarding the proposed reorganization. If such is not available at time of filing, a preliminary statement will be filed, followed by the final statement when available.

32.3(4) Impact of reorganization.

a. A cost-benefit analysis that describes the projected benefits and costs of reorganizing, including identification of source data. The benefits and costs should be quantified in terms of present value.

b. An analysis of the projected financial impact of the proposed reorganization on the ratepayers of the affected public utilities for the first five years after reorganization.

c. An analysis of the effect on the public interest. "Public interest" means the interest of the public at large, separate and distinct from the interest of the public utility's ratepayers. The analysis should include a discussion of the reorganization's impact on the economy of the state and the communities where the utility is located.

If more than one public utility is involved in a reorganization, an analysis shall be submitted for all public utilities involved.

32.3(5) Effect on service and reliability.

a. A report on quality of service and reliability levels of utility services for each of the five years prior to the year of filing, for all affected companies.

b. A detailed statement on how the proposed reorganized entity will maintain or enhance service and reliability, including any investment or operational plans that are available.

32.3(6) If any information required by these subrules is not applicable to the type of reorganization being proposed, the applicant shall state the reason(s) why the particular information is not applicable to the proposal.

[**ARC 8063C**, IAB 6/12/24, effective 7/17/24; Editorial change: IAC Supplement 7/24/24]

199—32.4(476) Insufficient filing. The commission may reject within 30 days any proposal for reorganization that does not contain sufficient information for the commission to evaluate the proposal for reorganization. The commission shall fully describe any deficiencies in a reorganization plan that is rejected.

[**ARC 8063C**, IAB 6/12/24, effective 7/17/24; Editorial change: IAC Supplement 7/24/24]

199—32.5(476) Procedural matters. Because of statutory time limitations set forth in Iowa Code section 476.77(2), an expedited procedural schedule shall be utilized for proposals for reorganization. The commission may order additional specific procedures as needed for the expedited hearing process.

32.5(1) Within 40 days after a proposal for reorganization and supporting testimony is filed, the consumer advocate and any intervenors may file any written testimony and exhibits. This will allow the commission an opportunity to consider the testimony and exhibits prior to the 50-day deadline for issuing a notice of hearing.

32.5(2) Responses to data requests shall be made within five days from the date of service.

32.5(3) When a hearing on the proposed reorganization is scheduled, the applicant, consumer advocate, and any intervenors file a joint statement of the issues at least ten days prior to the date of hearing.

[**ARC 8063C**, IAB 6/12/24, effective 7/17/24; Editorial change: IAC Supplement 7/24/24]

199—32.6(388) Approval of appraiser for municipal utilities. The procedures for requesting commission approval of an appraiser are as follows:

32.6(1) *Making a request.* To request commission approval of an appraiser to appraise a city utility, the governing body of the city utility shall file a request in the commission's electronic filing system. The request shall contain the following information:

a. The name of the city and of the utility;

b. The type of utility service provided by the utility;

c. The total number of customers served by the utility and the number of customers served by class, if applicable;

d. A general description of the assets owned by the utility; and

e. The name and contact information for the city or utility.

32.6(2) *Consideration of request.* When a request for approval of an appraiser is received by the commission, commission staff reviews the request and provides the commission with a recommendation or a list of appraisers for the commission to consider approving. The commission may delegate approval authority to the commission chair.

32.6(3) *Notice of approved appraiser.* Within 30 calendar days following the city's or city utility's filing to request commission approval of an appraiser, the commission shall notify the city and governing body of the city utility of an approved appraiser. If the city and governing body of the city utility are unable to agree to terms with an approved appraiser, the city and governing body of the city utility may file a letter with the commission requesting approval of another appraiser and identifying the reasons they are requesting the commission to approve another appraiser.

[**ARC 8063C**, IAB 6/12/24, effective 7/17/24; Editorial change: IAC Supplement 7/24/24]

These rules are intended to implement Iowa Code sections 388.2A(2)*"a"*(1), 476.76, and 476.77.

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CHAPTER 33
NONUTILITY SERVICES—RECORDKEEPING AND COST ALLOCATIONS

199—33.1(476) Applicability. This chapter applies to all rate-regulated public utilities.
[**ARC 7663C**, IAB 3/6/24, effective 4/10/24]

199—33.2(476) Definitions. All terms used in this chapter are defined in Iowa Code section 476.72 unless further defined in this chapter.

"Exception time reporting" means when an employee works predominantly in either utility or nonutility operations and only reports time worked in the less predominant area.

"Filing threshold" means that the summation of an electric or gas utility's revenues recorded in Federal Energy Regulatory Commission (FERC) accounts 415 and 417 equals 3 percent of a utility's operating revenues recorded in FERC account 400, or the summation of a water utility's revenues from nonutility service equals 3 percent of the utility's operating revenues. The revenues in these accounts will be as recorded in the annual FERC Form 1 for electric and combination utilities, FERC Form 2 for gas utilities, and similar National Association of Regulatory Utility Commissioners (NARUC) accounts for water, sanitary sewage, or storm water drainage service utilities.

"Fully distributed cost" means a costing approach that fully allocates all current and embedded costs to determine the revenue contribution of utility and nonutility services.

"Incidental activities" means activities that are so closely related to the provision of utility services and limited in scale that it is impracticable to identify separately the costs of such activities.

"Net book value" means the original purchase price net of depreciation.

"Nonproductive work time" means time for which an employee is paid but which is not specifically attributable either to utility or to nonutility operations.

"Positive time reporting" means when productive work time is accounted for and allocated to utility operations or nonutility operations.

"Study time reporting" means when periodic studies are done to determine the amount of productive work time being spent on utility versus nonutility operations.

"Utility operating revenues" means the dollar amounts recorded in FERC account 400, or similar NARUC account, for water, sanitary sewage, or storm water drainage service utilities.
[**ARC 7663C**, IAB 3/6/24, effective 4/10/24]

199—33.3(476) Availability of records.

33.3(1) *Separate records.* A rate-regulated public utility receiving revenues for providing nonutility service shall keep and render to the commission separate records on the nonutility service.

33.3(2) *Records to be maintained.* The records maintained for each nonutility service and made available for inspection include the following: documents depicting accounts payable and vouchers; purchase orders; time sheets; journal entries; source and supporting documents for all transactions; a description of methods used to allocate revenues, expenses, and investments between utility and nonutility operations, including supporting detail; and copies of all filings required by other state and federal agencies.
[**ARC 7663C**, IAB 3/6/24, effective 4/10/24; Editorial change: IAC Supplement 7/24/24]

199—33.4(476) Costing methodology. Costs shall be allocated between utility and nonutility operations using fully distributed cost consistent with this rule. The utility shall do the following:

33.4(1) *Cost causation for utility assets.* Identify for each asset utilized directly or indirectly, in whole or in part, in the provision of nonutility services:

a. The type of asset;
b. The use of the asset;
c. The proportional utilization of the asset between utility operations and nonutility operations; and
d. The characteristics of the asset that allow proper allocation.

33.4(2) *Cost causation for utility expenses.* Identify for each expense account wherein any expense related, directly or indirectly, to the provision of nonutility services is recorded:

a. The function causing the expense to be incurred;

b. The procedure used in performing the function;

c. The proportional utilization of the function between utility operations and nonutility operations; and

d. The characteristics of the cost that allow proper allocation.

33.4(3) *Time reporting.* Use positive time reporting whenever possible; when it is not possible, exception time reporting or study time reporting may be used. Allocate nonproductive work time between utility and nonutility operations in proportion to the allocation of productive work time.

[**ARC 7663C**, IAB 3/6/24, effective 4/10/24]

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

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

a. Nonutility services. A list, the location, and a description of all nonutility services.

b. Incidental activities. A summary of incidental activities conducted by the utility.

c. Resource identification. An identification of the assets and expenses involved directly or indirectly, in whole or in part, in the provision of nonutility services as identified in subrules 33.4(1) and 33.4(2).

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

e. Allocation rationale. A statement identifying, for each asset and expense account and subaccount identified in compliance with subrules 33.4(1) and 33.4(2), the basis for allocating costs in the account or subaccount to utility and nonutility operations, including any allocation factor used by the utility for this purpose.

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

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

h. Time reporting methods. A paragraph indicating the type of time reporting (positive, exception, or study) used for each reporting organization (e.g., executive, residential sales, and external affairs) and providing a description of how the identified type of time reporting is performed in that reporting organization.

i. Training. A description of the training programs used by the utility to implement and maintain its cost allocation process.

j. Update process. A description of the procedures used by the utility to:

(1) Determine when an update is needed;

(2) Develop the update; and

(3) Provide the update to the commission.

33.5(2) *Annual filing and acceptance of manuals.* The following procedure is used for the annual filing and acceptance of manuals.

a. Notice. At the time of the initial filing and whenever a manual is updated, each utility mails or delivers a written notice to consumer advocate, local trade associations, and customers who have notified

the utility in writing of their interest in the cost allocation manual. The notice will state that an objection may be filed with the commission within 60 days of the filing of the manual with the commission. The utility shall promptly provide copies of the manual upon request.

b. Docketing. If the commission finds that reasonable grounds exist to investigate the manual, the commission will docket the filing for investigation. At the time of docketing, the commission will set a procedural schedule that includes a date for an oral presentation and an opportunity to file comments. If the commission finds that there is no reason to investigate, the commission will issue an order stating the reasons for the commission's decision within 90 days of the date of filing.

c. Acceptance of manuals. The commission may accept, reject, or modify a utility's manual. However, any commission decision is for accounting purposes only and is not binding in any other proceeding.

33.5(3) *Updating of manuals.* All affected sections and pages of a utility's manual are updated and filed with the commission within 60 days of any of the following conditions:

a. A new nonutility business is commenced or acquired, or an existing nonutility business is eliminated or divested;

b. An affiliate relationship changes;

c. Operations affecting nonutility businesses change sufficiently to warrant a new allocation method; or

d. Accounting practices change.

33.5(4) *Reporting requirements—accounting tables.* Companies filing cost allocation manuals shall include in their annual reports tables showing for each account identified in compliance with subrules 33.4(1) and 33.4(2) the following: (a) the account total; (b) the amount allocated to nonutility services; (c) the amount allocated to utility services; and (d) the value of the allocation factors used to allocate costs to utility and nonutility services. Such tables are to be accompanied by a signed statement by an officer of the utility and an independent auditor certifying that, for the year covered by the report, the utility has complied with its cost allocation manual and that the data reported fairly reflect the actual operations of the utility.

[**ARC 7663C**, IAB 3/6/24, effective 4/10/24; Editorial change: IAC Supplement 7/24/24]

199—33.6(476) Standards for costing service transfers within a regulated subsidiary or utility.

33.6(1) *Nonutility service provided to regulated subsidiary or utility.* The utility or its regulated subsidiary shall pay for a nonutility service provided to it by an affiliate at the price actually charged to nonaffiliates. If no such price is available, the service is to be priced at the lower of fully distributed cost, the price actually charged to affiliates, or the market price for comparable services.

33.6(2) *Service provided by the utility to nonutility operations.* A utility that provides utility service to a nonutility affiliate is to charge such affiliate the tariffed price or, if a tariffed price is not available, the fully distributed cost of the service.

[**ARC 7663C**, IAB 3/6/24, effective 4/10/24]

199—33.7(476) Standards for costing asset transfers within a regulated subsidiary or utility.

33.7(1) If an asset that is a direct cost of nonutility operations becomes a cost of utility operations, the asset shall be transferred or allocated to utility operations at the lesser of net book value, the price actually charged to affiliates or nonaffiliates, or the market price of comparable assets.

33.7(2) If an asset that is a direct cost of utility operations becomes a cost of nonutility operations, the asset shall be transferred or allocated to the nonutility operations at the greater of net book value, the price actually charged to affiliates or nonaffiliates, or the market price of comparable assets.

[**ARC 7663C**, IAB 3/6/24, effective 4/10/24]

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

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CHAPTER 34
NONUTILITY SERVICE

199—34.1(476) Statement of purpose. A public utility that engages in a systematic marketing effort, other than on an incidental or casual basis, to promote the availability of a nonutility service from the public utility shall allow competitors access to certain services.
[**ARC 7697C**, IAB 3/6/24, effective 4/10/24]

199—34.2(476) Definitions.

"Engaged primarily in providing the same competitive nonutility services in the area" means that a person, on an ongoing basis, sells or leases equipment or products or offers services, accounting for at least 60 percent of the person's gross business revenue, that are functionally interchangeable with and considered similar by the public to the nonutility service provided by a public utility in the same identifiable geographic area where the public utility provides utility service.

"Systematic marketing effort, other than on an incidental or casual basis" means an effort determined by the commission to be recurring, active in nature, and done on a comprehensive basis. Factors to be considered include but are not limited to the types and number of media used; the frequency, extent, and duration of the marketing effort; the amount of marketing expenses incurred; and whether the public utility appeared to intend to significantly increase its market share.
[**ARC 7697C**, IAB 3/6/24, effective 4/10/24; Editorial change: IAC Supplement 7/24/24]

199—34.3(476) Charges permitted. A person meeting the definition of "engaged primarily in providing the same competitive nonutility services in the area" in rule 199—34.2(476) may use, to the same extent utilized by the public utility for its nonutility service in connection with nonutility services, the customer lists, billing and collection system, and mailing system of the public utility company engaged in a systematic marketing effort, other than on an incidental or casual basis. The person shall be charged for the cost or expense incurred by the public utility in providing access to its systems and its lists, and the cost or expense will not be greater than the charge, fee, or cost imposed upon or allocated to the provision of nonutility service by the utility for the similar use of the systems.
[**ARC 7697C**, IAB 3/6/24, effective 4/10/24]

199—34.4(476) Procedures for utilization of billing and collection system.

34.4(1) When a person meeting the definition of "engaged primarily in providing the same competitive nonutility services in the area" in rule 199—34.2(476) uses the billing and collection system of a public utility, the public utility shall promptly remit to that person all funds collected by the public utility on behalf of the person.

34.4(2) Where a customer makes a partial payment and owes both a public utility and a person(s) meeting the definition of "engaged primarily in providing the same competitive nonutility services in the area" in rule 199—34.2(476) for services or goods provided, the payment received is allocated first to the regulated utility bill, plus tax, unless otherwise allocated by the customer. Any balance remaining after payment of the utility bill, plus tax, is allocated between the public utility for any unpaid nonutility services and any other person(s) utilizing the utility's billing system, according to the ratio of the amount billed by each, unless otherwise allocated by the customer. A public utility shall not disconnect a customer's utility service for nonpayment of a bill for nonutility services.

A person shall not use a public utility's billing and collection system to bill and receive payments only from customers who are habitually delinquent or who have failed or refused to make payment to the person.
[**ARC 7697C**, IAB 3/6/24, effective 4/10/24]

These rules are intended to implement Iowa Code sections 476.78, 476.80, and 476.81.

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CHAPTER 35
ENERGY EFFICIENCY AND DEMAND RESPONSE PLANNING AND REPORTING FOR NATURAL GAS AND ELECTRIC UTILITIES REQUIRED TO BE RATE-REGULATED

199—35.1(476) Authority and purpose. These rules are intended to implement Iowa Code sections 476.6(13) and 476.6(15) relating to the energy efficiency and demand response plans and reports filed by the natural gas and electric utilities required by statute to be rate-regulated. The purpose of these rules is to establish requirements for energy efficiency and demand response plans, modifications, prudence reviews, and cost-recovery tariffs.

[**ARC 4709C**, IAB 10/9/19, effective 11/13/19]

199—35.2(476) Definitions. The following words and terms, when used in this chapter, shall have the meanings shown below:

"Annual Iowa retail rate revenue" means the utility's expected revenue forecast based on customer growth rate, usage per customer, volumes, margin rate, customer charge rate, and the cost of generation or fuel.

"Assessment of potential" means development of cost-effective energy and capacity savings available from actual and projected customer usage by applying commercially available technology and improved operating practices to energy-using equipment and buildings and considering market factors including, but not limited to, the effects of rate impacts, the need to capture lost opportunities, the non-energy benefits of measures, and the strategic value of energy efficiency and demand response to the utility.

"Avoided cost" means the cost the utility would have to pay to provide energy and capacity from alternative sources of supply available to utilities as calculated pursuant to subparagraphs 35.5(4)*"m"*(7) and 35.5(4)*"n"*(4).

"Cost-effectiveness tests" means one of the five acceptable economic tests used to compare the present value of applicable benefits to the present value of applicable costs of an energy efficiency or demand response program or plan. The tests are the participant test, the ratepayer impact test, the societal test, the total resource cost test, and the utility cost test. A program or plan passes a cost-effectiveness test if the cost-effectiveness ratio is equal to or greater than one.

"Customer incentive" means an amount or amounts provided to or on behalf of customers for the purpose of having customers participate in energy efficiency programs. Incentives include, but are not limited to, rebates, loan subsidies, payments to dealers, rate credits, bill credits, the cost of energy audits, the cost of equipment given to customers, and the cost of installing such equipment. Customer incentives do not include the cost of information provided by the utility, nor do they include customers' bill reductions associated with reduced energy usage due to the implementation of energy efficiency programs. For the purposes of energy efficiency pricing strategies, "incentive" means the difference between a customer's bill on an energy efficiency customized rate and the customer's bill on a traditional rate considering factors such as the elasticity of demand.

"Demand response" means changes in a customer's consumption pattern in response to changes in the price of electricity over time, or in response to incentive payments to induce reduced consumption during periods of high wholesale prices or when system reliability is jeopardized.

"Economic potential" means the energy and capacity savings that result in future years when measures are adopted or applied by customers at the time it is economical to do so. For purposes of this chapter, economic potential may be determined by comparing the utility's avoided cost savings to the incremental cost of the measure.

"Energy efficiency measures" means activities on the customers' side of the meter which reduce customers' energy use or demand including, but not limited to, end-use efficiency improvements or pricing strategies.

"Energy savings performance standards" means those standards which shall be cost-effectively achieved, with the exception of programs for qualified low-income persons, tree-planting programs, educational programs, and assessments of consumers' needs for information to make effective choices regarding energy use and energy efficiency, and includes the annual capacity savings stated either in

kilowatt per day (kW/day) or in dekatherm per day (dth/day) or in thousand cubic feet per day (Mcf/day) and the annual energy savings stated in either kilowatt hour (kWh) or dth or Mcf.

"Free riders" means program participants who would have implemented energy efficiency measures or practices even without the program.

"Marginal energy cost" means the cost associated with supplying the next Mcf or dth of natural gas for a natural gas utility and the energy or fuel cost associated with generating or purchasing the next kWh of electricity for an electric utility.

"Market effects" means a change in the structure of a market or the behavior of participants in a market that is reflective of an increase (or decrease) in the adoption of energy-efficient products, services, or practices and is related to market intervention(s) (e.g., programs).

"Net benefits" means the present value of benefits less the present value of costs as defined in the cost-effectiveness test.

"Non-energy benefits" means the many and diverse benefits produced by energy efficiency in addition to energy and demand savings as used and applied in the Iowa Technical Reference Manual. The beneficiaries of these benefits can be utility systems, participants and society.

"Participant test" means an economic test used to compare the present value of benefits to the present value of costs over the useful life of an energy efficiency or demand response measure or program from the participant's perspective. Present values are calculated using a discount rate appropriate to the class of customers to which the energy efficiency or demand response measure or program is targeted. Benefits are the sum of the present values of the customers' bill reductions, tax credits, non-energy benefits and customer incentives for each year of the useful life of an energy efficiency or demand response measure or program. Costs are the sum of present values of the customer participation costs (including initial capital costs, ongoing operations and maintenance costs, removal costs less a salvage value of existing equipment, and the value of the customer's time in arranging installation, if significant) and any resulting bill increases for each year of the useful life of the measure or program. The calculation of bill increases and decreases must account for any time-differentiated rates to the customer or class of customers being analyzed.

"Persistence of energy savings" means the savings due to changed operating hours, human behavior, interactive factors, and the degradation in equipment efficiency over the life of the measure compared to the baseline.

"Process-oriented industrial assessment" means an analysis which promotes the adoption of energy efficiency measures by examining the facilities, operations and equipment of an industrial customer in which energy efficiency opportunities may be embedded.

"Ratepayer impact test" means an economic test used to compare the present value of the benefits to the present value of the costs over the useful life of an energy efficiency or demand response measure or program from a rate level or utility bill perspective. Present values are calculated using the utility's discount rate. Benefits are the sum of the present values of utility avoided capacity and energy costs (excluding the externality factor) and any revenue gains due to the energy efficiency or demand response measure or program for each year of the useful life of the measure or program. Costs are the sum of the present values of utility increased supply costs, revenue losses due to the energy efficiency or demand response measures, utility program costs, and customer incentives for each year of the useful life of the measure or program. The calculation of utility avoided capacity and energy, increased utility supply costs, and revenue gains and losses must use the utility costing periods.

"Societal test" means an economic test used to compare the present value of the benefits to the present value of the costs over the useful life of an energy efficiency or demand response measure or program from a societal perspective. Present values are calculated using a 12-month average of the 10-year and 30-year Treasury Bond rate as the discount rate. The average shall be calculated using the most recent 12 months at the time the utility calculates its cost-effectiveness tests for its energy efficiency or demand response plan. Benefits are the sum of the present values of the utility avoided supply, non-energy benefits, and energy costs including the effects of externalities. Costs are the sum of the present values of utility program costs (excluding customer incentives), participant costs, and any increased utility supply costs for each year of the useful life of the measure or program. The calculation of utility avoided capacity and energy and increased utility supply costs must use the utility costing periods.

"Spillover (free drivers)" means the reduction in energy consumption or demand, or the reduction in both, caused by the presence of an energy efficiency or demand response program, beyond the program-related gross savings of the participants and without financial or technical assistance from the program. The term "free drivers" may be used for individuals who have spillover effects.

"Take-back effect" means a tendency to increase energy use in a facility, or for an appliance, as a result of increased efficiency of energy use. For example, a customer's installation of high-efficiency light bulbs and the subsequent longer operation of lights constitutes "taking back" some of the energy otherwise saved by the efficient lighting.

"Total resource cost test" means an economic test used to compare the present value of the benefits to the present value of the costs over the useful life of an energy efficiency or demand response measure or program from a resource perspective. Present values are calculated using a 12-month average of the 10-year and 30-year Treasury Bond rate as the discount rate. The average shall be calculated using the most recent 12 months at the time the utility calculates its cost-effectiveness tests for its energy efficiency or demand response plan. Benefits are the sum of the present values of the utility avoided supply, energy costs, non-energy benefits, and federal tax credits. Costs are the sum of the present values of utility program costs (excluding customer incentives), participant costs, and any increased utility supply costs for each year of the useful life of the measure or program. The calculation of utility avoided capacity and energy and increased utility supply costs must use the utility costing periods.

"Useful life" means the number of years an energy efficiency measure will produce benefits.

"Utility cost test" means an economic test used to compare the present value of the benefits to the present value of the costs over the useful life of an energy efficiency or demand response measure or program from the utility revenue requirement perspective. Present values are calculated using the utility's discount rate. Benefits are the sum of the present values of each year's utility avoided capacity, non-energy benefits, and energy costs (excluding the externality factor) over the useful life of the measure or program. Costs are the sum of the present values of the utility's program costs, customer incentives, and any increased utility supply costs for each year of the useful life of the measure or program. The calculation of utility avoided capacity and energy and increased utility supply costs must use the utility costing periods.

[**ARC 4709C**, IAB 10/9/19, effective 11/13/19]

199—35.3(476) Energy efficiency and demand response plan filing.

35.3(1) Each electric and natural gas utility shall file a five-year energy efficiency plan. Each electric utility shall file a five-year demand response plan. Combination electric and natural gas utilities may file combined assessments of potential and energy efficiency and demand response plans. Combined plans shall separately specify which energy efficiency programs and costs are attributable to the electric operation, which are attributable to the natural gas operation, and which are attributable to both. If a combination utility files separate plans, the commission may consolidate the plans for purposes of review and hearing.

35.3(2) Written notice of the energy efficiency and demand response plans. No more than 62 days prior to filing its energy efficiency and demand response plans, a utility shall deliver a written notice of its plan filing to all affected customers. The notice shall be submitted to the commission for approval not less than 45 days prior to the proposed notification of customers. Additional information not related to the energy efficiency and demand response plans shall be kept to a minimum and shall not distract from the required content. The form of the notice, once approved by the commission, may not be altered except to include the rate and bill impact dollars and percentages. The type size and quality shall be easily legible. The notice shall, at a minimum, include the following elements:

a. A statement that the utility will be filing energy efficiency and demand response plans with the commission.

b. A brief identification of the proposed energy efficiency and demand response programs, a description of benefits and savings associated with the energy efficiency and demand response plans, and the estimated annual cost of the proposed energy efficiency and demand response programs during the five-year budget time frame.

c. The estimated annual rate and bill impacts of the proposed energy efficiency and demand response plans on each class of customer, and the estimated annual jurisdictional rate impact for each major customer grouping in dollars and as a percentage, with the proposed actual increases to be filed at the time

of notice to customers. The utility may represent the estimated annual rate and bill impact dollars and percentages with blank spaces; however, the commission may require the utility to submit additional information necessary for review of the proposed form of notice. A copy of the notice with the final annual rate and bill impact dollars and percentages shall be filed with the commission at the time of customer notification.

d. A statement that the commission will be conducting a contested case proceeding to review the application and that a customer may file comments in the commission's electronic filing system.

e. The telephone numbers, websites, email addresses, and mailing addresses of the utility, the commission, and the consumer advocate, for the customer to contact with questions.

[**ARC 4709C**, IAB 10/9/19, effective 11/13/19; Editorial change: IAC Supplement 7/24/24]

199—35.4(476) Assessment of potential and collaboration.

35.4(1) *Assessment of potential.* The utility shall conduct an assessment of potential study to determine the cost-effective energy and capacity savings available from actual and projected customer usage by applying commercially available technology and improved operating practices to energy-using equipment and buildings. The utility's assessment shall address the potential energy and capacity savings in each of ten years subsequent to the year the assessment is filed. Economic and impact analyses of measures shall address benefits and costs over the entire estimated useful lives of energy efficiency measures.

35.4(2) *Collaboration.* A utility shall offer interested persons the opportunity to participate in the development of its energy efficiency and demand response plans. At a minimum, a utility shall provide the opportunity for interested persons to offer suggestions for programs and for the assessment of potential and to review and comment on a draft of the assessment of potential and energy efficiency and demand response plans proposed to be submitted by the utility. The utility may analyze proposals from participants to help determine the effects of the proposals on its plan. A participant shall have the responsibility to provide sufficient supporting information to enable the utility to analyze the participant's proposal. The opportunity to participate shall commence at least 180 days prior to the date the utility submits its energy efficiency and demand response plans and assessment of potential to the commission.

[**ARC 4709C**, IAB 10/9/19, effective 11/13/19; Editorial change: IAC Supplement 7/24/24]

199—35.5(476) Energy efficiency and demand response plan requirements.

35.5(1) The utility shall file with the commission an energy efficiency plan listing all proposed energy efficiency programs. An electric utility shall file a demand response plan listing all proposed demand response programs.

35.5(2) The utility's energy efficiency and demand response plans shall be supported by testimony, exhibits, and workpapers including Microsoft Excel or similar software versions of exhibits and workpapers. The testimony, exhibits, and workpapers shall be filed in compliance with the commission's filing standards located on the commission's electronic filing website.

35.5(3) A utility's plan shall include a range of programs which address all customer classes across its Iowa jurisdictional territory. At a minimum, the plan shall include a program for qualified low-income residential customers, including a cooperative program with any community action agency, as defined and listed on the Iowa department of human rights website, within the utility's service area to implement countywide or communitywide energy efficiency programs for qualified low-income persons. The utility shall consider including in its plan a program for tree-planting, educational programming, and assessments of consumers' needs for information to make effective choices regarding energy use and energy efficiency.

35.5(4) The following information shall be provided by the utility with its energy efficiency and demand response plan:

a. A summary of the energy efficiency and demand response plans and results of the assessment of potential written in a nontechnical style for the benefit of the general public.

b. The assessment of potential study.

c. Cost-effectiveness test analysis.

(1) The utility shall analyze cost-effectiveness for the plan as a whole and for each proposed program, using the total resource cost, societal, utility cost, and ratepayer impact and participant tests. If the utility uses a test other than the societal test as the criterion for determining cost-effectiveness of utility

implementation of energy efficiency measures, the utility shall describe and justify its use of the alternative test or combination of tests and compare the resulting impacts with the impacts resulting from the societal test. The utility shall describe and justify the level or levels of cost-effectiveness, if greater or less than a cost-effectiveness ratio of 1.0, to be used as a threshold for determining cost-effectiveness of programs. The utility's threshold of cost-effectiveness for its plan as a whole shall be a cost-effectiveness ratio of 1.0 or greater.

(2) The utility's analyses shall use inputs or factors reasonably expected to influence cost-effective implementation of programs, including escalation rates and avoided costs for each cost and benefit component of the cost-effectiveness test, to reflect changes over the useful lives of the programs.

(3) The utility shall provide the analyses, assumptions, inputs, and results of cost-effectiveness tests, including the cost-effectiveness ratios and net benefits, for the plans as a whole and for each program. Low-income, tree-planting, educational programs, and assessments of consumers' needs for information to make effective choices regarding energy use and energy efficiency shall not be tested for cost-effectiveness unless the utility wishes to present the results of cost-effectiveness tests for informational purposes.

d. Descriptions of each program. If a proposed program is identical to an existing program, the utility may reference the program description currently in effect. A description of each proposed program shall include:

(1) The name of the program.

(2) The customers the program targets.

(3) The energy efficiency or demand response measures promoted by the program.

(4) The proposed utility promotional techniques, including the rebates or incentives offered through the program.

(5) The proposed rates of program participation or implementation of measures, including both eligible and estimated actual participants.

e. The estimated annual energy and demand savings for the plan and each program for each year the program is promoted by the plan. The utility shall estimate gross and net capacity and energy savings, accounting for free riders, take-back effects, spillover (free drivers), market effects, and persistence of energy savings.

f. The budget for the plan and for each program for each year of implementation or for each of the next five years of implementation, whichever is less, itemized by proposed costs. The budget shall be consistent with the accounting plan required pursuant to subrule 35.9(1). The budget may include amounts collected pursuant to Iowa Code section 476.10A. The requirements of paragraphs *"f"* and *"g"* shall not apply to any energy efficiency plan or demand response plan approved as of March 31, 2019, or modified under rule 199—35.10(476) during the five-year term of such plan.

g. The plan and program budgets, which shall be categorized into:

(1) Overhead, which consists of:

1. Planning and design costs, which include internal and third-party expenses associated with program development, design for new programs, modifications to existing programs, the assessment of potential, and the Iowa Technical Reference Manual.

2. Administrative costs, which include internal and third-party expenses associated with program implementation and support functions such as: fully loaded utility labor costs; office supplies and technology costs associated with program operations and delivery; program implementation costs; and labor costs for vendors required for successful operation and implementation of programs.

3. Advertising and promotional costs, which include internal and third-party labor and materials expenses associated with program-specific marketing and training and demonstration aimed at promoting energy efficiency awareness or the programs included in a utility's plan. Advertising which is part of an approved energy efficiency or demand response plan is deemed to be advertising required by the commission for purposes of Iowa Code section 476.18(3).

4. Monitoring and evaluation costs, which include internal and third-party expenses associated with ongoing program review, prepayment verification inspections, and evaluation, measurement and verification required to be completed at least once during the five-year plan.

5. Education costs, which include internal and third-party labor and material expenses associated with program-specific or general energy efficiency education.

6. Miscellaneous costs, which are all other costs related to the implementation of the plan which are not attributable to any other cost category.

(2) Incentives, which consist of:

1. Customer incentives, which are utility contributions provided to participants, such as rebates, direct-install measures, energy audits, energy efficiency kits, and low-income weatherization. This includes nonrebate contributions to participants, such as loan subsidies, payments to dealers, rate credits, and bill credits.

2. Equipment costs, which include program-specific costs associated with hardware purchased by the utility and given to customers to facilitate the customer's participation in the program.

3. Installation costs, which include internal and third-party labor associated with installation or replacement of equipment provided to participants, such as the installation of direct-install measures or load control devices.

Cost categories shall be further described by the following subcategories: classifications of persons to be working on energy efficiency and demand response programs, full-time equivalents, dollar amounts of labor costs, and the name of outside firm(s) employed and a description of service(s) to be provided.

h. A description of a pilot project as a program, if the pilot project is justified by the utility. Pilot projects shall explore areas of innovative or unproven approaches, as provided in Iowa Code section 476.1. The proposed evaluation procedures for the pilot program shall be included.

i. The rate impacts and average bill impacts, by customer class, resulting from the plan.

j. The utility's forecasted electric or natural gas or electric and natural gas annual Iowa retail rate revenue for each of the five plan years. The utility shall identify all adjustments and eliminations to its revenue forecasts, and identify the Federal Energy Regulatory Commission (FERC) accounts used to develop its forecasts.

k. A monitoring and evaluation plan. The utility shall describe how it proposes to monitor and evaluate the implementation of its proposed programs and plan and shall show how it will accumulate and validate the information needed to measure the plan's performance against the standards. The utility shall include a timeline that outlines each phase of the monitoring and evaluation plan. The utility shall propose a format for monitoring reports and describe how annual results will be reported to the commission on a detailed, accurate and timely basis.

l. A summary of collaborative efforts and a summary of collaboration participants' suggestions, utility responses to the suggestions, and specific reasons for including or declining to include the suggestions in the utility's energy efficiency or demand response plans.

m. These additional requirements for electric utilities:

(1) Load forecast. Information specifying forecasted demand and energy use on a calendar-year basis, which shall include:

1. A statement, in numerical terms, of the utility's current 20-year forecasts including reserve margin for summer and winter peak demand and for annual energy requirements. The forecasts shall not include the effects of the proposed programs in paragraph 35.5(4)*"d,"* but shall include the effects to date of current ongoing utility energy efficiency programs.

2. The date and amount of the utility's highest peak demand within the past five years, stated on both an actual and a weather-normalized basis. The utility shall include an explanation of the weather-normalization procedure.

3. A comparison of the forecasts made for each of the previous five years to the actual and weather-normalized demand in each of the previous five years.

4. An explanation of all significant methods and data used, as well as assumptions made, in the current 20-year forecast. The utility shall file all forecasts of variables used in its demand and energy forecasts and shall separately identify all sources of variables used, such as implicit price deflator, electricity prices by customer class, gross domestic product, sales by customer class, number of customers by class, fuel price forecasts for each fuel type, and other inputs.

5. A statement of the margin of error for each assumption or forecast.

6. An explanation of the results of sensitivity analyses performed, including a specific statement of the degree of sensitivity of estimated need for capacity to potential errors in assumptions, forecasts and data. The utility may present the results and an explanation of other methods of assessing forecast uncertainty.

(2) Class load data. Load data for each class of customer that is served under a separate rate schedule or is identified as a separate customer class and accounts for 10 percent or more of the utility's demand in kW at the time of the monthly system peak for every month in the year. If those figures are not available, the data shall be provided for each class of customer that accounts for 10 percent of the utility's electric sales in kWh for any month in the reporting period. The data shall be based on a sample metering of customers that is designed to achieve a statistically expected accuracy of plus or minus 10 percent at the 90 percent confidence level for loads during the yearly system peak hour(s). These data must appear in all filings, except as provided for in numbered paragraph 35.5(4)*"m"*(2)"3."

1. The following information shall be provided for each month of the previous year:

- Total system class maximum demand (in kW), number of customers in the class, and system class sales (in kWh);
- Jurisdictional class contribution (in kW) to the monthly maximum system coincident demand as allocated to jurisdiction;
- Total class contribution (in kW) to the monthly maximum system coincident demand, if not previously reported;
- Total system class maximum demand (in kW) allocated to jurisdiction, if not previously reported; and
- Hourly total system class loads for a typical weekday, a typical weekend day, the day of the class maximum demand, and the day of the system peak.

2. The company shall file an explanation, with all supporting workpapers and source documents, as to how class maximum demand and class contribution to the maximum system coincident demand were allocated to jurisdiction.

3. The load data for each class of customer described above may be gathered by a multijurisdictional utility on a uniform integrated system basis rather than on a jurisdictional basis. Adjustments for substantive and unique jurisdictional characteristics, if any, may be proposed. The load data for each class of customer shall be collected continuously and filed annually, except for the period associated with necessary interruptions during any year to modify existing or implement new data collection methods. Data filed for the period of interruption shall be estimated. An explanation of the estimation technique shall be filed with the data. To the extent consistent with sound sampling and the required accuracy standards, an electric public utility is not required to annually change the customers being sampled.

(3) Existing capacity and firm commitments. Information specifying the existing generating capacity and firm commitments to provide service. The utility shall include in its filing a copy of its most recent load and capability report submitted to Midcontinent Independent System Operator, Inc. (MISO).

1. For each generating unit owned or leased by the utility, in whole or in part, the energy efficiency and demand response plan shall include the following information:

- Both summer and winter net generating capability ratings as reported to the North American Electric Reliability Corporation (NERC).
- The estimated remaining time before the unit will be retired or require life extension.

2. For each commitment to own or lease future generating firm capacity, the plan shall include the following information:

- The type of generating capacity.
- The anticipated in-service year of the capacity.
- The anticipated life of the generating capacity.
- Both summer and winter net generating capability ratings as reported to the NERC.

3. For each capacity purchase commitment which is for a period of six months or longer, the plan shall include the following information:

- The entity with whom commitments have been made and the time periods for each commitment.
- The capacity levels in each year for the commitment.

4. For each capacity sale commitment which is for a period of six months or longer, the plan shall include the following information:

- The entity with whom a commitment has been made and the time periods for the commitment.
- The capacity levels in each year.
- The capacity payments to be received per kW per year in each year.
- The energy payments to be received per kWh per year.
- Any other payments the utility receives in each year.

(4) Capacity surpluses and shortfalls. Information identifying projected capacity surpluses and shortfalls over the 20-year planning horizon, which shall include:

1. A numerical and graphical representation of the utility's 20-year planning horizon comparing forecasted demand in each year from subparagraph 35.5(4)*"m"*(1) to committed capacity in each year from numbered paragraphs 35.5(4)*"m"*(3)"1" to 35.5(4)*"m"*(3)"4." Forecasted peak demand shall include reserve requirements.

2. For each year of the 20-year planning horizon, the plan shall list in megawatts (MW) the amount by which committed capacity either exceeds or falls below the forecasted demand.

(5) Capacity outside the utility's system. Information about capacity outside of the utility's system that could meet its future needs including, but not limited to, cogeneration and independent power producers, expected to be available to the utility during each of the 20 years in the planning horizon. The utility shall include in its filing a copy of its most recent load and capability report submitted to MISO.

(6) Future supply options and costs. Information about future supply options and their costs identified by the utility as the most effective means of satisfying all projected capacity shortfalls in the 20-year planning horizon in subparagraph 35.5(4)*"m"*(4), which shall include:

1. The following information which describes each future supply option as applicable:

- The anticipated year the supply option would be needed.
- The anticipated type of supply option, by fuel.
- The anticipated net capacity of the supply option.

2. The utility shall use the actual capacity cost of any capacity purchase identified in numbered paragraph 35.5(4)*"m"*(6)"1" and shall provide the anticipated annual cost per net kW per year.

3. The utility shall use the installed cost of a combustion turbine as a proxy for the capacity cost of any power plant identified in numbered paragraph 35.5(4)*"m"*(6)"1." For the first power plant option specified in numbered paragraph 35.5(4)*"m"*(6)"1," the following information shall be provided:

- The anticipated life.
- The anticipated total capital costs per net kW, including allowance for funds used during construction (AFUDC) if applicable.
- The anticipated revenue requirement of the capital costs per net kW per year.
- The anticipated revenue requirement of the annual fixed operations and maintenance costs, including property taxes, per net kW for each year of the 20-year planning horizon.
- The anticipated net present value of the revenue requirements per net kW.
- The anticipated revenue requirement per net kW per year calculated by utilization of an economic carrying charge.
- The after-tax discount rate used to calculate the revenue requirement per net kW per year over the life of the supply option.
- Adjustment rates (for example, inflation or escalation rates) used to derive each future cost in numbered paragraph 35.5(4)*"m"*(6)"3."

4. The capacity costs of the new supply options allocated to costing periods. The utility shall describe its method of allocating capacity costs to costing periods. The utility shall specify the hours, days, and weeks which constitute its costing periods. For each supply option identified in numbered paragraph 35.5(4)*"m"*(6)"1," the plan shall include:

- The anticipated annual cost per net kW per year of capacity purchases from numbered paragraph 35.5(4)*"m"*(6)"2" allocated to each costing period if it is the highest cost supply option in that year.

● The anticipated total revenue requirement per net kW per year from numbered paragraph 35.5(4)*"m"*(6)"3" allocated to each costing period if it is the highest cost supply option in that year.

(7) Avoided capacity and energy costs. Avoided capacity costs shall be based on the future supply option with the highest value for each year in the 20-year planning horizon identified in numbered paragraph 35.5(4)*"m"*(6). Avoided energy costs shall be based on the marginal costs of the utility's generating units or purchases. The utility shall use the same costing periods identified in numbered paragraph 35.5(4)*"m"*(6)"2" when calculating avoided capacity and energy costs. A party may submit, and the commission shall consider, alternative avoided capacity and energy costs derived by an alternative method. A party submitting alternative avoided costs shall also submit an explanation of the alternative method.

1. Avoided capacity costs. Calculations of avoided capacity costs in each costing period shall be based on the following formula:

AVOIDED CAPACITY COST = C × (1 + RM) × (1 + DLF) × (1 + EF)

C (capacity) is the greater of NC or RC.

NC (new capacity) is the value of future capacity purchase costs or future capacity costs expressed in dollars per net kW per year of the utility's new supply options from numbered paragraphs 35.5(4)*"m"*(6) "2" and "3" in each costing period.

RC (resalable capacity) is the value of existing capacity expressed in dollars per net kW per year that could be sold to other parties in each costing period.

RM (reserve margin) is the generation reserve margin criterion adopted by the utility.

DLF (demand loss factor) is the system demand loss factor expressed as a fraction of the net power generated, purchased, or interchanged in each costing period. For example, the peak system demand loss factor would be equal to peak system power loss (MW) divided by the net system peak load (MW) for each costing period.

EF (externality factor) is a 10 percent factor applied to avoided capacity costs in each costing period to account for societal costs of supplying energy. In addition, the utility may propose a different externality factor but must document the factor's accuracy.

2. Avoided energy costs. Calculations of avoided energy costs in each costing period shall be based on the following formula:

AVOIDED ENERGY COSTS = MEC × (1 + ELF) × (1 + EF)

MEC (marginal energy cost) is the marginal energy cost expressed in dollars per kWh, inclusive of variable operations and maintenance costs, for electricity in each costing period.

ELF (system energy loss factor) is the system energy loss factor expressed as a fraction of net energy generated, purchased, or interchanged in each costing period.

EF (externality factor) is a 10 percent factor applied to avoided energy costs in each costing period to account for societal costs of supplying energy. In addition, the utility may propose a different externality factor but must submit documentation of the factor's accuracy.

n. Additional requirements for natural gas utilities:

(1) Forecast of demand and transportation volumes. Information specifying the natural gas utility's demand and transportation volume forecasts, which includes:

1. A statement in numerical terms of the utility's current 12-month and five-year forecasts of total annual throughput and peak day demand, including reserve margin, based on the purchased gas adjustment (PGA) year by customer class. The forecasts shall not include the effects of the proposed energy efficiency programs in paragraph 35.5(4)*"d,"* but shall include the effects to date of current ongoing utility energy efficiency programs.

2. A statement in numerical terms of the utility's highest peak day demand and annual throughput for the past five years by customer class.

3. A comparison of the forecasts made for the preceding five years to the actual and weather-normalized peak day demand and annual throughput by customer class, including an explanation of the weather-normalization procedure.

4. A forecast of the utility's demand for transportation volume for both peak day demand and annual throughput for each of the next five years.

5. The existing contract deliverability by supplier, contract and rate schedule for the length of each contract.

6. An explanation of all significant methods and data used, as well as assumptions made, in the current five-year forecast(s). The utility shall file all forecasts of variables used in its demand and energy forecasts. If variables are not forecasted, the utility shall indicate all sources of variable inputs.

7. A statement of the margin of error for each assumption or forecast.

8. An explanation of the results of the sensitivity analysis performed by the utility, including a specific statement of the degree of sensitivity of estimated need for capacity to potential errors in assumptions, forecasts, and data.

(2) Capacity surpluses and shortfalls. Information identifying projected capacity surpluses and shortfalls over the five-year planning horizon, which includes a numerical and graphical representation of the utility's five-year planning horizon comparing forecasted peak day demand in each year from numbered paragraph 35.5(4)*"n"*(1)"1" to the total of existing contract deliverability, from numbered paragraph 35.5(4)*"n"*(1)"5." The comparison shall list in dth or Mcf any amount for any year that contract deliverability falls below the forecast of peak day demand. Forecasted peak day demand shall include reserve margin.

(3) Supply options. Information about new supply options identified by the utility as the most effective means of satisfying all projected capacity shortfall in the 12-month and five-year planning horizons in subparagraph 35.5(4)*"n"*(2). For each supply option identified, the plan shall include:

1. The year the option would be needed.
2. The type of option.
3. The net peak day capacity.
4. The estimated future capacity costs per dth or Mcf of peak day demand of the options.
5. The estimated future energy costs per dth or Mcf of each option in current dollars.
6. A description of the method used to estimate future costs.

(4) Natural gas avoided capacity and energy costs. Information regarding avoided costs shall specify the days and weeks which constitute the utility's peak and off-peak periods. Avoided costs shall be calculated for the peak and off-peak periods and adjusted for inflation to derive an annual avoided cost over a 20-year period. In addition, all parties may submit information specifying the hours, days, and weeks which constitute alternative costing periods. A party may submit, and the commission shall consider, alternative avoided capacity and energy costs derived by an alternative method. A party submitting alternative avoided cost methodology shall also submit an explanation of the alternative method.

1. Avoided capacity costs. Calculations of avoided capacity costs in the peak and off-peak periods shall be based on the following formula:

AVOIDED CAPACITY COSTS = [(D + OC) × (1 + RM)] × (1 + EF)

D (demand) is the greater of CD or FD.

CD (current demand cost) is the utility's average demand cost expressed in dollars per dth or Mcf during peak and off-peak periods.

FD (future demand costs) is the utility's average future demand cost over the 20-year period expressed in dollars per dth or Mcf when supplying natural gas during peak and off-peak periods.

RM (reserve margin) is the reserve margin adopted by the utility.

OC (other cost) is the value of any other costs per dth or Mcf related to the acquisition of natural gas supply or transportation by the utility over the 20-year period in the peak and off-peak periods.

EF (externality factor) is a 7.5 percent factor applied to avoided capacity costs in the peak and off-peak periods to account for societal costs of supplying energy. In addition, the utility may propose a different externality factor but must submit documentation of the factor's accuracy.

2. Avoided energy costs. Calculations of avoided energy costs in the peak and off-peak periods on a seasonal basis shall be based on the following formula:

AVOIDED ENERGY COSTS = (E + VOM) × (1 + EF)

E (energy costs) is the greater of ME or FE.

ME (current marginal energy costs) is the utility's current marginal energy costs expressed in dollars per dth or Mcf during peak and off-peak periods.

FE (future energy costs) is the utility's average future energy costs over the 20-year period expressed in dollars per dth or Mcf during peak and off-peak periods.

VOM (variable operations and maintenance costs) is the utility's average variable operations and maintenance costs over the 20-year period expressed in dollars per dth or Mcf during peak and off-peak periods.

EF (externality factor) is a 7.5 percent factor applied to avoided energy costs in the peak and off-peak periods to account for societal costs of supplying energy. In addition, the utility may propose a different externality factor but must submit documentation of the factor's accuracy.

[**ARC 4709C**, IAB 10/9/19, effective 11/13/19; Editorial change: IAC Supplement 7/24/24]

199—35.6(476) Contested case proceeding.

35.6(1) The commission shall conduct a contested case proceeding for the purpose of developing specific capacity and energy savings performance standards for each utility required to be rate-regulated and reviewing energy efficiency and demand response plans and budgets designed to achieve those savings.

35.6(2) Within 30 days after filing, each application for approval of an energy efficiency and demand response plan that is submitted with the information and supporting documentation required by this chapter, and complies with the filing requirements of 199—Chapter 14, shall be docketed as a contested case proceeding. The Iowa economic development authority shall be considered a party to the proceeding. The proceeding shall follow the applicable provisions of 199—Chapter 7.

35.6(3) The commission shall not require or allow a natural gas utility to adopt an energy efficiency plan that results in projected cumulative average annual costs that exceed 1.5 percent of the natural gas utility's expected annual Iowa retail rate revenue, shall not require or allow an electric utility to adopt an energy efficiency plan that results in projected cumulative average annual costs that exceed 2 percent of the electric utility's expected annual Iowa retail rate revenue, and shall not require or allow an electric utility to adopt a demand response plan that results in projected cumulative average annual costs that exceed 2 percent of the electric utility's expected annual Iowa retail rate revenue. With the filing of its application for approval of its energy efficiency plan, each utility shall provide, for the commission's review, a calculation of the percent of the utility's expected annual Iowa retail rate revenue, which the utility shall determine by dividing the total projected budget for the five-year plan by the total projected Iowa retail rate revenues for the five-year plan period. The calculation of a utility's percent of Iowa retail rate revenue may be subject to confidential treatment under Iowa Code chapters 22 and 550 upon request of the utility and as determined by the commission based on the commission's review of such request.

[**ARC 4709C**, IAB 10/9/19, effective 11/13/19; Editorial change: IAC Supplement 7/24/24]

199—35.7(476) Exemptions from participation.

35.7(1) The utility shall allow customers to request exemption from participating in the utility's electric energy efficiency plan if the combined ratepayer impact test for the utility's approved five-year electric energy efficiency and demand response plan is less than 1.0. The utility shall file a draft customer notice within 20 days following the commission's approval of the utility's five-year energy efficiency plan. The form of the notice, once approved by the commission, may not be altered except to include the rate and bill impact dollars and percentages. The type size and quality shall be easily legible. The notice shall, at a minimum, provide the following elements:

a. A brief statement informing all customers that they are eligible to request an exemption from participation in the utility's electric energy efficiency plan.

b. The estimated annual rate and bill impacts of the approved electric energy efficiency plan on each class of customers and an estimate of the annual jurisdictional rate impact for each major customer grouping in dollars and as a percentage, with the proposed actual increases to be filed at the time of notice to customers. The utility may represent the estimated annual rate and bill impact dollars and percentages with blank spaces; however, the commission may require the utility to submit additional information necessary for review of the proposed form of notice. A copy of the notice with the final annual rate and bill impact dollars and percentages shall be filed with the commission at the time of customer notification.

c. A statement that customers requesting to be exempt from participation in the electric energy efficiency plan will not be eligible to participate in any utility-sponsored electric energy efficiency

programs and will not be eligible to receive rebates from the utility for electric energy efficiency programs during the five-year plan cycle, beginning January 1 of the first year of the five-year plan cycle.

d. An explanation that customers requesting to be exempt from participation in the electric energy efficiency plan will no longer be assessed the energy efficiency cost recovery factor for the electric energy efficiency programs on their utility bills.

e. An explanation that customers requesting to be exempt from participation in the electric energy efficiency plan will be eligible to participate in demand response and natural gas energy efficiency programs and will be assessed costs related to those programs on their utility bills.

f. A statement that the exemption from participation in the electric energy efficiency plan is applicable for the five-year plan cycle. The ability to request an exemption from participation in future electric energy efficiency plans will depend on the specifics of the utility's energy efficiency plan and demand response plan filing as approved by the commission.

g. The utility's telephone number, website address, and email address the customer should use to request an exemption from participation in the electric energy efficiency plan.

h. A deadline by which customers must request an exemption. The deadline shall not be less than 30 days from the date of the notice.

35.7(2) The utility shall deliver the approved notice to all affected customers within 30 days of the commission approving the notice.

[**ARC 4709C**, IAB 10/9/19, effective 11/13/19; Editorial change: IAC Supplement 7/24/24]

199—35.8(476) Annual reporting requirements. Each utility shall file by May 1 of each year an energy efficiency annual report which shall include the utility's energy efficiency and demand response spending compared to the approved budgets, actual demand and energy savings compared to the performance standards approved by the commission, cost-effectiveness results for the prior calendar year, the results of any monitoring and verification activities, any additional information pertinent to the implementation or performance of the energy efficiency or demand response plan for the previous calendar year such as changes in outside firms used to implement energy efficiency programs, updates on pilot projects, and other information as required by commission order.

[**ARC 4709C**, IAB 10/9/19, effective 11/13/19; Editorial change: IAC Supplement 7/24/24]

199—35.9(476) Energy efficiency and demand response cost recovery. Each utility shall be allowed to recover the authorized energy efficiency and demand response plan expenditures adjusted for any overcollections or undercollections calculated on an annual basis. The utility may propose to recover the portion of the costs of process-oriented industrial assessments related to energy efficiency.

35.9(1) *Accounting for costs.* Each utility shall maintain accounting plans and procedures to account for all energy efficiency and demand response costs.

a. Each utility shall maintain a subaccount system, work order system, or accounting system which identifies individual costs by each program.

b. Each utility shall maintain accurate employee, equipment, material, and other records which identify all amounts related to each individual energy efficiency or demand response program.

35.9(2) *Automatic adjustment mechanism.* Each utility shall file by June 1 of each year energy efficiency and demand response costs proposed to be recovered in rates for the 12-month recovery period beginning at the start of the first utility billing month at least 30 days following commission approval.

35.9(3) *Energy efficiency cost recovery (EECR) and demand response cost recovery (DRCR) factors.* Each utility shall calculate an EECR factor to recover the costs associated with the energy efficiency plan, and each electric utility shall also calculate a DRCR factor to recover costs associated with the demand response plan. The utility shall calculate EECR/DRCR factors separately for each customer classification or grouping previously approved by the commission. A utility shall not use customer classifications or allocations of indirect or other related costs, other than those previously approved by the commission, without filing for a modification of the energy efficiency and demand response plan and receiving commission approval. Each utility may elect to file its first EECR and DRCR factors up to 120 days after November 13, 2019.

a. EECR/DRCR factors shall be calculated according to the following formula:

$$\text{EECR/DRCR factor} = \frac{\text{authorized recovery + overcollection/ undercollection}}{\text{annual sales units}}$$

b. EECR/DRCR factor is the energy efficiency or demand response recovery amount per unit of sales.

c. Authorized recovery is the difference between the actual energy efficiency or demand response expenditures by customer class for the previous calendar year and the approved energy efficiency or demand response budget by customer class for the previous calendar year plus the approved energy efficiency or demand response budget by customer class for the current calendar year.

d. Overcollection or undercollection is the actual amount recovered by customer class for the previous recovery period less the amount authorized to be recovered by customer class for the previous recovery period. This may also include adjustments ordered by the commission in prudence reviews.

e. Annual sales units are the estimated sales for the 12-month recovery period for customers who have not requested an exemption as allowed by rule 199—35.7(476).

35.9(4) *Filing requirements.* Each utility proposing to recover energy efficiency or demand response costs through an automatic adjustment mechanism shall provide the following information:

a. The filing shall restate the derivation of each EECR/DRCR factor previously approved by the commission.

b. The filing shall include new EECR/DRCR factors based on allocation methods and customer classifications and groupings approved by the commission in previous proceedings.

c. The filing shall include all worksheets and detailed supporting data used to determine new EECR/DRCR factors. Information already on file with the commission may be incorporated by reference in the filing.

d. The filing shall include a reconciliation comparing the amounts actually collected by the previous EECR/DRCR factors to the amounts expended. Overcollection or undercollection shall be used to compute adjustment factors.

e. If the commission has determined in a prudence review that previously recovered energy efficiency or demand response costs were imprudently incurred, adjustment factors shall include reductions for these amounts.

35.9(5) *Tariff sheets.* Upon approval of the new EECR/DRCR factors, the utility shall file separate tariff sheets for commission approval to implement the EECR/DRCR factors in the utility's rates.

35.9(6) *Customers' bills.*

a. Each electric and natural gas utility shall include the EECR factor, the customer's usage, and the dollar amount charge on the customer's bill. Customers who receive one bill for electric and natural gas service shall have a separate line item on the bill for the electric EECR and the natural gas EECR.

b. Each electric utility shall represent the DRCR factor, the customer's usage, and the dollar amount charge on the customer's bill.

[**ARC 4709C**, IAB 10/9/19, effective 11/13/19; Editorial change: IAC Supplement 7/24/24]

199—35.10(476) Modification of an approved plan.

35.10(1) An approved energy efficiency plan or an approved demand response plan and associated budget may be modified if the modification is approved by the commission.

a. Electric utilities may request a modification to an approved energy efficiency plan due to changes in the funding as a result of customers requesting exemptions from the electric energy efficiency plan.

b. Natural gas and electric utilities may request modification of an approved energy efficiency plan, or electric utilities may request modification of an approved demand response plan, for any reason.

c. The commission, on its own motion, may consider modification of the energy efficiency or demand response plan and budget.

35.10(2) All applications to modify shall be filed in the same docket in which the energy efficiency or demand response plan was approved. All parties to the docket in which the energy efficiency or demand response plan was approved shall be served copies of the application to modify and shall have 14 days to

file an objection or agreement. Objections should be specifically related to the contents of the modification. Failure to file timely objection shall be deemed agreement.

35.10(3) Each application to modify an approved energy efficiency or demand response plan shall include:

a. A statement of the proposed modification and the party's interest in the modification.

b. An analysis supporting the requested modification.

c. An estimated implementation schedule for the modification.

d. A statement of the effect of the modification on attainment of the utility's performance standards and on projected results, including cost-effectiveness, of the utility's implementation of its plan.

35.10(4) If the commission finds that any reasonable grounds exist to investigate the proposed modification, a procedural schedule shall be set and the commission shall take action within 90 days after the modification request is filed.

35.10(5) If an application to modify is filed and the commission finds that there is no reason to investigate, then the commission shall issue an order within 90 days after the modification request is filed stating the reasons for the commission's decision relating to the application.

35.10(6) If the commission rejects or modifies a utility's plan, the commission may require the utility to file a modified plan and may specify the minimum acceptable contents of the modified plan.

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199—35.11(476) Prudence review.

35.11(1) The commission shall periodically conduct a contested case proceeding to evaluate the reasonableness and prudence of the utility's implementation of energy efficiency and demand response plans and budgets. The prudence review shall be based upon the information filed by a utility in the annual report required by rule 199—35.8(476), or based on discovery conducted in review of the annual reports.

35.11(2) The consumer advocate or another person may request the commission to conduct a prudence review based upon the information filed by a utility in the annual report required by rule 199—35.8(476), or based on discovery conducted in review of the annual reports. The request to initiate the prudence review shall identify specific issues to be evaluated and may include a proposed procedural schedule.

35.11(3) The commission shall determine whether a contested case proceeding is necessary to address the issues raised in a request for a prudence review.

35.11(4) Disallowance of past costs. If the commission finds the utility did not take all reasonable and prudent actions to cost-effectively implement its energy efficiency or demand response programs, the commission shall determine the amount in excess of those costs that would have been incurred under reasonable and prudent implementation. That amount shall be deducted from the next EECR/DRCR factors calculated pursuant to subrule 35.9(3) until the disallowed costs have been satisfied.

[**ARC 4709C**, IAB 10/9/19, effective 11/13/19; Editorial change: IAC Supplement 7/24/24]

199—35.12(476) New structure energy conservation standards. A utility providing natural gas or electric service shall not provide service to any structure completed after April 1, 1984, unless the owner or builder of the structure has certified to the utility that the building conforms to the energy conservation requirements adopted under 661—Chapter 303. If this compliance is already being certified to a state or local agency, a copy of that certification shall be provided to the utility. If no state or local agency is monitoring compliance with these energy conservation standards, the owner or builder shall certify that the structure complies with the standards by signing a form provided by the utility. No certification will be required for structures that are not governed by 661—Chapter 303.

[**ARC 4709C**, IAB 10/9/19, effective 11/13/19]

These rules are intended to implement Iowa Code section 476.6.

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[Editorial change: IAC Supplement 7/24/24]

◊ Two or more ARCs

CHAPTER 36
ENERGY EFFICIENCY PLANNING AND REPORTING FOR NATURAL GAS AND ELECTRIC UTILITIES NOT REQUIRED TO BE RATE-REGULATED

Rescinded **ARC 4274C**, IAB 1/30/19, effective 3/6/19

CHAPTER 37
EQUIPMENT DISTRIBUTION PROGRAM

199—37.1(477C) Purpose. This chapter describes the commission's program established pursuant to Iowa Code section 477C.4 to secure, finance, and distribute telecommunications devices. The commission's equipment distribution program serves eligible individuals who are deaf or hard-of-hearing or who have difficulty with speech.

The equipment distribution program will be limited by revenue considerations and annual budget amounts set by the commission, with the advice of the dual party relay council established in Iowa Code section 477C.5. Before submitting a proposed annual budget to the commission, the commission's equipment distribution program project manager shall provide the council with the proposed budget for the council's review and discussion at a council meeting. The project manager will advise the commission of any council recommendations regarding the proposed budget. When the budgeted amounts for a period are committed or expended, no further vouchers for equipment will be issued until the next period when the commission budgets additional amounts.

[**ARC 3665C**, IAB 2/28/18, effective 4/4/18; **ARC 6925C**, IAB 3/8/23, effective 4/12/23; Editorial change: IAC Supplement 7/24/24]

199—37.2(477C) Program structure. The equipment distribution program will be conducted by a program administrator chosen by the commission. Distribution of equipment will be made through a voucher system utilizing private vendors for equipment purchases. Vouchers to pay part or, depending upon the price, all of the cost of equipment will be issued by the program administrator to eligible recipients. After purchase using a voucher, the recipient will be the permanent owner of the equipment and responsible for enforcement of any warranties and for any repairs.

[**ARC 3665C**, IAB 2/28/18, effective 4/4/18; Editorial change: IAC Supplement 7/24/24]

199—37.3(477C) Equipment. The commission will authorize and maintain a list of the types of equipment to be distributed through the program.

[**ARC 3665C**, IAB 2/28/18, effective 4/4/18; Editorial change: IAC Supplement 7/24/24]

199—37.4(477C) Application process and eligibility. Applications will be processed in queue as determined by the program administrator. No person will be entitled to equipment at a particular time merely because that person meets the eligibility requirements. Additional vouchers will not be issued during a period if unpaid vouchers are outstanding for the remaining funds budgeted for the period. To be eligible to receive a voucher for equipment under the program, a person must satisfy the following requirements. By signing the application form or otherwise averring to the accuracy of the information contained in the application, an applicant or the applicant's power of attorney certifies that the information provided therein is true.

37.4(1) Verification of need with initial application. An applicant's initial application shall include verification of the applicant's need for the equipment. The verification shall be made by an appropriate professional, including but not limited to a licensed physician; certified teacher in the fields of hearing, speech, or visual impairment; licensed and certified sign language interpreter; speech pathologist; audiologist or hearing aid specialist; or an appropriate state or federal agency representative.

37.4(2) The applicant must have, or have applied for, access to the service which will allow the applicant to use the requested equipment. Access to Internet service may be provided through a public Wi-Fi connection.

37.4(3) The applicant must be an individual and an Iowa resident.

37.4(4) The applicant must be at least five years of age or demonstrate an ability to use the equipment requested. No demonstration is required for those five years of age and older.

37.4(5) An applicant must agree to cooperate with studies to evaluate the effectiveness of the program.

37.4(6) An applicant's gross annual family income must be equal to or less than $76,000 for a family of two. Family sizes above or below two will increase or decrease that amount in $10,000 increments per family member change.

37.4(7) The applicant will be limited to a voucher for one type of equipment or equipment package.

37.4(8) Reapplication. Prior voucher recipients may reapply through the program to replace existing equipment or to obtain new equipment, as appropriate. Reapplication will be limited by a three-year waiting period. The reapplication period may be shortened by the commission's equipment distribution program project manager in an individual case for good cause shown. At the time of reapplication for equipment, it is not necessary for the applicant's need for the equipment to be reverified by an appropriate professional. The program administrator shall verify that the applicant reapplying for equipment previously qualified for and continues to qualify for a voucher.

[**ARC 3665C**, IAB 2/28/18, effective 4/4/18; **ARC 6925C**, IAB 3/8/23, effective 4/12/23; Editorial change: IAC Supplement 7/24/24]

199—37.5(477C) Voucher system.

37.5(1) *Amount.* The voucher will state a standard amount for a particular piece of equipment.

a. The standard amount shall be determined and updated periodically by the program administrator.

b. The standard amount shall be 95 percent of the average retail market price for the piece of equipment, unless the retail market price is more than $1,000, in which case the standard amount shall be 99 percent of the average retail market price. The standard amount may be increased to 100 percent if a person demonstrates to the program administrator that the person is unable to pay the matching amount.

37.5(2) *Voucher use.* The recipient of a voucher may purchase equipment from any vendor that will accept the voucher and may apply the voucher amount toward purchase of the brand and model of indicated equipment as the recipient chooses. An invoice for equipment purchased prior to the issuance of a voucher shall not be reimbursed.

37.5(3) *Term.* The voucher shall provide for a 40-day period for the voucher recipient to present the voucher to the vendor. The vendor, upon presentation of the voucher, shall have 60 days to complete the sale and delivery of the equipment and to return the voucher to the program administrator. The program administrator shall have 20 days to process and return the voucher to the commission for payment. The program administrator, for good cause shown, may extend either the 40- or 60-day deadline, provided the voucher is returned to the commission for payment within 120 days from the issuance of the voucher. The program administrator may authorize reimbursement for a voucher issued more than 120 days before the voucher is sent to the commission for payment if the program administrator determines good cause exists for extending the 120-day deadline and provides supporting documentation to the commission.

37.5(4) *Payment.* The voucher is not a negotiable instrument. Upon presentation of documentation by the vendor as required by the commission, including but not limited to an invoice showing an amount due no greater than the voucher amount, the vendor will be issued a state warrant for the amount due.

[Editorial change: IAC Supplement 12/29/10; **ARC 3665C**, IAB 2/28/18, effective 4/4/18; Editorial change: IAC Supplement 7/24/24]

199—37.6(477C) Complaints. All complaints concerning the equipment distribution program will be resolved pursuant to the following:

37.6(1) The program administrator will make determinations concerning matters such as eligibility, type of equipment for particular applicants, or reimbursement of vendors.

37.6(2) The program administrator, after requiring interested persons to state verbally or in writing any complaint or dispute arising under the equipment distribution program, shall attempt to settle the matter informally within 45 days.

37.6(3) Should the informal dispute resolution process fail, the complainant may submit the complaint to the commission for processing by the commission's equipment distribution program project manager as provided in 199—Chapter 6. The project manager will provide a copy of the complaint to the program administrator and the consumer advocate. The project manager will issue a proposed resolution that describes the facts involved in the dispute, clearly states the proposed resolution, and gives notice that any interested person dissatisfied with the proposed resolution has 14 days after the proposed resolution is issued to file a written request for formal complaint proceedings before the commission.

37.6(4) If no timely request for formal complaint proceedings is filed, the proposed resolution shall be deemed binding on all interested persons served with the proposed resolution.

37.6(5) The commission will process requests for formal complaint proceedings as provided in rule 199—6.5(476).

[Editorial change: IAC Supplement 12/29/10; **ARC 3665C**, IAB 2/28/18, effective 4/4/18; Editorial change: IAC Supplement 7/24/24]

These rules are intended to implement Iowa Code section 477C.4.

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CHAPTER 38
LOCAL EXCHANGE COMPETITION

199—38.1(476) General information.

38.1(1) *Application and purpose of rules.* This chapter applies to local utilities. The purpose of these rules is to further the development of competition in the local exchange services market.

38.1(2) *Definitions.* For the administration and interpretation of this chapter, the following words and terms shall have the meaning indicated below, unless the context otherwise requires:

"Act" means the Telecommunications Act of 1996.

"Arbitration" means the investigative process whereby a dispute is submitted to the commission for resolution.

"Bona fide request" means a request to a local utility that demonstrates a good faith showing that the requesting party intends to purchase the services requested within six months of the date of the request.

"Competitive local exchange service provider" means any person, including a municipal utility, that provides local exchange services, other than a local exchange carrier or a non-rate-regulated wireline provider of local exchange services under an authorized certificate of public convenience and necessity within a specific geographic area described in maps filed with and approved by the commission as of September 30, 1992.

"Local exchange carrier" means any person that was the incumbent and historical rate-regulated wireline provider of local exchange services or any successor to such person that provides local exchange services under an authorized certificate of public convenience and necessity within a specific geographic area described in maps filed with and approved by the commission as of September 30, 1992.

"Local utility" means any entity that provides wireline local exchange services, including local exchange carriers, competitive local exchange service providers, and other non-rate-regulated wireline providers of local exchange services.

"Mediation" means the process in which a neutral party assists the parties in reaching their own settlement but does not have the authority to make a binding decision.

"Total service long-run incremental cost" for a service, or group of services, is equal to the utility's total cost of producing all of its services including the service or group of services in question, minus the utility's total cost of producing all of its services excluding the service or group of services in question.

[**ARC 4120C**, IAB 11/7/18, effective 12/12/18; **ARC 6035C**, IAB 11/17/21, effective 12/22/21; Editorial change: IAC Supplement 7/24/24]

199—38.2(476) Number portability. Rescinded **ARC 4120C**, IAB 11/7/18, effective 12/12/18.

199—38.3(476) Interconnection requirements. A local utility that originates local telecommunications traffic and desires to terminate that traffic on the network of another local utility may choose the point(s) of interconnection between the two networks for the exchange of that originating local telecommunications traffic at any technically feasible point within the terminating carrier's network. Interconnection must be equal in quality to that provided by the local utility to itself, any affiliate, or any other party to which the local utility provides interconnection. Interconnection must be on rates, terms, and conditions that are just, reasonable, and nondiscriminatory.

199—38.4(476) Unbundled facilities, services, features, functions, and capabilities.

38.4(1) *Tariff filings.*

a. Filing schedule. Each local exchange carrier shall file tariffs implementing unbundling for the facilities enumerated in paragraph 38.4(1)*"b."* The obligation to file a tariff shall not apply to a rural telephone company until the conditions specified in 47 U.S.C. Section 251(f)(1) have been met.

b. List of unbundled essential facilities. Each local exchange carrier's tariff filing shall, at a minimum, unbundle the following essential facilities, services, features, functions, and capabilities: loops, ports, signaling links, signal transfer points, facilities to interconnect unbundled links at the central office, interoffice transmission facilities, listings in the directory assistance database, inbound operator services

including busy-line verification and call interrupt, interconnection to the 911 system, and interconnection to the tandem switch for routing to other carriers.

38.4(2) *Requests for unbundled facilities.* Except as allowed in subrule 38.4(3), requests to unbundle facilities, services, features, functions, and capabilities shall be processed as follows:

a. A competitive local exchange service provider may make a bona fide request of a local exchange carrier to make additional unbundled essential facilities available. After receiving a request for additional unbundled essential facilities, the local exchange carrier shall respond within 30 days of the request either by agreeing to the request or by denying the request. If the local exchange carrier agrees to fulfill the request, the carrier shall file a tariff unbundling the essential facility within 60 days of the initial request.

b. If the local exchange carrier denies the request, a competitive local exchange service provider may petition the commission to classify the requested facility as essential, as defined by Iowa Code section 476.100(2), and to require the local exchange carrier to make the requested facility available on an unbundled basis by filing a tariff. In such a petition, the competitive local exchange service provider shall provide information to the commission showing how the requested facility meets the definition of essential facility found in Iowa Code section 476.100(2).

The petitioning party under this subrule may state a preference for proceeding by rule making or contested case, but the commission will select the process to be used.

38.4(3) *Alternative procedures.* As an alternative to the procedures in subrule 38.4(2), a competitive local exchange service provider may elect the negotiation, mediation, and arbitration procedures available under 47 U.S.C. Section 252, by notifying the local exchange carrier and the commission in writing at the time additional unbundled facilities are requested.

38.4(4) *Reclassifying essential facilities.* A local exchange carrier may, at any time, petition the commission with a request that a facility classified as essential, either by the terms of subrule 38.4(1) or pursuant to a subsequent request of a competitive local exchange service provider, be removed from that classification and no longer be required to be provided on an unbundled basis. With its petition, the local exchange carrier shall provide information to the commission showing why the facility no longer meets the definition of essential found in Iowa Code section 476.100(2). The commission will determine the procedure to be used in reviewing the petition.

38.4(5) *Interconnection to essential facilities.*

a. Nondiscriminatory access. All competitive local exchange service providers shall have access to a local exchange carrier's unbundled facilities on the same nondiscriminatory terms and conditions. Such terms and conditions shall be specified in the local exchange carrier's tariff for unbundled facilities.

b. Reasonable equal access. The terms and conditions under which competitive local exchange service providers shall be able to interconnect with a local exchange carrier's unbundled facilities shall be technically and economically equivalent to those under which the local exchange carrier provides those facilities to itself or its affiliates. If it believes such terms and conditions are not technically or economically feasible, the local exchange carrier may petition the commission for a waiver of this provision.

[**ARC 4120C**, IAB 11/7/18, effective 12/12/18; Editorial change: IAC Supplement 7/24/24]

199—38.5(476) Cost standards.

38.5(1) *Incremental cost standard.* In general, each local exchange carrier shall price each of its services above the total service long-run incremental cost of providing each service.

38.5(2) *Competitive local exchange service providers.* Cost support will generally not be required for the tariff filings from competitive local exchange service providers.

[**ARC 4120C**, IAB 11/7/18, effective 12/12/18]

199—38.6(476) Terminating access charge complaints. No local utility shall deliver traffic to another local utility as local service or extended area service terminating traffic if the terminating traffic is long distance or some other type of traffic for which terminating switched access charges would otherwise have been payable. Any local utility may bring a complaint to the commission if another local utility has violated this requirement or taken insufficient measures to determine whether switched access charges would otherwise have been payable. The commission may order payment or refund of compensation withheld

from or received by a local utility in violation of this rule, with appropriate interest or tariffed late payment penalties.

[**ARC 4120C**, IAB 11/7/18, effective 12/12/18; Editorial change: IAC Supplement 7/24/24]

199—38.7(476) Mediation and arbitration. This rule shall apply to all local utilities, except for rural telephone companies as defined in Section 3(47) of the Telecommunications Act of 1996. The commission may make all or part of this rule applicable to a rural telephone company or companies in proceedings relating to Section 251(f) of the Act.

38.7(1) *Voluntary negotiations.*

a. Initiation of negotiations. A telecommunications carrier initiates the negotiation process by requesting interconnection, services, or network elements as defined in the Act from an incumbent local utility pursuant to Section 252(a)(1) of the Act. The day the request is received by the local utility is day one of the schedule set for resolution of all issues. Within five days of receipt of the request, the local utility shall file with the commission using the commission's electronic filing system a copy of the request and a statement of the date the request was received.

b. Duty to negotiate. The requesting telecommunications carrier and the local utility have the obligation to negotiate in good faith the terms and conditions for the provision of the requested interconnection, services, or network elements. Good faith negotiations require that the parties meet and confer at reasonable times and places, remain open to the arguments and proposals, and work toward the goal of reaching agreement on terms and conditions for the requested interconnections and services. Refusal of any party to give information about its costs or other pertinent data upon request of another party may be considered by the commission as a failure to negotiate in good faith.

38.7(2) *Mediation.*

a. Initiation of mediation. At any time during the negotiations, any party to the negotiations may request mediation. The request shall be filed with the commission using the commission's electronic filing system and simultaneously served on the other parties. Alternatively, parties may file a joint request for mediation with the commission. A request for mediation shall contain a brief statement of the nature of the dispute and the names, addresses, and telephone and fax numbers of the parties or their representatives.

b. Appointment of mediator. The commission may appoint any competent, impartial person of character and ability to act as mediator. The commission will immediately convene a meeting of the parties to discuss appointment of a mutually acceptable mediator.

c. Role and duties of the mediator. The role of the mediator is to encourage voluntary settlement by the parties. The mediator may not compel a settlement. The mediator shall schedule meetings of the parties, direct the parties to prepare for those meetings, hold private caucuses with each party in an attempt to bring disputants closer together, attempt to achieve a resolution, and assist the parties in preparing a written agreement.

The mediator does not provide legal advice to the parties, nor are any of the mediator's statements as to law and policy binding unless later adopted by the commission. The mediation process will be treated as confidential to the extent permitted by law. No stenographic record will be kept.

After completion of at least one mediation session, the mediator may terminate the mediation process if it appears that the likelihood of agreement is remote or if a party is not participating in good faith, or for other good cause.

d. Parties. Only parties to the negotiations will be permitted to participate as parties to the mediation.

e. Assessment of costs. The cost of mediation shall be shared equally by the parties and paid directly to the mediator.

38.7(3) *Arbitration.*

a. Initiation of arbitration. Any party to the negotiation may petition the commission to arbitrate all open issues. The petition requesting arbitration must be filed during the period from the 135th day through the 160th day after the date on which the request for negotiation was received by the local utility. Simultaneously with filing the petition with the commission, the petitioning party shall provide a copy of the petition and accompanying documentation to the other parties.

b. Supporting documentation. On the same day of the filing of the request for arbitration, the petitioning party shall provide to the commission the date upon which the request for negotiation for the

interconnection, services, or network elements in dispute was made to the local utility, a list of unresolved issues, the position of each party on each of the unresolved issues, how the parties' positions meet or fail to meet the requirements of Section 251 of the Act or other regulations, any supporting documents for positions taken by the parties on unresolved issues including all relevant cost studies where prices are in dispute, whether a hearing is requested, a list of issues discussed and resolved prior to the petition for arbitration, any requests for confidentiality, and any other documents relevant to the dispute.

c. Response to the request for arbitration. A nonpetitioning party to the negotiation may respond to the petitioning party's position and provide additional information within 25 days after the petition for arbitration was received by the commission.

d. Parties. Only parties to the negotiations will be permitted to participate as parties to the arbitration, unless the commission consolidates proceedings. However, the office of consumer advocate will also be considered a party to the arbitration proceeding.

e. Assessment of costs. Costs shall be directly and equally assessed to the parties involved in the arbitration to the extent provided for by Iowa Code section 476.10.

f. Docketing of the arbitration request. Upon receipt of a timely and complete petition for arbitration, the commission shall docket the request for consideration by the commission.

g. Arbitration schedule and procedures. Within 15 days of the receipt of the petition for arbitration, the commission will schedule a conference to be held within 40 days of receipt of the petition. The purpose of the conference is to plan an arbitration hearing date, clarify the issues to be resolved, identify additional information needed to reach a decision on the issues, schedule production of documents and other information, discuss or rule on any other procedural matters, and consider any other matters that will expedite the arbitration process.

h. Hearing. An arbitration hearing shall commence no later than 60 days following receipt of the petition for arbitration.

i. Consolidation. Nothing in these rules precludes consolidation of proceedings in order to reduce administrative burdens on local utilities, other parties to the proceedings, and the commission.

j. Decision. Following the hearing, the commission will issue its preliminary written decision on the unresolved issues. All exceptions to the decision must be filed by the parties within ten days of issuance of the preliminary decisions. All replies to exceptions shall be filed within five days of the filing of the exceptions. A final written decision regarding all issues offered in arbitration shall be issued by the commission within the nine-month deadline in the Act.

38.7(4) *Commission review of agreements.*

a. Filing of agreements. All interconnection agreements shall be filed with the commission for approval within 15 days after the issuance of a final decision on the arbitrated issues in the case of arbitrated agreements, or, in the case of negotiated agreements, after the execution of the agreement.

b. Comments on arbitrated agreements. Within ten days following the filing of the arbitrated agreement with the commission for review, the parties involved in the arbitration, and any other interested party, may submit written comments to the commission supporting either approval or rejection of the agreement. If the commission does not approve or reject the agreement within 30 days after submission by the parties of an agreement adopted by arbitration, the agreement shall be deemed approved.

c. Comments on negotiated agreements and amendments to agreements. Within 30 days of the filing date of the negotiated agreement or amendment, the parties involved in the negotiations and any other interested party may submit written comments with the commission supporting either acceptance or rejection of the agreement or amendment. If no comments are filed and no issues are generated by the internal commission review, the agreement or amendment shall be deemed approved 41 days after the filing date. If comments opposing approval are filed or the internal commission review recommends investigation, the agreement or amendment shall be docketed. The docketing order shall be issued within 40 days after the filing date. If the commission does not issue a decision on a docketed filing within 90 days after the filing date, the agreement or amendment shall be deemed approved.

d. Comments on adoption of agreements. No commission approval is necessary when there is an adoption of the terms, conditions, and rates from an approved interconnection agreement. The adoption is

effective upon filing. If there are terms, conditions, or rates in the filing that are not from an adopted agreement, then the filing is subject to the provisions of paragraph 38.7(4)*"c."*

e. Indefinite terms, conditions, or rates. When the agreement or amendment contains terms, conditions, or rates that are not yet agreed to, the parties shall file an amendment to the agreement once they have reached agreement on the terms, conditions, or rates.

[**ARC 4120C**, IAB 11/7/18, effective 12/12/18; Editorial change: IAC Supplement 7/24/24]

199—38.8(476) Universal service. Rescinded IAB 12/31/97, effective 1/1/98.

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CHAPTER 39
UNIVERSAL SERVICE

199—39.1(476) Authority and purpose. These rules relate to the commission's designation of telecommunications carriers as eligible to receive support from the federal universal service fund and are prescribed by the commission pursuant to Iowa Code sections 17A.4, 476.2, 476.15 and 476.102 and 47 U.S.C. §§ 214(e) and 254. These rules are intended to preserve and advance universal service by implementing the commission's authority to designate eligible telecommunications carriers (ETCs). These rules establish procedures for applying for designation as an eligible telecommunications carrier and for relinquishing such designation; adopt service requirements for eligible telecommunications carriers; and establish state certification and reporting requirements consistent with federal requirements.
[**ARC 1899C**, IAB 3/4/15, effective 4/8/15; Editorial change: IAC Supplement 7/24/24]

199—39.2(476) Definition of terms. For the purposes of the commission's implementation of federal universal service fund requirements, the following definitions apply. Whenever a reference in this chapter is made to provisions found in 47 CFR Part 36, 51 or 54, that reference includes any amendment through February 20, 2019.

"Broadband service" means the broadband Internet access service designated by the Federal Communications Commission at 47 CFR § 54.101 as eligible for support by the federal universal service support mechanisms. Eligible broadband Internet access services must provide the capability to transmit data and receive data by wire or radio from all or substantially all Internet endpoints, including any capabilities that are incidental to and enable the operation of the communications service, but excluding dial-up service.

"Competitive eligible telecommunications carrier" means a carrier that meets the definition of an "eligible telecommunications carrier" below and does not meet the definition of an "incumbent local exchange carrier" in 47 CFR § 51.5.

"Connect America fund" or *"CAF"* means the federal universal service fund, as reformed by the Federal Communications Commission, to phase down and replace support previously provided through high-cost mechanisms, as referenced in 47 CFR §§ 54.304 and 54.312.

"Eligible telecommunications carrier" or *"eligible carrier"* means a carrier designated by the commission as eligible to receive universal service support pursuant to 47 U.S.C. § 214(e).

"Facilities" means any physical components of the telecommunications network that are used in the transmission or routing of the services designated for universal service fund support.

"High-cost program" means the component of the federal universal service fund that includes the following support mechanisms: high-cost loop support, safety net support, safety valve support, local switching support, interstate common line support, high-cost model support, interstate access support, and the connect America fund, which includes funding to support and advance networks that provide voice and broadband services, both fixed and mobile.

"High-cost support" means those support mechanisms in existence as of October 1, 2011, specifically, high-cost loop support, safety net additive support and safety valve support provided pursuant to 47 CFR Part 36, Subpart F; local switching support pursuant to 47 CFR § 54.301; forward-looking support pursuant to 47 CFR § 54.309; interstate access support pursuant to 47 CFR §§ 54.800 through 54.809; interstate common line support pursuant to 47 CFR §§ 54.901 through 54.904; support provided pursuant to 47 CFR §§ 51.915, 51.917, and 54.304; support provided to competitive eligible telecommunications carriers as set forth in 47 CFR § 54.307(e); connect America fund support provided pursuant to 47 CFR § 54.312; mobility fund support provided pursuant to 47 CFR Part 54, Subpart L; and Rural Broadband Experiment support.

"Lifeline-only ETC" means a telecommunications carrier that seeks limited designation as an ETC only to participate in the Lifeline program.

"Lifeline program" means the federal universal service program providing support for low-income consumers that is defined in 47 CFR § 54.401 to mean a nontransferable retail service offering (1) for which qualifying low-income consumers pay reduced charges as a result of application of the Lifeline support amount described in 47 CFR § 54.403, and (2) which provides qualifying low-income consumers

with voice telephony service as defined in 47 CFR § 54.101(a) or broadband Internet access service as defined in 47 CFR § 54.400.

"Mobility fund" means the wireless component of the connect America fund which provides support for the extension of mobile broadband networks in otherwise unserved areas.

"National Lifeline accountability database" means the electronic system, with associated functions, processes, policies and procedures, to facilitate the detection and elimination of duplicative support, as directed by the Federal Communications Commission and as defined in 47 CFR § 54.400.

"National Lifeline eligibility verifier," as defined in 47 CFR § 54.400(o), means the electronic and manual system that facilitates the determination of consumer eligibility for the Lifeline program.

"Qualifying low-income consumer" means a consumer who meets the qualifications for Lifeline as specified in 47 CFR § 54.409.

"Services designated for support" means voice telephony service and broadband service.

"Tribal Link Up" means an assistance program for eligible residents of tribal lands seeking telecommunications service from a telecommunications carrier that is receiving high-cost support on tribal lands, that provides a reduction of the customary charge for commencing telecommunications service for a single telecommunications connection at a subscriber's principal place of residence and a deferred schedule of payments of the customary charge for commencing telecommunications service as defined in 47 CFR § 54.413(a).

"Voice telephony service" means the service designated by the Federal Communications Commission at 47 CFR § 54.101 as eligible for support by the federal universal service support mechanisms. "Voice telephony service" is service which provides:

1. Voice grade access to the public switched network or its functional equivalent;
2. Minutes of use for local service at no additional charge to end users;
3. Access to the emergency services provided by local government or other public safety organizations, such as 911 and enhanced 911, to the extent the local government in an eligible carrier's service area has implemented 911 or enhanced 911 systems; and
4. Toll limitation services to qualifying low-income consumers as provided in 47 CFR Part 54, Subpart E.

[**ARC 1899C**, IAB 3/4/15, effective 4/8/15; **ARC 4254C**, IAB 1/16/19, effective 2/20/19; Editorial change: IAC Supplement 7/24/24]

199—39.3(476) Applying for designation as an eligible telecommunications carrier.

39.3(1) A telecommunications carrier must be designated as an ETC to qualify for support from the federal universal service fund. The Iowa utilities commission reviews applications for designation as an ETC for compliance with 47 U.S.C. § 214(e)(1) and grants ETC designations to qualified applicants for a service area designated by the commission. If an applicant requests an expedited ruling from the commission on an application to be designated as an ETC or on an amendment to an existing ETC designation, the applicant shall specify why an expedited process is necessary and why an expedited review would not be contrary to the public interest.

39.3(2) An application for an ETC designation must contain the following:

a. Where an applicant offers more than one type of communications service, a clear statement of which entity is requesting the designation.

b. A clear statement of the purposes for which the designation is sought, and a statement of financial and technical qualification to provide the supported service. An applicant shall specify whether designation is sought for purposes of receiving support from the high-cost fund or mobility fund; for Lifeline purposes only; or other specified purpose recognized by the Federal Communications Commission (FCC).

c. A certification that the applicant offers or intends to offer all services designated for support throughout the applicant's approved service area. The services designated for support are identified in 47 CFR § 54.101.

d. An explanation of how the carrier will provide voice telephony service and broadband service as defined in 199—39.2(476) and 47 CFR § 54.101.

e. A certification that the applicant offers or intends to offer the supported services either using its own facilities or a combination of its own facilities and resale of another carrier's services. "Own facilities" includes unbundled network elements, in whole or in part. The facilities providing the services supported

by the universal service fund need not be physically located in the area served. Wireless resellers shall provide the name of the facilities-based wireless carrier(s) whose services they are reselling and demonstrate they have an agreement with the carrier(s) in Iowa that will cover the applicant's proposed designated service area. Except for wireless resellers seeking ETC designation for Lifeline purposes only that have obtained FCC approval of a compliance plan and committed to certain 911 conditions, the commission will not designate as an eligible telecommunications carrier a carrier that offers the services supported by federal universal service support mechanisms exclusively through the resale of another carrier's services.

f. A description of how the applicant advertises the availability of supported services and the charges therefor using media of general distribution.

g. A detailed description, including a map or maps, of the geographic service area for which the applicant requests an ETC designation from the commission. An applicant seeking designation in connection with the connect America fund Phase II auction or other similar conditional support mechanism shall file a list of the census blocks in which the applicant will serve as an ETC, in addition to the map included with the description required by this paragraph. Wireless telecommunications carriers, defined as commercial mobile radio service providers in 47 CFR Parts 20 and 24, shall file coverage area maps and maps that depict signal strength. Requests to withhold from public inspection maps depicting signal strength will be deemed granted as provided in 199—paragraph 1.9(5)*"c."*

h. Where the application is from a carrier seeking a designation as an ETC for an area served by a rural telephone company as defined in 47 CFR § 51.5, a demonstration that the requested designation is in the public interest.

i. An affirmative statement that the applicant will use the support only for the provision, maintenance, and upgrading of facilities to deploy, improve, and support services to consumers in the applicant's designated service area. Applicants seeking designation only for purposes of receiving support from the Lifeline program need not include an affirmative statement or other information concerning network improvements planned for the designated service area.

j. An affirmative statement explaining how the applicant will remain functional in emergency situations. The statement shall include examples illustrating that the applicant has a reasonable amount of back-up power to ensure functionality without an external power source, is able to reroute traffic around damaged facilities, and is capable of managing traffic spikes resulting from emergency situations.

k. A certification that the applicant will comply with the service requirements applicable to the support that it seeks to receive.

l. A certification that the applicant will satisfy applicable consumer protection and service quality standards. Wireless ETC applicants shall commit to complying with the following minimum consumer protection standards:

(1) Disclose rates and terms of service to consumers. For each service plan offered to new consumers, wireless carriers will disclose to consumers at point of sale and on their websites at least the following information, as applicable: (a) the coverage area for the service; (b) any activation or initiation fee; (c) the monthly access fee or base charge; (d) the amount and nature of any voice, messaging, or data allowances included in the plan (such as night and weekend minutes); (e) the charges for domestic usage in excess of any included allowances or outside of the coverage area; (f) for prepaid service plans, the period of time during which any balance is available for use; (g) whether there are prohibitions on data service usage and whether there are network management practices that will have a material impact on the customer's wireless data experience; (h) whether any additional taxes, fees or surcharges apply; (i) the amount or range of any such fees or surcharges that are collected and retained by the carrier; (j) the amount or nature of any late payment fee; (k) whether a fixed-term contract is required and its duration; (l) the amount and nature of any early termination fee that may apply; and (m) the trial period during which a consumer may cancel service without any early termination fee, as long as the consumer complies with any applicable return policy.

(2) Make available maps showing where service is generally available. Wireless carriers will make available at point of sale and on their websites maps depicting approximate domestic coverage applicable to each of their service plans currently offered to consumers. To enable consumers to make comparisons

among carriers, these maps will be generated using generally accepted methodologies and standards to depict the carrier's outdoor coverage. All such maps will contain or link to an appropriate legend concerning limitations or variations, or both, in wireless coverage and map usage, including any geographic limitations on the availability of any services included in the plan. Wireless carriers will periodically update such maps as necessary to keep them reasonably current. If necessary to show the extent of service coverage available to customers from carriers' roaming partners, carriers will request from roaming partners and incorporate coverage maps that are generated using similar industry-accepted criteria, or if such information is not available, incorporate publicly available information regarding roaming partners' coverage areas.

(3) Provide contract terms to customers and confirm changes in service. When a customer initiates new service or a change in existing service, the carrier will provide or confirm any new material terms and conditions of the ongoing service with the customer.

(4) Allow a trial period for new service. When a customer initiates postpaid service with a wireless carrier, the customer will be informed of and given a period of not less than 14 days to try out the service. The carrier will not impose an early termination fee if the customer cancels service within this period, provided that the customer complies with applicable return policies and exchange policies. Other charges, including usage charges, may still apply.

(5) Provide specific disclosures in advertising. In advertising of prices for wireless service plans or devices, wireless carriers will disclose material charges and conditions related to the advertised prices and services, including if applicable and to the extent the advertising medium reasonably allows: (a) whether activation or initiation fees apply; (b) monthly access fees or base charges; (c) the amount and nature of any voice, messaging, or data service allowances included in the plan; (d) the charges for any domestic usage in excess of any included allowances or outside of the coverage area; (e) for prepaid service plans, the period of time during which any balance is available for use; (f) whether there are network management practices that will have a material impact on the customer's wireless data experience; (g) whether any additional taxes, fees or surcharges apply; (h) the amount or range of any such fees or surcharges that are collected and retained by the carrier; (i) whether a fixed-term contract is required and its duration; (j) early termination fees; (k) the terms and conditions related to receiving a product or service for "free"; (l) for any service plan advertised as "nationwide" (or using similar terms), the carrier will have available substantiation for this claim; and (m) whether prices or benefits apply only for a limited time or promotional period and, if so, whether any different fees or charges will apply for the remainder of the contract term.

(6) Separately identify carrier charges from taxes on billing statements. On customers' bills, carriers will distinguish (a) monthly charges for service and features, and other charges collected and retained by the carrier, from (b) taxes, fees and other charges collected by the carrier and remitted to federal, state or local governments. Carriers will not label cost recovery fees or charges as taxes.

(7) Provide customers the right to terminate service for changes to contract terms. Carriers will not modify the material terms of their postpaid customers' contracts in a manner that is materially adverse to those customers without providing a reasonable advance notice of a proposed modification and allowing those customers a time period of not less than 14 days to cancel their contracts with no early termination fee.

(8) Provide ready access to customer service. Customers will be provided a toll-free telephone number to access a carrier's customer service during normal business hours. Customer service contact information will be provided to customers online and on billing statements. Each wireless carrier will provide information about how customers can contact the carrier in writing, by toll-free telephone number, via the Internet or otherwise with any inquiries or complaints, and this information will be included, at a minimum, on all billing statements, in written responses to customer inquiries and on carriers' websites. Each carrier will also make such contact information available, upon request, to any customer calling the carrier's customer service departments.

(9) Promptly respond to consumer inquiries and complaints received from government agencies. Inquiries for information or complaints to a wireless ETC shall be resolved promptly and courteously. If a wireless ETC cannot resolve a dispute with the applicant or customer, the wireless ETC shall inform the

applicant or customer of the right to file a complaint with the commission. The wireless ETC shall provide the following commission address and toll-free telephone number: Iowa Utilities Commission, Customer Service, 1375 E. Court Avenue, Des Moines, Iowa 50319-0069; 1-877-565-4450. When the commission receives a complaint, the procedures set out in 199—Chapter 6, "Complaint Procedures," shall be followed to enforce the minimum consumer protection standards in paragraph 39.3(2)*"l."* When the commission receives a complaint alleging the addition or deletion of a product or service for which a separate charge is made to a customer account without the verified consent of the customer, the complaint shall be processed by the commission pursuant to 199—Chapter 6. In any complaint proceeding pursuant to this subparagraph, if the wireless ETC asserts that the complainant is located in an area where the wireless ETC is not designated as an ETC, the wireless ETC must submit evidence in support of its assertion.

(10) Abide by policies for protection of customer privacy. Each wireless carrier will abide by a policy regarding the privacy of customer information in accordance with applicable federal and state laws, and will make available to the public its privacy policy concerning information collected online. Each wireless carrier will abide by the Cellular Telecommunications and Internet Association's Best Practices and Guidelines for Location-Based Services.

(11) Provide consumers with free notifications for voice, data and messaging usage, and international roaming. Each wireless provider will provide, at no charge: (a) a notification to consumers of currently offered and future domestic wireless plans that include limited data allowances when consumers approach and exceed their allowance for data usage and will incur overage charges; (b) a notification to consumers of currently offered and future domestic voice and messaging plans that include limited voice and messaging allowances when consumers approach and exceed their allowance for those services and will incur overage charges; and (c) a notification to consumers without an international roaming plan/package whose devices have registered abroad and who may incur charges for international usage. Wireless providers will generate the notifications described above to postpaid consumers based on information available at the time the notification is sent. Wireless consumers will not have to affirmatively sign up in order for these notifications to be sent. Wireless providers will clearly and conspicuously disclose tools or services that enable consumers to track, monitor or set limits on voice, messaging and data usage.

(12) Abide by the mobile wireless device unlocking standards established in the Cellular Telecommunications and Internet Association's Consumer Code for Wireless Service.

m. A certification that the applicant will contribute to the dual party relay service, as provided in Iowa Code section 447C.7(1).

n. For applications from carriers seeking designation as an ETC for any part of tribal lands, the applicant shall provide a copy of its application to the affected tribal government and tribal regulatory authority at the time it files the application with the commission.

39.3(3) Amendments, assignments and transfers of control. Except as otherwise provided in this subrule, a carrier's ETC designation may be amended or assigned, or control of such designation may be transferred by the transfer of control of the carrier, whether voluntarily or involuntarily, directly or indirectly, only upon application to and prior approval by the commission.

a. Assignment. For purposes of this subrule, an assignment of a designation is a transaction in which a commission-issued ETC designation is assigned from one carrier to another carrier. Following an assignment, the designation is held by a carrier other than the carrier to which it was originally granted.

b. Transfers of control. For purposes of this subrule, a transfer of control is a transaction in which a commission-issued designation remains held by the same carrier, but there is a change in the individuals or entities that control the carrier. A change from less than 50 percent ownership to 50 percent or more ownership shall always be considered a transfer of control. A change from 50 percent or more ownership to less than 50 percent ownership shall always be considered a transfer of control. In all other situations, whether the interest being transferred is controlling must be determined on a case-by-case basis. The factors relevant to a determination of control in addition to equity ownership include, but are not limited to, the following:

(1) Power to constitute or appoint more than 50 percent of the board of directors or partnership management committee;

(2) Authority to appoint, promote, demote and fire senior executives who control the day-to-day activities of the carrier;

(3) Ability to play an integral role in major management decisions of the carrier;

(4) Authority to pay financial obligations, including expenses arising out of operations;

(5) Ability to receive moneys and profits from the carrier's operations; and

(6) Unfettered use of all of the carrier's facilities and equipment.

c. Pro forma assignments and transfers of control. Assignments or transfers of control that do not result in a change in the actual controlling party are considered nonsubstantial or pro forma. If a transaction is one of the types listed below, the transaction is presumptively pro forma and prior commission approval need not be sought:

(1) Assignment from an individual or individuals to an entity owned and controlled by such individuals without any substantial change in their relative interests;

(2) Assignment from an entity to its individual equity holders without effecting any substantial change in the disposition of their interests;

(3) Assignment or transfer by which certain equity holders retire and the interest transferred is not a controlling one;

(4) Entity reorganization that involves no substantial change in the beneficial ownership of the carrier (including reincorporation or reorganization in a different jurisdiction or change in form of the business entity);

(5) Assignment or transfer from a carrier to a wholly owned direct or indirect subsidiary thereof or vice versa, or where there is an assignment from a carrier to an entity owned or controlled by the same equity holders without substantial change in their interests; or

(6) Assignment of less than a controlling interest in a carrier.

d. Applications for substantial transactions. In the case of an assignment or transfer of control of commission-designated ETC that is not pro forma, the parties to such transaction must file a joint application with the commission prior to consummation of the proposed assignment or transfer of control. The application shall include the following information:

(1) A brief narrative of the means by which the proposed transfer or assignment will take place. This narrative should include a statement concerning how the transaction will be classified for the purposes of any filings required to be made by the parties with the Universal Service Administrative Company.

(2) Identification of each applicant, including the legal name and state or other governmental authority under the laws of which each entity applicant is incorporated or organized.

(3) The name, title, mailing address, telephone number and email contact information for each applicant.

(4) The name, title, mailing address, telephone number and email contact information for an application contact point, such as an executive officer, legal counsel or regulatory consultant, to whom correspondence concerning the application should be addressed.

(5) A statement identifying the date on which the applicants are asking for the transfer of the ETC designation to be effective. Where the timing of a transaction is dependent on facts objectively ascertainable outside of the filing (i.e., regulatory, lender or other third-party approval), the parties should include a statement concerning the manner in which such facts will operate on the effective date or other terms of the transaction.

(6) A certification as to whether the assignee/transferee is a commission-designated ETC. If the assignee/transferee is not a commission-designated ETC, the assignee/transferee shall separately file with the commission an application for designation as an ETC as provided in subrule 39.3(2). If the assignee/transferee is a commission-designated ETC, the joint application shall include a certification from the assignee/transferee that (a) the assignee/transferee is a commission-designated ETC in good standing and (b) the assignee/transferee will comply with the state and federal requirements for eligibility as an ETC, including the use of support to provide designated services within the assigned or transferred service area.

(7) Whether as part of the transaction, the assignor/transferor is requesting to relinquish its ETC status in whole or in part. If the assignor/transferor is requesting to relinquish its ETC status, the joint application shall be deemed to be the assignor/transferor's request for relinquishment of ETC designation under

199—39.8(476); provided that such relinquishment shall be conditioned on consummation of the transaction described in the application. If the assignor/transferor is for any reason seeking the unconditional relinquishment of its ETC status, such request should be filed separately under 199—39.8(476).

e. Commission approval. Where an assignment or transfer of control involves a transferee/assignee which is already a commission-designated ETC, such application shall be granted by the commission 30 days after the date the complete application seeking approval of the assignment or transfer of control is accepted for filing, unless the commission, for good cause, dockets the application for further investigation. Where an assignment or transfer of control involves a transferee/assignee which is not already a commission-designated ETC, such application shall be granted by the commission at the same time as the commission grants the assignee/transferee's application for ETC designation in accordance with the timelines and procedures set forth in subrule 39.3(2).

f. Notification of pro forma transactions. In the case of a pro forma assignment or transfer of control, the designated ETC is not required to seek prior commission approval. Instead, a pro forma assignee or a carrier that is subject to a pro forma transfer of control must file a notification with the commission no later than 30 days after the assignment or transfer is completed. The notification must contain the following:

(1) The information requested in subparagraphs 39.3(3)*"d"*(1) to (4) for the transferee/assignee.

(2) A certification that the transfer of control or assignment was pro forma and that, together with all previous pro forma transactions, the transfer of control or assignment does not result in a change in the actual control of the carrier.

(3) A certification from the assignee/transferee that the assignee/transferee will comply with the state and federal requirements for eligibility as an ETC, including the use of support to provide designated services within the assigned or transferred service area.

g. Involuntary assignments or transfers of control. In the case of an involuntary assignment or transfer of control to a bankruptcy trustee appointed under involuntary bankruptcy; to an independent receiver appointed by a court of competent jurisdiction in a foreclosure action; or in the case of death or legal disability, to a person or entity legally qualified to succeed the deceased or disabled person under the laws of the place having jurisdiction over the estate involved, the applicant must make the appropriate filing no later than 30 days after the event causing the involuntary assignment or transfer of control.

h. Notification of consummation. An assignee or transferee must notify the commission no later than 30 days after either consummation of the proposed assignment or transfer of control or a decision not to consummate the proposed assignment or transfer of control. The notification shall identify the docket number(s) under which the authorization of the assignment or transfer of control was granted.

i. Amendments other than transactions. Where a carrier that has been designated by the commission as an ETC intends to serve as an ETC in a new service area for the purpose of receiving support from the CAF Phase II auction or for other similar purposes, the carrier shall file a request to amend its designation with a notice of expansion at least 30 days in advance of the expansion and shall certify that the carrier intends to amend its designation to serve as an ETC in the expanded service area.

[**ARC 1899C**, IAB 3/4/15, effective 4/8/15; **ARC 4254C**, IAB 1/16/19, effective 2/20/19; Editorial change: IAC Supplement 7/24/24]

199—39.4(476) Lifeline-only applicants. Where an applicant is seeking designation only for purposes of receiving support from the Lifeline program, the following requirements apply in addition to those specified in 199—39.3(476):

39.4(1) *Approved compliance plan required.* The applicant shall submit a copy of a compliance plan submitted to the Federal Communications Commission and a copy of the Commission's notice of approval.

39.4(2) *Terms and conditions of voice telephony service offered to Lifeline subscribers.* The applicant shall submit information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers, including details on the number of minutes provided as part of the plan, additional charges, if any, for toll calls, and rates for such plan. To the extent the applicant offers to Lifeline subscribers plans that are generally available to the public, the applicant may provide summary information regarding such plans, such as a link to a public website outlining the terms and conditions of such plans.

39.4(3) *Demonstration of financial and technical capability to provide supported services.* The applicant shall demonstrate that it is financially and technically capable of providing the supported Lifeline

service in compliance with 47 CFR Subchapter B, Part 54, Subpart E, as required by 47 CFR § 54.201(h). Relevant considerations include, but are not limited to, how long the carrier has been in business, whether the applicant intends to rely exclusively on universal service fund disbursements to operate, whether the applicant receives or will receive revenue from other sources, and whether the applicant has been subject to enforcement action or ETC revocation proceedings in any state.
[**ARC 1899C**, IAB 3/4/15, effective 4/8/15]

199—39.5(476) Service area.

39.5(1) Unless otherwise ordered by the commission, the approved service area for universal service fund support calculations will be the same as the service area currently approved for local service by the commission. Those carriers not currently approved to provide local service are required to provide documentation showing their service area.

39.5(2) In the case of a service area served by a rural telephone company, "service area" means such company's "study area" unless and until the FCC and the states, after taking into account recommendations of a federal-state joint commission instituted under Section 410(c) of the Telecommunications Act of 1996, establish a different definition of service area for such company.

39.5(3) In the case of a wireless telecommunications carrier, "service area" means that area where the wireless company has been licensed by the FCC to provide service.
[**ARC 1899C**, IAB 3/4/15, effective 4/8/15; Editorial change: IAC Supplement 7/24/24]

199—39.6(476) Universal service support for low-income consumers (Lifeline program and Tribal Link Up program).

39.6(1) *Carrier obligation to offer Lifeline.* Pursuant to 47 CFR § 54.405, which specifies the Lifeline obligations of eligible telecommunications carriers, all eligible telecommunications carriers must make available Lifeline service, as defined in 47 CFR § 54.401, to qualifying low-income consumers, defined as consumers who meet the qualifications for Lifeline as specified in 47 CFR § 54.409. Eligible telecommunications carriers must comply with the minimum service standards specified in 47 CFR § 54.408.

39.6(2) *Customer notification.* Eligible telecommunications carriers shall include a description of their Lifeline offerings or discounts in their residential service agreements. Eligible telecommunications carriers shall provide the commission with information about their residential service agreements upon request. Eligible telecommunications carriers shall publicize the availability of Lifeline service in a manner reasonably designed to reach those likely to qualify for service as required by 47 CFR § 54.405(b).

39.6(3) *Consumer qualification for Lifeline.* To qualify for Lifeline, a consumer must meet the qualifications for Lifeline as specified in 47 CFR § 54.409. A consumer may only receive one Lifeline service per household.

39.6(4) *Determination of subscriber eligibility.* Until the national Lifeline eligibility verifier becomes responsible for the initial determination of Iowa consumers' eligibility for Lifeline assistance, Iowa eligible telecommunications carriers are responsible for establishing consumer eligibility for Lifeline assistance. Iowa eligible telecommunications carriers shall ensure that their Lifeline subscribers are eligible to receive Lifeline services in accordance with 47 CFR § 54.410. Eligible telecommunications carriers shall:

a. Implement policies and procedures for ensuring that their Lifeline subscribers are eligible to receive Lifeline services;

b. Confirm a subscriber's income-based or program-based eligibility according to 47 CFR § 54.410(b) or (c);

c. Provide prospective subscribers Lifeline certification forms that comply with 47 CFR § 54.410(d); and

d. Recertify all subscribers' Lifeline eligibility in accordance with 47 CFR § 54.410(f) and (g).

39.6(5) *Annual certifications by eligible telecommunications carriers.* Eligible telecommunications carriers shall make and submit to the Universal Service Administrative Company (USAC) annual certifications relating to the Lifeline program as required by 47 CFR § 54.416. Eligible telecommunications carriers shall file their annual Lifeline certifications with the commission as provided in 39.7(1)*"a"* and, if applicable, with the relevant tribal governments.

39.6(6) *Tribal Link Up.* A telecommunications carrier receiving high-cost support on tribal lands that is offering the Tribal Link Up assistance program, as defined in 199—39.2(476), to eligible residents of tribal lands, as defined in 47 CFR § 54.400(e), must provide (1) a 100 percent reduction of the customary connection charge for commencing service at a subscriber's residence, and (2) a deferred schedule of interest-free payments for the connection charge, pursuant to 47 CFR § 54.413. Prior to enrolling an eligible resident of tribal lands in the Tribal Link Up program, an ETC must obtain from the resident a certification form that complies with 47 CFR § 54.410.

39.6(7) *Audits.* Eligible telecommunications carriers shall file with the commission finalized reports of audits involving the audited ETC's operations in Iowa conducted pursuant to 47 CFR § 54.420 requiring low-income program audits. The audit reports will not be considered or deemed confidential. The audit reports shall be filed with the commission within 30 days of issuance of the final audit report.

[**ARC 1899C**, IAB 3/4/15, effective 4/8/15; **ARC 4254C**, IAB 1/16/19, effective 2/20/19; Editorial change: IAC Supplement 7/24/24]

199—39.7(476) Schedule of filings. The filing requirements specified below apply only to filings that are not available to the commission through the Universal Service Administrative Company's online filing portal or other means authorized by the FCC.

39.7(1) *Annual Lifeline compliance certifications.*

a. FCC Form 555. On or before January 31 of each year, or other date established by the Federal Communications Commission, each carrier designated by the commission as an eligible telecommunications carrier pursuant to 47 U.S.C. § 214(e) shall file with the commission the carrier's certification of compliance with federal Lifeline rules filed with the Federal Communications Commission and the Universal Service Administrative Company pursuant to 47 CFR § 54.416 using FCC Form 555.

b. Filing instructions. FCC Form 555 shall be filed using the commission's electronic filing system in accordance with 199—Chapter 14, unless the commission directs otherwise by order issued in advance of the filing deadline. The filing shall be titled "Annual Lifeline Eligible Telecommunications Carrier Certification," with a reference to the year for which the certification is filed. The document title for the FCC form shall be "FCC Form 555 Filing." The annual Lifeline compliance certifications are not subject to protection from public disclosure.

39.7(2) *Annual eligible recovery certifications.* On or before the date on which carriers file their access tariffs with the FCC, each price cap and rate-of-return carrier designated by the commission as an eligible telecommunications carrier pursuant to 47 U.S.C. § 214(e) shall file with the commission certifications of eligible recovery amounts as follows, as required by 47 CFR § 54.304(c) and (d).

a. Price cap carriers. Each price cap carrier designated by the commission as an ETC shall file with the commission the carrier's certification to the FCC and USAC regarding the connect America fund intercarrier compensation support amount the carrier is eligible to recover pursuant to 47 CFR § 51.915 and the certification that the carrier is not seeking duplicative recovery in Iowa for any eligible recovery subject to the federal recovery mechanisms.

b. Rate-of-return carriers. Each rate-of-return carrier designated by the commission as an ETC shall file with the commission the carrier's certification to the FCC and USAC regarding the connect America fund intercarrier compensation support amount the carrier is eligible to recover pursuant to 47 CFR § 51.917 and the certification that the carrier is not seeking duplicative recovery in Iowa for any eligible recovery subject to the federal recovery mechanisms.

c. Filing instructions. The annual eligible recovery certifications shall be filed using the commission's electronic filing system in accordance with 199—Chapter 14, unless the commission directs otherwise by order issued in advance of the filing deadline. The filing shall be titled "Connect America Fund – Intercarrier Compensation Recovery and Certification," with a reference to the year for which the certification is filed. The document title for the FCC form shall be "Annual Reporting Requirements for Section 54.304."

d. Confidential information.

(1) Requests to withhold from public inspection revenue recovery amounts and loop or line count data will be deemed granted as provided in 199—paragraph 1.9(5)*"c."*

(2) If a carrier considers other information filed on or with the annual Section 54.304 report to be confidential, the carrier shall file both a public version and a confidential version of the material pursuant to

199—14.12(17A,476), and a separate request for confidential treatment pursuant to 199—subrule 1.9(22) and Iowa Code section 22.7. Where a request for confidential treatment of information filed on or with the Section 54.304 report is based on a protective order issued by the FCC, the carrier's request for confidential treatment shall include a reference to the relevant protective order.

39.7(3) *Annual reporting requirements.*

a. FCC Form 481. On or before July 1 of each year, or other date established by the Federal Communications Commission, each carrier designated by the commission as an eligible telecommunications carrier pursuant to 47 U.S.C. § 214(e) for purposes of receiving Lifeline support only shall file with the commission the carrier's annual report filed with the FCC pursuant to 47 CFR § 54.422(a) using FCC Form 481 or such other form designated by the FCC as the form for the annual report for ETCs.

b. FCC Form 690. On or before July 1 of each year, or other date established by the Federal Communications Commission, each carrier designated by the commission as an eligible telecommunications carrier pursuant to 47 U.S.C. § 214(e) and that receives mobility fund support shall file with the commission the carrier's annual report filed with the FCC pursuant to 47 CFR § 54.1009.

c. Annual certifications from carriers seeking to continue to receive high-cost support. Any carrier seeking to continue to receive federal high-cost universal service support shall file with the commission no later than July 1 of each year an affidavit titled "Certification of [Company Name]." The company name shall be the name used on the carrier's initial application for ETC designation and its current name, if its name has changed.

(1) Contents of affidavit. The affidavit shall include the study area code (SAC) number associated with the company. The affidavit shall be sworn and notarized and shall be executed by an authorized corporate officer. The affidavit shall certify that the carrier has used all federal high-cost support provided in the preceding calendar year and will use all federal high-cost support provided to the carrier in the coming calendar year received pursuant to 47 CFR Subchapter B, Part 54, Subparts D, K, L, and M, as defined in 47 CFR § 54.5, only for the provision, maintenance, and upgrading of facilities and services for which the support is intended. The affidavit shall also certify to the following: as an eligible telecommunications carrier, the carrier agrees to provide timely responses to commission requests for information related to the status of local markets for supported services, including local markets for supported voice and broadband services.

(2) Certifications subject to complaint or investigation. Any certification filed by a carrier shall be subject to complaint or investigation by the commission.

(3) State certification of eligibility. An ETC's certification shall be the basis of the commission's certification to the FCC and USAC pursuant to 47 CFR § 54.314 that the ETC has used and will use the support for the purposes intended.

d. Filing instructions for annual report filings. FCC Form 481 if Form 481 is required to be filed with the commission, the affidavit certifying compliance, and FCC Form 690 shall be filed using the commission's electronic filing system in accordance with 199—Chapter 14, unless the commission directs otherwise by order issued in advance of the filing deadline. The filing shall be titled "Annual Eligible Telecommunications Carrier Reporting Requirements," with a reference to the year for which the report is filed. The document title for the FCC form shall be "FCC Form 481 Filing" or "FCC Form 690 Filing," as appropriate. The document title for the affidavit certifying compliance shall be "Carrier Certification."

e. Confidential information.

(1) Requests to withhold from public inspection financial reports and loop or line count data included in the rate floor data reports included in the annual report filings will be deemed granted as provided in 199—paragraph 1.9(5)*"c."*

(2) If a carrier considers other information filed on or with FCC Form 481 to be confidential, the carrier shall file both a public version and a confidential version of the material pursuant to 199—14.12(17A,476), and a separate request for confidential treatment pursuant to 199—1.9(22) and Iowa Code section 22.7. Where a request for confidential treatment of information filed on or with FCC Form 481 is based on a protective order issued by the FCC, the carrier's request for confidential treatment shall include a reference to the relevant protective order.

39.7(4) *Rate floor data and rate floor data updates.*

a. On or before July 1 of each year, or other date established by the FCC, each carrier designated by the commission as an eligible telecommunications carrier pursuant to 47 U.S.C. § 214(e) that is subject to the FCC's mandatory rate floor data reporting requirements in 47 CFR § 54.313(h)(1) shall file with the commission the annual rate floor data filed with the FCC. Carriers that are required to file or that elect to file rate floor data updates with the FCC on January 2 of each year pursuant to 47 CFR § 54.313(h)(2) shall also file the updates with the commission.

b. Filing instructions for rate floor data and rate floor data updates. The rate floor data and rate floor data updates shall be filed using the commission's electronic filing system in accordance with 199—Chapter 14, unless the commission directs otherwise by order issued in advance of the filing deadline. The filing shall be titled "FCC Section 54.313(h)(1) Rate Floor Data" or "FCC Section 54.313(h)(2) Rate Floor Data Update," with a reference to the year for which the update is filed. The document title for the report shall be "Rate Floor Data" or "Rate Floor Data Update," as appropriate.

c. Confidential information.

(1) Requests to withhold from public inspection loop or line count data submitted as part of a rate floor data update will be deemed granted as provided in 199—paragraph 1.9(5)*"c."*

(2) If a carrier considers other information filed on or with a rate floor data update to be confidential, the carrier shall file both a public version and a confidential version of the material pursuant to 199—14.12(17A,476), and a separate request for confidential treatment pursuant to 199—subrule 1.9(22) and Iowa Code section 22.7. Where a request for confidential treatment of information filed on or with a rate floor data update is based on a protective order issued by the FCC, the carrier's request for confidential treatment shall include a reference to the relevant protective order.

[**ARC 1899C**, IAB 3/4/15, effective 4/8/15; **ARC 4254C**, IAB 1/16/19, effective 2/20/19; Editorial change: IAC Supplement 7/24/24]

199—39.8(476) Relinquishment of ETC designation.

39.8(1) The commission may permit an eligible telecommunications carrier to relinquish its designation as such a carrier in any area served by more than one eligible telecommunications carrier. An eligible telecommunications carrier that seeks to relinquish its eligible telecommunications carrier designation for an area served by more than one eligible telecommunications carrier shall give 30 days' advance notice to the commission of such relinquishment. A carrier that is granted ETC status in connection with a connect America fund Phase II auction or other similar conditional support mechanism but that ultimately does not receive the support shall, within 30 days after the Federal Communications Commission issues a public notice regarding the award of support, file a notice of relinquishment of the carrier's designation for any service areas where the carrier is not awarded funds and does not plan to offer service.

39.8(2) Prior to permitting a telecommunications carrier designated as an eligible telecommunications carrier to cease providing universal service in an area served by more than one eligible telecommunications carrier, the commission shall require the remaining eligible telecommunications carrier or carriers to ensure that all customers served by the relinquishing carrier will continue to be served and shall require sufficient notice to permit the purchase or construction of adequate facilities by any remaining eligible telecommunications carrier. The commission shall establish a time, not to exceed one year after the commission approves such relinquishment under this rule, within which such purchase or construction shall be completed.

[**ARC 1899C**, IAB 3/4/15, effective 4/8/15; **ARC 4254C**, IAB 1/16/19, effective 2/20/19; Editorial change: IAC Supplement 7/24/24]

These rules are intended to implement Iowa Code sections 17A.4, 476.2, 476.15, and 476.102 and 47 U.S.C. Section 214(e).

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CHAPTER 40
COMPETITIVE BIDDING PROCESS

Rescinded **ARC 8236C**, IAB 10/2/24, effective 11/6/24

CHAPTER 41
RATEMAKING PRINCIPLES PROCEEDING

199—41.1(476) Definitions.

"Affiliate" means a party that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with a rate-regulated public utility.

"AFUDC" means allowance for funds used during construction.

"Alternate energy production facility" means any or all of the following:

1. A solar, wind turbine, waste management, resource recovery, refuse-derived fuel, agricultural crops or residues, or woodburning facility.
2. Land, systems, buildings, or improvements that are located at the project site and are necessary or convenient to the construction, completion, or operation of the facility.
3. Transmission or distribution facilities necessary to conduct the energy produced by the facility to users located at or near the project site.

A facility which is a qualifying facility under 18 CFR Part 292, Subpart B, is not precluded from being an alternate energy production facility under this chapter.

"Baseload generation" refers to generating units designed for normal operation to serve all or part of the minimum load of the system on an around-the-clock basis. These units are operated to maximize system mechanical and thermal efficiency and minimize system operating costs.

"Combined-cycle combustion turbine" means an electric generating technology in which the efficiency of electric generation is increased by using otherwise lost waste heat exiting from one or more combustion turbines. The exiting heat is routed to a boiler or to a heat recovery steam generator for utilization by a steam turbine in the production of electricity.

"Control" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of an enterprise through ownership, by contract or otherwise.

"Emission allowance" means an authorization, allocated by the federal Environmental Protection Agency under the Acid Rain Program, to emit up to one ton of sulfur dioxide during or after a specified calendar year.

"Facility" means a facility for which advance ratemaking principles may be sought pursuant to Iowa Code section 476.53(3)*"a."* The term includes energy storage systems located at the site of an alternate energy production facility.

"kWh" means kilowatt-hour.

"Opportunity sales" means sales of electricity from a particular facility at market price after all contracted and firm transactions have been met.

"Repowering" means either the complete dismantling and replacement of generation equipment at an existing project site or the installation of new parts and equipment to an existing alternate energy production facility in order to increase energy production, reduce load, increase service capacity, improve project reliability, or extend the useful life of the facility.

"Utility" means either a rate-regulated electric public utility selling to retail customers in Iowa or a rate-regulated public utility acquiring a water, sanitary sewage, or storm water utility.

[**ARC 5206C**, IAB 10/7/20, effective 11/11/20]

199—41.2(476) Applicability and purpose.

41.2(1) Rules 199—41.3(476) and 199—41.4(476) apply to any rate-regulated public electric utility proposing to build or lease in Iowa, either in whole or in part, a new baseload generating facility with a nameplate generating capacity equal to or greater than 300 megawatts, a new combined-cycle combustion turbine of any size, a new or repowered alternate energy production facility of any size, or any combination of the above, and desiring predetermination of ratemaking principles to be used in establishing the retail cost recovery of such a facility. These rules set the initial filing requirements in a ratemaking principles proceeding depending on the specific circumstances of a filing.

41.2(2) Rule 199—41.5(476) applies to any rate-regulated public utility acquiring a water, sanitary sewage, or storm 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(4). Rule 199—41.5(476) sets the initial filing requirements in a ratemaking principles proceeding related to the acquisition.

41.2(3) The commission may require additional information from an applicant on a case-by-case basis.

[**ARC 5206C**, IAB 10/7/20, effective 11/11/20; Editorial change: IAC Supplement 7/24/24]

199—41.3(476) Application for predetermined ratemaking principles; contents. Each person or group of persons proposing to construct, repower, or lease a facility and desiring predetermination of ratemaking principles for costing that facility shall file an application with the commission. An application may be for one facility or a combination of facilities necessary to meet the current and future resource needs of the utility. An application for ratemaking principles must demonstrate that the utility has considered other sources for long-term electric supply and that the facility or lease is reasonable when compared to other feasible alternative sources of supply. At a minimum, an application shall substantially comply with the following informational requirements to the extent such information is reasonably available. Any omission of required information on the basis that it is not reasonably available shall be adequately justified by the applicant. The commission will consider such omissions on a case-by-case basis and may require the applicant to provide additional information.

41.3(1) *General information.* An application shall include the following general information:

a. The purpose of the proposed facility.

b. A complete description of the current and proposed rights of ownership in the proposed facility and current or planned purchased power contracts with respect to the proposed facility.

c. For a baseload electric power generating facility with a nameplate generating capacity equal to or greater than 300 megawatts, a combined-cycle electric power generating facility, or repowering of a facility, a general site description including a legal description of the site; a map showing the coordinates of the site and its location with respect to state, county, and other political subdivisions; and prominent features such as cities, lakes, rivers, and parks within the site impact area. For an alternative energy production facility, to the extent feasible, a general site description including a description of the site location or locations; map(s) showing the coordinates of the site(s) and location(s) with respect to state, county, and other political subdivisions; and prominent features such as cities, lakes, rivers and parks within the site impact area(s).

d. A general description of the proposed facility, including a description of the expected principal characteristics of the facility such as the capacity of the proposed facility in megawatts expressed by the contract maximum generator megawatt rating, the expected net facility addition to the system in megawatts by net to the busbar rating, and the portion of the design capacity, in megawatts, of the proposed facility which is proposed to be available for use by each participant; the expected number and type of generating units; the primary fuel source for each such unit; the total hours of operation anticipated seasonally and annually and output during these hours; the expected capacity factors; a description of the expected general arrangement of major structures and equipment to provide the commission with an understanding of the general layout of the facility; and a projected schedule for the facility's construction and utilization, including the projected date when a significant site alteration is proposed to begin and the projected in-service date of the facility. For this purpose, a group of several similar generating units operated together at the same location such that segregated records of energy output are not available shall be considered a single unit.

e. A general description of the raw materials, including fuel, used by the proposed facility in producing electricity and of the wastes created in the production process. In addition to describing the wastes created in the production process, the applicant shall determine annual expected emissions from the facility and provide a plan for acquiring allowances sufficient to offset these emissions. The applicant shall describe all transportation facilities currently operating that will be available to serve the proposed facility, and any additional transportation facilities needed to deliver raw materials and to remove wastes.

f. An identification, general description, and chronology of all material financial and other contractual commitments undertaken or planned to be undertaken with respect to the proposed facility.

g. A general map and description of the primary transportation corridors and the approximate routing of the rights-of-way in the vicinity of the settled areas, parks, recreational areas, and scenic areas.

h. A general analysis of the existing transmission system's capability to reliably support the proposed additional generation interconnection to the system. In the alternative, the applicant may provide testimony that (1) it will follow the interconnection requirements of the local and regional transmission authorities; (2) it is committed to meeting the pertinent transmission requirements with respect to the proposed facility; and (3) the applicant assures the commission that the interconnection of the proposed facility will not degrade the adequacy, reliability, or operating flexibility of the transmission system from a regional or local perspective.

i. Identification of the general contractor for the proposed facility and the method by which the general contractor was selected. If a general contractor has not yet been selected, the utility shall identify the process by which the general contractor will be selected and the anticipated timeline for selecting a general contractor.

j. Identification of the plant operator for the proposed facility and the method by which the plant operator was selected. If a plant operator has not yet been selected, the utility shall identify the process by which a plant operator will be selected and the anticipated timeline for selecting a plant operator.

41.3(2) *Economic evaluation of proposed facility.* An application shall include an overall economic evaluation of the proposed facility using conventional capital evaluation techniques and the proposed ratemaking principles. Material assumptions used in the analysis shall be disclosed. At a minimum, the evaluation shall include:

a. Net present value calculations. An application shall include projected annual and total net present value calculations of projected revenue requirements and capital costs over the expected life of the proposed facility. If a traditional revenue requirement analysis does not account for revenue-sharing arrangements, riders, or other mechanisms that impact Iowa retail customer bills, the utility shall also provide projected annual and total net present value calculations that show the impact on amounts that will actually be paid by Iowa retail customers accounting for such mechanisms. To the extent the utility has projected revenue deficiencies within the period of analysis, the utility shall also provide the estimated effect the proposed facility will have on these calculations. In making these calculations, the utility shall detail the following cost assumptions:

(1) Installed cost. The utility shall provide an itemized statement of the estimated total costs to construct the proposed facility. Such estimated costs shall include, but not be limited to, the estimated cost of all electric power generating units; all electric supply lines within the proposed facility site boundary; all electric supply lines beyond the proposed facility site boundary with a voltage of 69 kilovolts or higher used for transmitting power from the proposed facility to the point of junction with the distribution system or with the interconnected primary transmission system; all appurtenant or miscellaneous structures used and useful in connection with the proposed facility or any part thereof; all rights-of-way, lands, or interest in lands the use and occupancy of which are necessary or appropriate in the maintenance or operation of said facility; engineering and development; sales taxes; and AFUDC (if applicable). The estimated costs of all electric power generating units shall include all estimated costs of transmission and gas interconnection (if applicable). Estimated facility costs shall be expressed in absolute terms and in dollars per kilowatt. The absolute and per-kilowatt estimated construction costs shall be adjusted by the expected rate of inflation from the time the estimated construction costs are calculated to the time the proposed facility is scheduled for operation.

(2) Fixed expenses. For each year of the proposed facility's expected life from the time of application to the end of the proposed facility's expected life, the utility shall file projected expense factors for fixed operation and maintenance costs; property, income, and other taxes; and straight-line and tax depreciation rights.

(3) Variable expenses. For each year of the proposed facility's expected life from the scheduled time of operation to the end of the proposed facility's expected life, the utility shall file expected variable operation and maintenance costs including the cost of fuel and emission allowances. These expected costs shall be reported in absolute terms and on a kWh basis assuming expected annual capacity factors for the proposed facility.

b. Cost of capital. The utility shall provide its projected costs of capital for the proposed facility for each year of the proposed facility's expected life from the time of application to the end of the proposed

facility's expected life. Material assumptions used in the projections shall be provided, including but not limited to capital structure, cost of preferred stock, cost of debt, and cost of equity.

c. Cash flows. The utility shall provide the estimated maximum, minimum and expected cash inflows and outflows associated with the proposed facility in each year from the date of the application throughout the proposed facility's expected life.

41.3(3) *Risk mitigation factors.* At a minimum, the following information regarding contractual risk mitigation factors shall be included in an application:

a. Construction risk mitigation factors. The utility shall provide a general description of the contractual standards that the general contractor, if not the utility, must comply with to mitigate construction risks, including but not limited to cost overruns, labor shortages, failure to meet deadlines, and the need for replacement power if operational deadlines are not met. If the facility will be leased by the utility, the utility shall identify the above factors for both the lessor and the general contractor constructing the facility. The general description shall include all remedies, financial and otherwise, available to the utility for noncompliance with the construction standards and schedules.

b. Operational risk mitigation factors. The utility shall provide a general description of the contractual standards that the general contractor or the plant operator, if not the utility, must comply with to mitigate operational risks of the facility, including but not limited to low-availability factor and higher-than-expected operation and maintenance costs. The general description shall include a list of all contractual inspections the general contractor must meet before the utility leases or takes ownership of the facility and all remedies, financial and otherwise, available to the utility for noncompliance with the operating standards. If the utility leases the facility from an affiliate, the lease shall contain specific performance standards that the affiliate must meet to avoid financial consequences.

41.3(4) *Noncost factors.* The utility shall include in its application a comparison of the proposed facility with other feasible sources of supply related to the following noncost factors:

a. Economic impact to the state and community where the facility is proposed to be located, including job creation, taxes, and use of state resources.

b. Environmental impact to the state and community where the facility is proposed to be located.

c. Electric supply reliability and security in the state.

d. Fuel diversity and use of nontraditional supply sources such as alternate energy and conservation.

e. Efficiency and control technologies.

41.3(5) *Filing requirements for proposed ratemaking principles.* Each ratemaking principle proposed shall be supported as described in this subrule. Proposed ratemaking principles not envisioned by these rules shall be supported by sufficient evidence to justify the use of such principles in costing the facility for regulated retail rate recovery.

a. Cost of equity. Proposals for establishing the cost of equity shall be supported with analyses which demonstrate the reasonableness of the proposed equity rate for the proposed facility. If sufficient information is available, the analyses shall include a comparison with similar facilities built in the region in recent years.

b. Depreciable life. Proposals for establishing the depreciable life of the facility shall be supported by commission precedent for the depreciable lives of similar facilities, the manufacturer's opinion of depreciable life, the applicant's general depreciation study or analysis, or an engineering study of the depreciable life of the type of facility proposed.

c. Jurisdictional allocations. Proposals for allocating the cost or output of the proposed facility among jurisdictions shall be supported by jurisdictional allocation studies or recent commission-ordered or -approved allocations for the applicant.

41.3(6) *Additional application requirements for leasing arrangements.* The following additional information shall be filed when a utility is proposing an arrangement in which the utility leases a facility from an affiliate or an independent third party:

a. Identification of the method used in selecting the affiliate or independent third party to build the facility (competitive solicitation, sole source, etc.).

b. A copy of the lease agreement.

c. A detailed description of the lease agreement, including but not limited to the following:

(1) Commitment of capacity from the proposed facility to the utility under the lease agreement.

(2) Description of the final disposition of the leased facility at the end of the lease arrangement, including any options available to the utility and the terms of those options.

(3) Identification of the party responsible for operating, dispatching, and maintaining the facility.

(4) Identification of the party responsible for the cost of capital improvements, renewals and replacements, environmental compliance, taxes, and all other future costs associated with the facility.

(5) Identification of the party responsible for contracting capacity from the proposed facility.

(6) Identification of the party benefitting from revenues received through contracted capacity and opportunity sales.

d. If the lessor is an affiliate, a detailed description of the affiliate, including the affiliate's corporate structure and the utility's ownership stake in the affiliate, if any.

e. If the lessor is an affiliate, identification of utility assets transferred to the affiliate for use by the proposed facility and the cost at which those assets were transferred.

f. If the lessor is an affiliate, identification of any financial benefits and cost savings, including any tax advantages, accruing to the utility from leasing an affiliate-owned facility versus building a facility itself.

[**ARC 5206C**, IAB 10/7/20, effective 11/11/20; Editorial change: IAC Supplement 7/24/24]

199—41.4(476) Coincident filing. The utility shall have the option of filing its application for ratemaking principles, as required by this chapter, coincident with the utility's application for a certificate of public convenience, use, and necessity under 199—Chapter 24. Identical information required by both chapters need only be included once in a joint principles and certification application.

[**ARC 5206C**, IAB 10/7/20, effective 11/11/20]

199—41.5(476) Acquisition of a water, sanitary sewage, or storm water utility. A rate-regulated public utility proposing to acquire, in whole or in part, a water, sanitary sewage, or storm 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(4) shall file an application for approval of the acquisition with the commission. If the acquisition is approved, ratemaking principles that will apply when the costs of the acquisition are included in regulated rates shall be determined as part of the commission's review of the application. At a minimum, an application made under this rule shall substantially comply with the following informational requirements, to the extent such information is reasonably available. Any omission of required information on the basis that it is not reasonably available shall be adequately justified by the applicant. The commission will consider such omissions on a case-by-case basis and may require the applicant to provide additional information.

41.5(1) *General information.* An application shall include the following general information:

a. A general description of the system to be acquired, including the total number of customers, a description of the general arrangement of major structures and equipment, maps of the system, and a general description of the scope of the system.

b. The identification and general description of all material capital investments and operating expenses associated with the proposed acquisition anticipated within five years of the date of the acquisition.

c. A proposed procedural schedule that, at a minimum, provides proposed dates for direct testimony, rebuttal testimony, and a hearing for cross-examination of all testimony. The proposed schedule should generally comply with the commission's procedural rules in 199—Chapter 7.

41.5(2) *Acquisition information.* An application shall include the following information related to the acquisition:

a. The final reports of both appraisals prepared pursuant to Iowa Code section 388.2A(2)*"a"*(2).

b. Final fair market value of the system as identified in Iowa Code section 388.2A(2)*"b."*

c. The final price for the system as negotiated pursuant to Iowa Code section 388.2A(2)*"c."*

d. An inventory of the acquired system's real and personal property as identified in Iowa Code section 388.2A(2)*"d."*

e. A financial information sheet prepared pursuant to Iowa Code section 388.2A(2)*"e."*

f. An affirmation that the acquiring utility and the acquired system have complied with the applicable components of Iowa Code section 388.2A.

g. The proposed acquisition contract.

41.5(3) *Impact of acquisition.* An application shall include the following information related to the acquired system and its potential impact on the acquiring utility:

a. If the acquired system is not in compliance with applicable local, state, or federal standards, estimates of the approximate cost and time required to put the system in compliance with such standards.

b. A description of anticipated capital investments and retirements for the acquired system, including estimated dollar amounts, for each of the first five years after the acquisition.

c. Any anticipated staffing changes due to the proposed acquisition.

d. A description of the proposed accounting to be utilized in any transfer of assets necessary to accomplish the acquisition.

e. A description of the anticipated effects of the acquisition, including a cost-benefit analysis which describes the projected benefits and costs of the acquisition, quantified in terms of present value and identifying the sources of such benefits and costs.

f. An analysis of the projected financial impact of the acquisition on the ratepayers of each of the affected utilities for each of the first five years after the acquisition.

g. Historical and projected fixed expenses for the acquired system, including expense factors for fixed operation and maintenance costs.

h. Historical and projected variable expenses for the acquired system, including expected variable operation and maintenance costs.

i. The estimated maximum, minimum, and expected cash inflows and outflows for the acquired system.

j. A description of the financing components of the acquisition and an analysis of the impacts on the acquiring utility's ability to attract capital on reasonable terms and to maintain a reasonable capital structure.

41.5(4) *Ratemaking principles.* Each ratemaking principle proposed shall be supported as described in this subrule. Proposed ratemaking principles not envisioned by these rules shall be supported by sufficient information to justify the use of such principles.

a. Cost of equity. The utility shall file financial models demonstrating the proposed equity rate or range of equity rates necessary to attract equity capital for the proposed acquisition. The financial analysis shall include a risk assessment of the proposed acquisition, including a comparison with similar acquisitions.

b. Ratepayer allocations. Proposals for allocating the cost of the acquired system and anticipated improvements to customers of the acquired system and the utility's existing customers shall include information showing that the proposed allocation will result in rates that are just and reasonable for both groups of customers.

c. Initial depreciable value. Proposals for establishing the value of the acquired system to be used as the initial gross asset balance for depreciation shall be supported by the lesser of the sale price or the fair market value of the system as determined consistent with Iowa Code section 388.2A(2)*"b."* The utility shall also provide the accumulated depreciation balances for the assets.

d. Depreciable life. Proposals for establishing rates which will be used to depreciate the acquired system shall be supported by a depreciation study or by depreciation rates applied in the utility's last general rate case.

41.5(5) *At-risk systems.* An application shall state whether the system to be acquired is an at-risk system, as defined by Iowa Code section 455B.199D as enacted by 2020 Iowa Acts, House File 2452. If the commission determines that an application to acquire an at-risk system does not contain sufficient information consistent with this rule to render a timely decision, the commission may reject the application without prejudice.

[**ARC 5206C**, IAB 10/7/20, effective 11/11/20; Editorial change: IAC Supplement 7/24/24]

199—41.6(476) Waiver. A utility may seek a waiver of any requirement of this chapter. The request for a waiver shall include the utility's reasons for believing the requirement is not applicable or necessary. A request for a waiver shall also comply with rule 199—1.3(17A,474,476).

[**ARC 5206C**, IAB 10/7/20, effective 11/11/20]

These rules are intended to implement Iowa Code sections 476.53 and 476.84.

[Filed ARC 5206C (Notice ARC 4865C, IAB 1/15/20), IAB 10/7/20, effective 11/11/20]

[Editorial change: IAC Supplement 7/24/24]

CHAPTER 42
CROSSING OF RAILROAD RIGHTS-OF-WAY

199—42.1(476) Definitions. The following words and terms, when used in these rules, have the meanings set forth in Iowa Code section 476.27: "crossing," "direct expenses," "electric transmission owner," "facility," "public utility," "railroad" or "railroad corporation," "railroad right-of-way," and "special circumstances."

In addition, as used in this chapter, the following definitions apply:

"AREMA Manual" means the American Railway Engineering and Maintenance-of-Way Association Manual for Railway Engineering—2024, which is a source of generally accepted engineering practices for the railway industry.

"CFR" means the Code of Federal Regulations, which contains the general administrative rules adopted by federal departments and agencies, in effect as of May 20, 2024, unless a separate effective date is identified in a specific rule.

"Commission" means the Iowa utilities commission.

"Complainant" means a person who complains to the commission by written complaint regarding any of the issues identified in Iowa Code section 476.27(2) or these rules.

"Petitioner" means a person who files a written petition with the commission seeking a determination of special circumstances pursuant to Iowa Code section 476.27(4).

"Respondent" means a person against whom a complaint or petition is filed.

"Small utility" means a public utility and all affiliates of the public utility that collectively serve fewer than 20,000 customers. For purposes of this definition, a "customer" means the party responsible for payment of the utility services. When the specification exhibit is filed with the railroad, the small utility will certify on the specification exhibit that it meets the definition of a small utility as contained in this rule. The specification exhibit will also state that at such time that the small utility no longer meets the small utility definition, it will have an affirmative duty to so notify the railroad.

[**ARC 8257C**, IAB 10/16/24, effective 11/20/24]

199—42.2(476) Applicability and purpose. These rules provide terms and conditions for the crossing of railroad rights-of-way by public utilities. However, these rules shall not prevent a railroad and public utility from negotiating other terms and conditions applicable to a crossing or agreeing to a different dispute resolution mechanism than that provided for in Iowa Code section 476.27 and these rules. These rules do not apply to longitudinal occupancy of a railroad right-of-way, but only to the crossing of a railroad right-of-way.

[**ARC 8257C**, IAB 10/16/24, effective 11/20/24]

199—42.3(476) General notice and specification exhibit requirements and payment of fee.

42.3(1) *Notice and exhibit.* Any time a public utility intends to construct a crossing across a railroad right-of-way, the utility shall submit to the railroad a notification of intent to construct, along with a specification exhibit that shows the location of the crossing and the railroad's property, tracks, and wires that the public utility's facilities will cross. The notice and exhibit shall be submitted to the railroad by certified mail, return receipt requested. The one-time standard crossing fee of $750, unless otherwise agreed to by the railroad and public utility, shall accompany the notice and exhibit. The public utility shall use its best efforts to submit the specification exhibit on a form provided or approved by the railroad. The specification exhibit constitutes the public utility's warranty that the public utility facilities that are the subject of the exhibit will be constructed and installed as shown on the exhibit. Railroad Crossing Specification Exhibit forms are available on the commission's website, iuc.iowa.gov.

42.3(2) *Exhibit—overhead wireline crossings.* For overhead wireline crossings, the specification exhibit shall contain, at a minimum, the location of the poles supporting the crossing span and adjoining spans on each side of the crossing span on the proposed facilities; the number, kind, and size of wires; and the clearance between the facilities and any existing railroad tracks, wires, or fiber-optic lines.

42.3(3) *Exhibit—underground crossings.* For underground crossings, the specification exhibit shall contain, at a minimum, the number, kind, and size of wires, pipes, and conduit and casing to be used; the

commodity conveyed; and the depth to which the public utility facilities will be placed below the base of the rail track and at other locations on the right-of-way. Multiple wires to be contained within a single conduit may be combined on a single exhibit and notice of intent to construct. Both cased and uncased natural gas pipeline crossings shall be provided for on the specification exhibit form or forms.

42.3(4) *Authorization to commence construction.* After 35 days from the mailing of the notice, specification exhibit, and fee, the public utility, absent a claim of special circumstances or objection from the railroad that the information contained in the specification exhibit is inadequate or incomplete, shall be deemed to have authorization to commence construction of the facilities that are the subject of the specification exhibit. In the event the public utility does not commence construction within 120 days from the mailing of the notice or any changes to the specification exhibit, whichever is later, the notice shall expire and the fee may be retained by the railroad. If the public utility subsequently desires to proceed with construction of the facilities subject to the notice, the public utility must again comply with the notice, specification exhibit, and fee requirements of these rules.

42.3(5) *Crossing notice and payment of flagging costs.* In addition to any other required notice, a public utility, except for emergency repair or maintenance, shall provide the railroad written notice at least ten days prior to commencing any construction, maintenance, or repair of facilities within the railroad's right-of-way. Such notice is to enable the railroad to make any appropriate flagging arrangements. The public utility shall reimburse the railroad for actual flagging expenses within 30 days of receipt of a bill for flagging services.

42.3(6) *Securing damages—special circumstances.* Pending a commission resolution of a claim of special circumstances raised in a petition filed by the railroad pursuant to Iowa Code section 476.27(4) and subrule 42.18(2), a public utility may, upon compliance with these rules and securing the payment of an amount sufficient for the removal of any facilities constructed by the public utility in a manner approved by the commission, proceed with construction unless the commission intervenes to prevent construction pursuant to Iowa Code section 476.27(6).

42.3(7) *Inductive interference study.* If the railroad reasonably determines through its initial review of the specification exhibit and engineering analysis that a proposed public utility facility has a material possibility of posing an induction problem with railroad property, the public utility, if it wishes to proceed with the facility, shall cause a formal inductive interference study to be performed by a qualified engineer approved by the railroad. The public utility shall make and pay for any modifications to the proposed facility, or to the railroad's property, that are necessary to ensure safe and reliable operations of the railroad's property that are recommended by the qualified engineer. No public utility facility that has undergone an inductive interference study pursuant to this subrule shall be energized until the railroad has had an opportunity to conduct any appropriate tests to ensure that, after the facility is energized, there will not be any interference with the operation of the railroad's property. Any appropriate tests shall be conducted by the railroad within 30 days after receipt of a notice from the public utility that the facility is ready to be energized.

[**ARC 8257C**, IAB 10/16/24, effective 11/20/24]

199—42.4(476) Emergency notice and repairs.

42.4(1) *Notice.* In the event a public utility or railroad needs to perform emergency or nonroutine maintenance or repair within a railroad right-of-way and the maintenance or repair may affect the operations of the other entity, immediate notification of the maintenance or repair being performed shall be given.

42.4(2) *Notification plan filing.* Each railroad and public utility with a facility crossing railroad right-of-way shall establish, and file with the commission, a mechanism or plan for receiving emergency notifications 24 hours per day, seven days per week.

42.4(3) *Scope of emergency work and reimbursement of expenses.* Unless permission from the affected railroad or public utility has been received, the railroad and public utility may only perform maintenance or repair work of their own respective property. If the emergency maintenance or repair performed by the railroad or public utility causes reasonable expenses to be incurred by the other entity, those reasonable expenses shall be reimbursed.

[**ARC 8257C**, IAB 10/16/24, effective 11/20/24]

199—42.5(476) Relocation of public utility facilities.

42.5(1) *Standard for relocation.* The railroad may require that the public utility, at the public utility's expense, relocate facilities on railroad right-of-way whenever such relocation is necessary to accommodate railroad operations. The decision that relocation is required is made solely by the railroad, although the railroad may not act arbitrarily or unreasonably. The public utility shall not have to pay a standard crossing fee for such relocations.

42.5(2) *Completion of relocation.* In the event relocation of facilities is required, the relocation shall be to a location mutually agreed upon by the railroad and utility, within the railroad right-of-way. The relocation shall be completed within a reasonable period of time.

42.5(3) *Statement of reasons.* Upon the request of the public utility, the railroad shall provide within 15 days a statement or other supporting documentation indicating the operational reasons for requiring relocation of facilities.

[**ARC 8257C**, IAB 10/16/24, effective 11/20/24]

199—42.6(476) Engineering standards for electric and communications lines. These engineering standards apply to crossings that do not involve special circumstances such that additional or more stringent engineering standards may be warranted. The determination of such additional or more stringent standards will be determined on a case-by-case basis, according to the procedures in rule 199—42.18(17A,476), depending on the facts and circumstances associated with the particular crossing.

42.6(1) *General.*

a. Except as provided for in this chapter, electric and communications lines crossing railroads shall be constructed in accordance with 199—Chapter 25, the Iowa electrical safety code.

b. Crossings should be made as near as possible at an angle of 90 degrees to the railroad tracks, but in no event shall any crossing be at less than a 60-degree angle to the railroad track.

c. Aboveground facilities at road or pedestrian crossings shall be located or constructed in a manner that minimizes interference with lines of sight for observing oncoming trains.

42.6(2) *Additional requirements for overhead crossings.*

a. In determining the line height needed to meet the clearance requirements of the Iowa electrical safety code, the height of a rail car shall be assumed to be 23 feet.

b. Electric and communications lines shall be installed with at least four feet of clearance above overhead railroad signal and communications lines.

c. The perpendicular distance of poles from the centerline of the tracks shall not be less than the largest of the following:

(1) Unguyed poles shall be located a minimum distance equal to the height of the pole above the ground line plus ten feet. If guys are installed, they shall be placed in a manner that would prevent the pole from leaning or falling in the direction of the tracks.

(2) Fifty feet near straight tracks, except for industry track where ten feet is permitted. If the pole is located adjacent to a segment of curved track, the clearance shall be increased by 1.5 inches per degree of track curvature.

(3) Towers for electric lines capable of operating at 34,500 volts or more shall not be located on railroad right-of-way.

d. Poles shall be located a minimum distance from overhead railroad signal or communications lines equal to the height of the pole above ground line, or poles must be guyed at a right angle away from such lines.

e. Crossings shall not be installed under or within 500 feet of a railroad bridge, or 300 feet from the centerline of a culvert or switch area.

42.6(3) *Additional requirements for underground crossings.*

a. The minimum depth below the base of the rail shall be 4.5 feet except for fiber-optic cables, which shall be 5.0 feet.

b. The minimum depth at other locations on the right-of-way shall be:

(1) 5.0 feet for fiber-optic cables;

(2) 4.0 feet for conductors operating at more than 750 volts;

(3) 3.0 feet for all other lines.

c. Crossings shall not be installed within 50 feet of the end of a railroad bridge, the centerline of a culvert, or a switch area.

d. Casings must extend at least 30 feet from the centerline of the nearest track, measured at a right angle, except that casings for electrical conductors operating at more than 750 volts shall extend the full width of the right-of-way. At burial depths of less than 15 feet below the track, the casing material shall be steel or rigid metal conduit. At depths of 15 feet or more, polyvinyl chloride (PVC) casing pipe may be used.

e. Except for the track and ballast area, warning tape shall be installed one foot below ground level over conductors operating at more than 750 volts, except that tape is not required for lines installed using horizontal directional drilling.

f. Bored crossings shall not be installed using water jetting or other methods that might leave cavities beneath a railroad embankment. Horizontal directional drilling techniques that use drilling mud are permitted. Pits for boring or drilling crossings shall be beyond the limits of the railroad embankment.

g. Unless otherwise authorized by the railroad, a railroad representative must be present during installation of buried crossings if there are underground railroad signal lines in the vicinity of the crossing.

[**ARC 8257C**, IAB 10/16/24, effective 11/20/24]

199—42.7(476) Engineering standards for pipelines. These engineering standards apply to crossings that do not involve special circumstances such that additional or more stringent engineering standards may be warranted. The determination of such additional or more stringent standards will be made on a case-by-case basis, according to the procedures in rule 199—42.18(17A,476), depending on the facts and circumstances associated with the particular crossing.

42.7(1) *General.*

a. Except as provided for in this chapter, pipelines crossing railroads shall be constructed in accordance with Chapter 1, Part 5, "Utilities," of the AREMA Manual.

b. For pipelines subject to 49 CFR Part 192, "Transportation of Natural and Other Gas by Pipeline: Minimum Federal Safety Standards," or 49 CFR Part 195, "Transportation of Hazardous Liquids by Pipeline," the appropriate federal standard shall control for pipeline marker signs, valves, corrosion control, welding and weld testing, and pressure testing. The design stress level in such pipelines shall not exceed that permitted by the appropriate federal standard.

c. Polyethylene (PE) pipe may be used as carrier pipe for natural gas pipelines. PE and PVC pipe may be used as carrier pipe for water and wastewater. Such pipe shall be manufactured of materials approved for its intended use by an appropriate standards organization.

d. Slip jointed carrier pipe may be used only for encased water or wastewater pipelines, and the ends of such casings shall be oriented such that drainage from any internal leakage will not endanger the railroad embankment.

e. Casings of material other than steel may be used with railroad company approval.

f. Cathodic protection test boxes located on a railroad right-of-way shall be attached to casing vents or installed flush with the ground surface.

42.7(2) *Installation methods.*

a. Pipe shall be installed using boring, drilling, or jacking methods. Open cut crossings are permitted only with the specific authorization of the railroad company.

b. Pits for boring or jacking shall not disturb the railroad embankment and shall be located at least 30 feet from the track centerline where practical. Pits shall be of the minimum size necessary.

c. Bored crossings shall not be installed using water jetting or other drilling methods that might leave cavities beneath a railroad embankment. Horizontal directional drilling techniques that use drilling mud are permitted.

d. Pipe or casing shall be installed with at least one foot of separation from any other pipe or wire in the right-of-way.

e. When boring for pipe greater than 20 inches in diameter is proposed, and the pipe would be installed less than ten feet below the base of the rail, if the railroad has knowledge of soil conditions in the vicinity that could lead to deterioration of track support if the soil is disturbed, the railroad company may

require that a geotechnical study be performed by the public utility to determine whether the proposed crossing site is undesirable or requires special construction methods or monitoring.

f. For unusually large pipeline crossings that do not involve special circumstances, or for crossings where geotechnical study has identified potentially destabilizing soil conditions, the railroad company may require that a railroad representative be present during installation and may also require the presence of a survey crew to monitor the tracks for any change in alignment.

[**ARC 8257C**, IAB 10/16/24, effective 11/20/24]

199—42.8(476) Liability. Each railroad and public utility shall maintain and repair its respective property within the railroad right-of-way, and the railroad and public utility shall bear responsibility for each person's own acts and omissions, except the public utility shall be responsible for any bodily injury or property damage that typically would be covered under a standard railroad protective liability insurance policy.

[**ARC 8257C**, IAB 10/16/24, effective 11/20/24]

199—42.9(476) Insurance.

42.9(1) Unless otherwise agreed upon by the railroad and public utility, the public utility shall maintain, or cause to be maintained, the following minimum insurance coverage with respect to each railroad crossing:

a. General public liability insurance with limits of not less than $500,000 for injury or death of a single person, or not less than $1 million for any one accident, and not less than $250,000 per accident for property damage. The exclusion or limitations for railroads shall be removed.

b. Comprehensive automobile liability insurance with limits of not less than $500,000 for injury or death of a single person, or not less than $1 million for any one accident, and not less than $250,000 for property damage.

c. Excess liability coverage with limits of not less than $5 million, except that the required limits shall be $1 million for small utilities for railroad crossings by facilities other than gas or hazardous materials pipelines.

d. Railroad protective liability insurance with a combined single limit of $4 million per occurrence and $6 million aggregate, except that the required limits shall be a combined single limit of $2 million per occurrence and $4 million aggregate for small utilities for railroad crossings by facilities other than gas or hazardous materials pipelines. Such coverage shall be required only during the period of construction, repair, or replacement of the facilities and may be provided by a blanket railroad protective liability insurance policy provided that the coverage, including the coverage limits, applies separately to each individual crossing on each individual railroad.

42.9(2) The coverage in paragraphs 42.9(1)*"a"* through *"d"* must be by blanket insurance policies covering other property or risks, or self-insurance. In the event the public utility desires to self-insure, it must maintain a minimum long-term rating of A- and net assets of not less than $100 million, unless the railroad agrees to different amounts. If the public utility's long-term rating is lowered below an A- rating, the public utility will provide commercial insurance as required in this rule and will notify the railroad that its long-term rating was lowered below A-.

42.9(3) The coverage in paragraphs 42.9(1)*"a"* through *"d"* must be in place prior to the commencement by the public utility of any work within the railroad's right-of-way in order to secure payment for any damages for which the public utility bears responsibility.

42.9(4) Before commencing construction of any facility, the public utility must provide to the railroad proof that the public utility has procured the insurance coverage as required in this rule.

[**ARC 8257C**, IAB 10/16/24, effective 11/20/24]

199—42.10(476) Removal of equipment. Upon completion of any facility, the public utility shall remove, or cause to be removed, all tools, equipment, or other property used in the construction and, if railroad property was moved or disturbed, restore that property to the same condition it was in prior to being moved or disturbed.

[**ARC 8257C**, IAB 10/16/24, effective 11/20/24]

199—42.11(476) Assignment. The public utility may assign or otherwise transfer any rights to cross a railroad right-of-way to any financially responsible entity controlled by, controlling, or under common control with the public utility or to any entity into or with which the public utility is merged or consolidated or that acquires ownership or control of all or substantially all of the transmission assets of the public utility. Notice of the assignment or transfer shall be given to the railroad within 30 days. No other transfer or assignment may take place without the written permission of the railroad, which permission shall not be unreasonably withheld.
[**ARC 8257C**, IAB 10/16/24, effective 11/20/24]

199—42.12(476) Prohibition against mechanic's liens. The public utility shall not create, permit, or suffer any mechanic's lien or other lien of any kind or any nature to be created or enforced against the railroad's property for any work performed by the public utility in connection with its facilities that are located in the railroad's right-of-way. The railroad shall not create, permit, or suffer any mechanic's lien or other lien of any kind or any nature to be created or enforced against the public utility's property located in the railroad's right-of-way for any work performed by the railroad in connection with the railroad's facilities.
[**ARC 8257C**, IAB 10/16/24, effective 11/20/24]

199—42.13(476) Taxes. The public utility shall promptly pay or discharge all taxes and charges levied upon its facilities located in the railroad's right-of-way. Where any such tax or charge may not be separately made or assessed to the public utility, but is included in the taxes or charges assessed to the railroad, the public utility shall pay to the railroad an equitable portion of such taxes determined by the value of the public utility's facilities located on the railroad's right-of-way as compared with the entire value of the railroad property.
[**ARC 8257C**, IAB 10/16/24, effective 11/20/24]

199—42.14(476) Protection of signal systems. Prior to penetrating the surface of any railroad right-of-way, the public utility shall contact the railroad to determine whether any of the railroad's signal systems are located in the area. If signal systems are located in the area, the public utility, at its expense, shall arrange for a cable locator and make arrangements for relocation or other protection of the signal system. The public utility shall also contact Iowa One Call for locating other underground facilities and shall comply with all other applicable statutes, regulations, and rules pertaining to such underground facilities.
[**ARC 8257C**, IAB 10/16/24, effective 11/20/24]

199—42.15(476) Safety regulations. The public utility shall ensure compliance with all applicable local, state, and federal safety rules and regulations during the time any work is being performed on a facility within the railroad's right-of-way. Any personal injury arising during work being performed on a facility shall be promptly reported by the public utility to the railroad.
[**ARC 8257C**, IAB 10/16/24, effective 11/20/24]

199—42.16(476) Recording. The public utility, at its own expense, may record a memorandum of its rights pursuant to Iowa Code section 476.27 and these rules. A legal description of the crossing that has been approved by both the railroad and public utility shall be attached to the memorandum. Upon termination of the public utility's rights, the public utility shall file an appropriate document to evidence such termination.
[**ARC 8257C**, IAB 10/16/24, effective 11/20/24]

199—42.17(17A,476) Complaints and petitions for relief—general information. These rules are promulgated under Iowa Code chapter 17A and section 476.27 as guides for procedures when railroads or public utilities file with the commission complaints regarding crossings pursuant to Iowa Code section 476.27(2)*"a"*(9) or petitions for relief pursuant to Iowa Code section 476.27(4). The purpose of these rules is to facilitate the transaction of business before the commission and to promote the just resolution of controversies. Any procedural rules in 199—Chapter 7 that are in conflict with these rules do not apply to contested cases under this chapter.

[**ARC 8257C**, IAB 10/16/24, effective 11/20/24]

199—42.18(17A,476) Complaints and petitions for relief.

42.18(1) *Complaints.* A railroad or public utility that has a complaint regarding any of the issues identified in Iowa Code section 476.27(2) that cannot be resolved without intervention by the commission may file a complaint with the commission.

42.18(2) *Petitions for relief.* A railroad or public utility that believes special circumstances exist for a particular crossing pursuant to Iowa Code section 476.27(4) may file a petition for relief with the commission if the railroad and the public utility have been unable to resolve their differences without intervention by the commission.

42.18(3) *Information to be filed.* The written complaint or petition should include the following information:

a. The name, address, telephone number, and contact person for the complainant or petitioner and the complainant's or petitioner's attorney, if any;

b. The basis for the commission's jurisdiction over the matter;

c. A statement of the complainant's or petitioner's position and a detailed discussion of the facts that support the complainant's or petitioner's position, including a description of the issues involved, why special circumstances exist for the particular crossing, the resolution or relief requested, and the facts supporting the resolution or relief requested;

d. The particular provisions of the statutes and rules involved;

e. A description of the attempts made to informally resolve the issues involved in the complaint or petition;

f. All documentation relied on to support the facts alleged in the complaint or petition and the requested resolution or relief; and

g. The name, address, telephone number, contact person and attorney, if any, for the other railroad or public utility involved and a statement that the complaint or petition was served on the other railroad or public utility involved and the consumer advocate, the method of service, and the date served.

42.18(4) *Electronic filing required.* Complaints and petitions for relief shall be filed in the commission's electronic filing system as described in 199—Chapter 14.

42.18(5) *Expedited timeline.* The commission recognizes that the parties will ordinarily require a swift decision. Therefore, the shortened time limits applicable to expedited proceedings in 199—Chapter 7 shall apply to contested cases brought under this chapter.

[**ARC 8257C**, IAB 10/16/24, effective 11/20/24]

These rules are intended to implement Iowa Code sections 476.1, 476.1A, 476.1B, and 476.27.

[Filed 5/9/03, Notice 8/7/02—published 5/28/03, effective 7/2/03[1]]

[Filed emergency 12/16/03—published 1/7/04, effective 12/16/03]

[Filed ARC 8257C (Notice ARC 8103C, IAB 7/10/24), IAB 10/16/24, effective 11/20/24]

[1] Effective date of 42.9(3) and 42.9(4) delayed 70 days by the Administrative Rules Review Committee at its meeting held June 9, 2003. At its meeting held August 12, 2003, the Committee voted to delay the effective date until adjournment of the 2004 Session of the General Assembly. At its meeting held by telephone on December 15, 2003, the Committee voted to lift the delay effective December 16, 2003.

CHAPTER 43
IOWA BROADBAND INITIATIVE
Rescinded IAB 3/7/12, effective 4/11/12

CHAPTER 44
CERTIFICATES OF FRANCHISE AUTHORITY FOR CABLE AND VIDEO SERVICE

199—44.1(17A,476,477A) Authority and purpose. These rules are intended to implement Iowa Code chapter 477A, relating to certificates of franchise authority issued by the commission for the provision of cable service or video service. The purpose of these rules is to establish procedures for initial applications for and subsequent modifications, transfers, terminations, or updates of certificates of franchise authority issued by the commission.

[**ARC 9494B**, IAB 5/4/11, effective 6/8/11; Editorial change: IAC Supplement 7/24/24]

199—44.2(17A,476,477A) Definitions. The following words and terms, when used in this chapter, shall have the meanings shown below:

"Cable operator" means the same as defined in 47 U.S.C. Section 522.

"Cable service" means the same as defined in 47 U.S.C. Section 522.

"Cable system" means the same as defined in 47 U.S.C. Section 522.

"Certificate of franchise authority" means the certificate issued by the commission authorizing the construction and operation of a cable system or video service provider's network in a public right-of-way.

"Commission" means the utilities commission within the utilities division of the department of commerce.

"Competitive cable service provider" means a person who provides cable service over a cable system in an area other than the incumbent cable provider providing service in the same area.

"Competitive video service provider" means a person who provides video service other than a cable operator.

"Franchise" means an initial authorization, or renewal of an authorization, issued by the commission or a municipality, regardless of whether the authorization is designated as a franchise, permit, license, resolution, contract, certificate, agreement, or otherwise, that authorizes the construction and operation of a cable system or video service provider's network in a public right-of-way.

"Franchise fee" means the fee imposed pursuant to 2007 Iowa Acts, Senate File 554, section 8.

"Incumbent cable provider" means the cable operator serving the largest number of cable subscribers in a particular franchise service area on January 1, 2007.

"Municipality" means a city.

"Public right-of-way" means the area on, below, or above a public roadway, highway, street, bridge, cartway, bicycle lane, or public sidewalk in which the municipality has an interest, including other dedicated rights-of-way for travel purposes and utility easements. "Public right-of-way" does not include the airwaves above a public right-of-way with regard to cellular or other nonwire telecommunications or broadcast services or utility poles owned by a municipality or a municipal utility.

"Video programming" means the same as defined in 47 U.S.C. Section 522.

"Video service" means video programming services provided through wireline facilities located at least in part in the public right-of-way without regard to delivery technology, including Internet protocol technology. "Video service" does not include any video programming provided by a provider of commercial mobile service as defined in 47 U.S.C. Section 332 or cable service provided by an incumbent cable provider or a competitive cable service provider or any video programming provided solely as part of, and via, a service that enables users to access content, information, electronic mail, or other services offered over the public Internet.

[**ARC 9494B**, IAB 5/4/11, effective 6/8/11; Editorial change: IAC Supplement 7/24/24]

199—44.3(17A,476,477A) Certificate of franchise authority. As provided in 2007 Iowa Acts, Senate File 554, section 3, after July 1, 2007, a person shall not provide cable service or video service in Iowa without a franchise. The franchise may be issued by either the commission pursuant to this chapter or by a municipality pursuant to Iowa Code section 364.2.

44.3(1) *Existing franchise agreements.* A person providing cable service or video service pursuant to a franchise agreement with a municipality in effect before July 1, 2007, is not subject to the requirement to

obtain a franchise with respect to such municipality until the franchise agreement expires or, in the case of an incumbent cable provider, until the franchise is converted to a certificate of franchise authority issued by the commission. Upon expiration of a franchise, a person may choose to renegotiate a franchise agreement with a municipality or may apply for a certificate of franchise authority from the commission. An application for a certificate of franchise authority from a person subject to an existing municipal franchise agreement may be filed within 60 days prior to the expiration of the agreement and, if granted, shall take effect upon the expiration date of the agreement.

44.3(2) *Municipal utilities.* A municipal utility that provides cable service or video service in Iowa is not required to obtain a certificate of franchise authority in the municipality in which the provision of cable service or video service by the municipality was originally approved.

44.3(3) *Initial application.* Within 30 calendar days after receiving an application and affidavit from an applicant using a form developed by and available from the commission, the commission shall issue a certificate of franchise authority or notify the applicant that the application is incomplete. The commission shall not issue a certificate of franchise authority to an applicant unless the commission finds that all of the following requirements have been met. If the commission needs additional information to determine whether the requirements in paragraphs *"g," "h"* and *"i"* are met and that determination cannot be made within the initial 30-day period, the commission may docket the application for further review and take an additional 60 calendar days to make that determination. The application must be signed by an officer or general partner of the applicant and shall provide the following information:

a. A statement that the applicant has filed or will timely file with the Federal Communications Commission (FCC) all forms required by the FCC in advance of offering cable service or video service in Iowa.

b. A statement that the applicant agrees to comply with all applicable federal and state statutes, regulations, and rules.

c. A statement that the applicant agrees to comply with all applicable state laws and nondiscriminatory municipal ordinances and regulations regarding the use and occupation of a public right-of-way in the delivery of the cable service or video service, including the police powers of the municipalities in which the service is delivered.

d. A description of the service area to be served and the municipalities to be served by the applicant, including descriptions of unincorporated areas, if applicable. The service area description must be sufficiently detailed to enable the commission to ascertain the boundaries of the applicant's proposed service area. Applicants certificated by the commission as local exchange carriers pursuant to Iowa Code section 476.29 may choose to refer to descriptions (including maps) of local exchange service areas on file with the commission.

e. The address of the applicant's principal place of business and the names and titles of the applicant's principal executive officers with direct authority over and responsibility for the applicant's cable or video operations.

f. The telephone number for customer service contact.

g. Documentation that the applicant possesses sufficient managerial, technical, and financial capability to provide the cable service or video service proposed in the service area. An applicant or its subsidiary which has a commission-issued certificate of public convenience and necessity to provide telephone service pursuant to Iowa Code section 476.29 shall be exempt from the provisions of this paragraph.

h. Copies of advertisements or news releases announcing the applicant's intent to provide cable service or video service in the service area intended for release if the certificate of franchise authority is granted. If such items are not available at the time the application is filed, the applicant shall file copies with the commission when they become available.

i. A schedule of dates by which the applicant intends to commence operation in each municipality proposed to be served within the service area. The applicant shall file timely updates to this schedule to maintain accuracy.

44.3(4) *Content of certificate.* A certificate of franchise authority issued by the commission shall contain all of the following:

a. A grant of authority to provide cable service or video service in the service area designated in the application;

b. A grant of authority to use and occupy the public right-of-way in the delivery of cable service or video service, subject to the laws of Iowa, including the police powers of the municipalities in which the service is delivered;

c. A statement that the grant of authority provided by the certificate is subject to the lawful operation of the cable service or video service by the applicant or the applicant's successor; and

d. A statement that the franchise is for a term of ten years, is renewable, and is nonexclusive.

44.3(5) *Modification of service area.* At least 14 days before expanding cable service or video service to a previously undesignated service area or making any other change to its previously designated service area, the holder of a certificate of franchise authority shall update the description of its service area on file with the commission and shall notify the commission of the effective date of the expansion or other change in service area using a form developed by and available from the commission. The commission will acknowledge receipt of a notice of service area modification by letter.

44.3(6) *Transfer of certificate of franchise authority.* The holder of a certificate of franchise authority may transfer the certificate to any successor by filing a notice of transfer with the commission and each affected municipality using a form developed by and available from the commission. The notice of transfer shall include the address of the successor's principal place of business and the names and titles of the successor's principal executive officers with direct authority over and responsibility for the successor's cable or video operations. A notice of transfer shall be effective on the date which is the later of (1) 14 business days after the date of filing of the notice of transfer with the commission or (2) the effective date of transfer as designated by the certificate holder, provided such date is not less than 14 business days after the date the notice of transfer is filed with the commission, unless the certificate holder files a notice of rescheduling of the transfer and provides a copy of such notice to each affected municipality. As of the effective date of the transfer, the successor shall assume all regulatory rights and responsibilities of the holder of the certificate. The commission will acknowledge receipt of a notice of transfer by letter.

44.3(7) *Termination of certificate of franchise authority.* The holder of a certificate of franchise authority may terminate the certificate by providing written notice of the effective date of termination to the commission and to each affected municipality using a form developed by and available from the commission. The commission will acknowledge receipt of a notice of termination by letter.

44.3(8) *Updates.* The holder of a certificate of franchise authority shall notify the commission of any change in the name of the entity holding the certificate, contact personnel, principal executive officers, address of principal place of business, telephone number, and customer service contact information by sending a letter to the commission specifying the change and certificate number. The notice shall be provided within 14 days after the effective date of the change.

[**ARC 9494B**, IAB 5/4/11, effective 6/8/11; Editorial change: IAC Supplement 7/24/24]

199—44.4(17A,476,477A) Notice to municipality and incumbent cable provider. A competitive service provider shall notify affected municipalities and incumbent cable providers of its plan to offer service as provided in this rule.

44.4(1) *Notice of intent to provide service.* At least 30 days before providing service in any part of a competitive cable or video service provider's certificated service area in which the provider has not yet offered service pursuant to a commission-issued certificate of franchise authority, a competitive cable service provider or competitive video service provider shall notify each municipality with authority to grant a franchise in the part of the competitive provider's service area to be served and the incumbent cable provider in that area that the competitive provider will provide service within the jurisdiction of the municipality and when such service will begin. All notices required by this subrule shall be sent by certified mail. A competitive cable service provider or competitive video service provider shall not provide service without having provided the notice required by this rule.

a. The competitive cable service provider or competitive video service provider shall file a copy of the notice required by this rule with the commission on the date that the notice is provided.

b. If the competitive cable service provider or competitive video service provider determines that its entry into the market will be delayed, no further notice will be required unless market entry is delayed for more than 30 days after the date service was expected to begin.

44.4(2) *Notice of application.* In addition to the notice of intent to provide service, an applicant shall notify each municipality with authority to grant a franchise in the applicant's proposed service area that the applicant has filed an application with the commission for a certificate of franchise authority. This notice shall be mailed on the date the application is filed with the commission and shall be sent by certified mail.

[**ARC 9494B**, IAB 5/4/11, effective 6/8/11; Editorial change: IAC Supplement 7/24/24]

199—44.5(17A,476,477A) Conversion of municipal franchise by incumbent cable provider. If a competitive cable service provider or a competitive video service provider applies for a certificate of franchise authority to operate within a municipality, the incumbent cable provider in that municipality may apply for a certificate of franchise authority for that same municipality using an application form developed by the commission and providing the information required in 44.3(3). The commission shall automatically grant the incumbent's application, if complete, effective on the same day a competitive cable service provider or competitive video service provider files the 30 days' notice of offering service as required pursuant to 44.4(17A,476,477A) if the incumbent cable provider files its application within 30 days of the day the competitive service provider provides the 30 days' notice. If the incumbent cable provider files its application more than 30 days after the date the competitive service provider provides the 30 days' notice, the commission shall grant the incumbent's application, if complete, to be effective on the date the application is filed with the commission.

[**ARC 9494B**, IAB 5/4/11, effective 6/8/11; Editorial change: IAC Supplement 7/24/24]

199—44.6(17A,476,477A) Revocation of certificates, termination of service, reinstatement of previously terminated municipal franchises.

44.6(1) *Certificate holder fails to commence operation.* If a certificate holder fails to commence operation of the cable service or video service proposed in its application within 12 months from the date the commission granted the certificate holder's application, the commission may determine that the certificate holder is not in compliance with the certificate and may revoke the certificate. The commission shall notify any incumbent cable operator affected by the revocation.

44.6(2) *Reinstatement of previously terminated municipal franchise upon revocation.* In the event a certificate is revoked as provided in subrule 44.6(1), the municipal franchise agreement which was in effect between the incumbent cable provider and municipality before being terminated pursuant to Iowa Code section 477A.2(6) and rule 199—44.5(17A,476,477A) after the certificate holder filed its notice of intent to provide service shall be reinstated for the remaining duration of the municipal franchise agreement, provided that the agreement would have remained in effect for at least 60 days prior to termination and provided that the municipal franchise agreement was terminated after April 12, 2010. Within 90 days of receiving notice from the commission that a certificate has been revoked as provided in subrule 44.6(1), the incumbent cable provider shall comply with the terms of the previous municipal franchise agreement.

44.6(3) *Certificate holder ceases to provide service.* In the event a certificate holder ceases to engage in construction or ceases operation of a cable system or video service network and is no longer providing service, the certificate holder shall notify the affected municipality, the commission, and the incumbent cable provider on the date that construction or service is terminated. If the municipal franchise agreement which was in effect between the incumbent cable provider and the municipality before being terminated pursuant to Iowa Code section 477A.2(6) and rule 199—44.5(17A,476,477A) after the certificate holder filed its notice of intent to provide service would have remained in effect for at least 60 days prior to termination and was terminated after April 12, 2010, the agreement shall be reinstated and shall be in effect for the remaining term of that agreement. The incumbent cable provider shall comply with the terms of the previous municipal franchise agreement within 90 days of notification by the certificate holder that it has ceased construction of a cable system or video service network or is no longer providing services.

[**ARC 9494B**, IAB 5/4/11, effective 6/8/11; Editorial change: IAC Supplement 7/24/24]

199—44.7(17A,476,477A) Renewal of certificate of franchise authority.

44.7(1) Thirty days prior to the tenth anniversary of the issuance of the original certificate and every ten years thereafter, the certificate holder shall file with the commission a notice of renewal containing the following:

a. An acknowledgment that the certificate holder continues to hold the certificate;

b. A statement that the certificate holder continues to provide cable service or video service or both in all or a portion of its approved service territory;

c. Any necessary updates to the address of the principal place of business, the telephone number for customer service, and the names and titles of the principal executive officers with direct authority over and responsibility for the cable or video operations;

d. A list of the approved areas the certificate holder currently is serving; and

e. A list of the areas in which the certificate holder was previously authorized to offer service but where service has ceased or never commenced.

44.7(2) The notice of renewal shall be filed using the VCA docket number in which the initial certificate was issued. The commission will acknowledge the renewal by letter.

[**ARC 3302C**, IAB 8/30/17, effective 10/4/17; Editorial change: IAC Supplement 7/24/24]

199—44.8(17A,476,477A) Assessment of commission costs. The commission may allocate and charge the expenses attributable to its duties pursuant to Iowa Code chapter 477A directly to the person filing an application for a certificate of franchise authority or subsequent notice regarding a certificate issued by the commission or any other proceeding relating to a certificate of franchise authority.

[**ARC 9494B**, IAB 5/4/11, effective 6/8/11; **ARC 3302C**, IAB 8/30/17, effective 10/4/17; Editorial change: IAC Supplement 7/24/24]

These rules are intended to implement Iowa Code sections 17A.4 and 476.10 and chapter 477A.

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[Editorial change: IAC Supplement 7/24/24]

CHAPTER 45
ELECTRIC INTERCONNECTION OF DISTRIBUTED GENERATION FACILITIES

199—45.1(476) Definitions. Terms defined in the Public Utility Regulatory Policies Act of 1978 (PURPA), 16 U.S.C. 2601 et seq., shall have the same meaning for purposes of these rules as they have under PURPA, unless further defined in this chapter.

"Adverse system impact" means a negative effect that compromises the safety or reliability of the electric distribution system or materially affects the quality of electric service provided by the utility to other customers.

"AEP facility" means an AEP facility, as defined in 199—Chapter 15, used by an interconnection customer to generate electricity that operates in parallel with the electric distribution system. An AEP facility typically includes an electric generator and the interconnection equipment required to interconnect safely with the electric distribution system or local electric power system.

"Affected system" means an electric system not owned or operated by the utility reviewing the interconnection request that could suffer an adverse system impact from the proposed interconnection.

"Applicant" means a person (or entity) who has submitted an interconnection request to interconnect a distributed generation facility to a utility's electric distribution system.

"Area network" means a type of electric distribution system served by multiple transformers interconnected in an electrical network circuit, generally used in large, densely populated metropolitan areas.

"Business day" means Monday through Friday, excluding state and federal holidays.

"Calendar day" means any day, including Saturdays, Sundays, and state and federal holidays.

"Certificate of completion" means the Certificate of Completion form that contains information about the interconnection equipment to be used, its installation, and local inspections.

"Commission" means the Iowa utilities commission.

"Commissioning test" means a test applied to a distributed generation facility by the applicant after construction is completed to verify that the facility does not create adverse system impacts and performs to the submitted specifications. At a minimum, the scope of the commissioning tests performed shall include the commissioning test specified in Institute of Electrical and Electronics Engineers, Inc. (IEEE) Standard 1547, Section 11 "Test and Verification Requirements."

"Disconnection device" means a lockable visual disconnect or other disconnection device capable of isolating, disconnecting, and de-energizing the residual voltage in a distributed generation facility.

"Distributed generation facility" means a qualifying facility, an AEP facility, or an energy storage facility.

"Distribution upgrade" means a required addition or modification to the electric distribution system to accommodate the interconnection of the distributed generation facility. Distribution upgrades do not include interconnection facilities.

"Electric distribution system" means the facilities and equipment owned and operated by the utility and used to transmit electricity to ultimate usage points such as homes and industries from interchanges with higher voltage transmission networks that transport bulk power over longer distances. The voltage levels at which electric distribution systems operate differ among areas but generally operate at less than 100 kilovolts of electricity. "Electric distribution system" has the same meaning as the term "Area EPS," as defined in Section 3.1 of IEEE Standard 1547.

"Electric meter" means a device used by an electric utility that measures and registers the integral of an electrical quantity with respect to time.

"Fault current" is the electrical current that flows through a circuit during an electrical fault condition. A fault condition occurs when one or more electrical conductors contact ground or each other. Types of faults include phase to ground, double-phase to ground, three-phase to ground, phase-to-phase, and three-phase. Often, a fault current is several times larger in magnitude than the current that normally flows through a circuit.

"IEEE Standard 1547" is the Institute of Electrical and Electronics Engineers, Inc., 3 Park Avenue, New York, NY 10016-5997, Standard 1547 (2018) "Standard for Interconnection and Interoperability of Distributed Energy Resources and Associated Electric Power System Interfaces."

"IEEE Standard 1547.1" is the IEEE Standard 1547.1 (2005) "Conformance Test Procedures for Equipment Interconnecting Distributed Resources with Electric Power Systems."

"Interconnection customer" means a person or entity that interconnects a distributed generation facility to an electric distribution system.

"Interconnection equipment" means a group of components or an integrated system owned and operated by the interconnection customer that connects an electric generator with a local electric power system, as that term is defined in Section 3.1 of IEEE Standard 1547, or with the electric distribution system. Interconnection equipment is all interface equipment including switchgear, protective devices, inverters, or other interface devices. Interconnection equipment may be installed as part of an integrated equipment package that includes a generator or other electric source.

"Interconnection facilities" means facilities and equipment required by the utility to accommodate the interconnection of a distributed generation facility. Collectively, interconnection facilities include all facilities and equipment between the distributed generation facility's interconnection equipment and the point of interconnection, including any modifications, additions, or upgrades necessary to physically and electrically interconnect the distributed generation facility to the electric distribution system. Interconnection facilities are sole-use facilities and do not include distribution upgrades.

"Interconnection request" means an applicant's request, in a form approved by the commission, for interconnection of a new distributed generation facility or to change the capacity or other operating characteristics of an existing distributed generation facility already interconnected with the electric distribution system.

"Interconnection study" is any study described in rule 199—45.11(476).

"Lab-certified" means a designation that the interconnection equipment meets the requirements set forth in rule 199—45.6(476).

"Line section" is that portion of an electric distribution system connected to an interconnection customer's site, bounded by automatic sectionalizing devices or the end of the distribution line, or both.

"Local electric power system" means facilities that deliver electric power to a load that is contained entirely within a single premises or group of premises. "Local electric power system" has the same meaning as that term as defined in Section 3.1 of IEEE Standard 1547.

"Nameplate capacity" is the maximum rated output of a generator, prime mover, or other electric power production equipment under specific conditions designated by the manufacturer and usually indicated on a nameplate physically attached to the power production equipment.

"Nationally recognized testing laboratory" or *"NRTL"* means a qualified private organization that meets the requirements of the Occupational Safety and Health Administration's (OSHA) regulations. See 29 CFR 1910.7 as amended through February 22, 2017. NRTLs perform independent safety testing and product certification. Each NRTL shall meet the requirements as set forth by OSHA in its NRTL program.

"Parallel operation" or *"parallel"* means a distributed generation facility that is connected electrically to the electric distribution system for longer than 100 milliseconds continuously.

"Point of interconnection" has the same meaning as the term "point of common coupling" as defined in Section 3.1 of IEEE Standard 1547.

"Primary line" means an electric distribution system line operating at greater than 600 volts.

"Qualifying facility" means a cogeneration facility or a small power production facility that is a qualifying facility under 18 CFR Part 292, Subpart B, used by an interconnection customer to generate electricity that operates in parallel with the electric distribution system. A qualifying facility typically includes an electric generator and the interconnection equipment required to interconnect safely with the electric distribution system or local electric power system.

"Radial distribution circuit" means a circuit configuration in which independent feeders branch out radially from a common source of supply.

"Review order position" means, for each distribution circuit or line section, the order of a completed interconnection request relative to all other pending completed interconnection requests on that distribution

circuit or line section. The review order position is established by the date that the utility receives the completed interconnection request.

"Scoping meeting" means a meeting between representatives of the applicant and utility conducted for the purpose of discussing interconnection issues and exchanging relevant information.

"Secondary line" means an electric distribution system line, or service line, operating at 600 volts or less.

"Shared transformer" means a transformer that supplies secondary voltage to more than one customer.

"Spot network" means a type of electric distribution system that uses two or more inter-tied transformers to supply an electrical network circuit. A spot network is generally used to supply power to a single customer or a small group of customers. "Spot network" has the same meaning as the term "spot network" as defined in Section 9 "DER on distribution secondary grid/area/street (grid) networks and spot networks" of IEEE Standard 1547.

"UL Standard 1741" means the standard titled "Inverters, Converters, Controllers, and Interconnection System Equipment for Use with Distributed Energy Resources," January 28, 2010, edition, Underwriters Laboratories Inc., 333 Pfingsten Road, Northbrook, IL 60062-2096.

"Utility" means an electric utility that is subject to rate regulation by the Iowa utilities commission.

"Witness test" for lab-certified equipment means a verification either by an on-site observation or review of documents that the interconnection installation evaluation and the commissioning test required by IEEE Standard 1547, Section 11 have been adequately performed. For interconnection equipment that has not been lab-certified, the witness test shall also include verification of the on-site design tests and production tests required by IEEE Standard 1547, Section 11. All verified tests are to be performed in accordance with the test procedures specified by IEEE Standard 1547.1.

[**ARC 8859B**, IAB 6/16/10, effective 7/21/10; **ARC 1359C**, IAB 3/5/14, effective 4/9/14; **ARC 2917C**, IAB 1/18/17, effective 2/22/17; **ARC 4645C**, IAB 8/28/19, effective 10/2/19; Editorial change: IAC Supplement 7/24/24]

199—45.2(476) Scope.

45.2(1) This chapter applies to utilities, and distributed generation facilities seeking to operate in parallel with utilities, provided the facilities are not subject to the interconnection requirements of an affected system, the Federal Energy Regulatory Commission (FERC), the Midcontinent Independent System Operator, Inc. (MISO), the Southwest Power Pool (SPP), the Midwest Reliability Organization (MRO), or the SERC Reliability Corporation (SERC).

45.2(2) If the nameplate capacity of the facility is greater than 10 MVA, the interconnection customer and the utility shall start with the Level 4 review process and agreements under rule 199—45.11(476) and modify the process and agreements as needed by mutual agreement. In addition, the interconnection customer and the utility shall start with the technical standards under rule 199—45.3(476) and modify the standards as needed by mutual agreement. If the interconnection customer and the utility cannot reach mutual agreement, the interconnection customer may seek resolution through the rule 199—45.12(476) dispute process.

[**ARC 8859B**, IAB 6/16/10, effective 7/21/10; **ARC 2917C**, IAB 1/18/17, effective 2/22/17]

199—45.3(476) Technical standards. The technical standard to be used in evaluating interconnection requests governed by this chapter is IEEE Standard 1547, unless otherwise noted.

45.3(1) *Acceptable standards.* The interconnection of distributed generation facilities and associated interconnection equipment to an electric utility system shall meet the applicable provisions of the publications listed below:

a. Standard for Interconnection and Interoperability of Distributed Energy Resources and Associated Electric Power System Interfaces, IEEE Standard 1547. For guidance in applying IEEE Standard 1547, the utility may refer to:

(1) IEEE Recommended Practices and Requirements for Harmonic Control in Electrical Power Systems—IEEE Standard 519-2014; and

(2) IEC/TR3 61000-3-7 Assessment of Emission Limits for Fluctuating Loads in MV and HV Power Systems.

b. Iowa Electrical Safety Code, as defined in 199—Chapter 25.

c. National Electrical Code, ANSI/NFPA 70-2017.

45.3(2) *Interconnection facilities.*

a. A distributed generation facility placed in service after July 1, 2015, is required to have installed a disconnection device. The disconnection device shall be installed, owned, and maintained by the owner of the distributed generation facility and shall be easily visible and adjacent to an interconnection customer's electric meter at the facility. Disconnection devices are considered easily visible and adjacent: for a home or business, up to ten feet away from the meter and within the line of sight of the meter, at a height of 30 inches to 72 inches above final grade; or for large areas with multiple buildings that require electric service, up to 30 feet away from the meter and within the line of sight of the meter, at a height of 30 inches to 72 inches above final grade. The disconnection device shall be labeled with a permanently attached sign with clearly visible letters that give procedures/directions for disconnecting the distributed generation facility.

(1) If an interconnection customer with distributed generation facilities installed prior to July 1, 2015, adds generation capacity to its existing system that does not require upgrades to the electric meter or electrical service, a disconnection device is not required, unless required by the electric utility's tariff. The customer must notify the electric utility before the generation capacity is added to the existing system.

(2) If an interconnection customer with distributed generation facilities installed prior to July 1, 2015, upgrades or changes its electric service, the new or modified electric service must meet all current utility electric service rule requirements.

b. For all distributed generation installations, the customer shall be required to provide and place a permanent placard no more than ten feet away from the electric meter. The placard must be visible from the electric meter. The placard must clearly identify the presence and location of the disconnection device for the distributed generation facilities on the property. The placard must be made of material that is suitable for the environment and must be designed to last for the duration of the anticipated operating life of the distributed generation facility. If no disconnection device is present, the placard shall state "no disconnection device".

If the distributed generation facility is not installed near the electric meter, an additional placard must be placed at the electric meter to provide specific information regarding the distributed generation facility and the disconnection device.

c. The interconnection shall include overcurrent devices on the facility to automatically disconnect the facility at all currents that exceed the full-load current rating of the facility.

d. Distributed generation facilities with a design capacity of 100 kVA or less must be equipped with automatic disconnection upon loss of electric utility-supplied voltage.

e. Those facilities that produce a terminal voltage prior to the closure of the interconnection shall be provided with synchronism-check devices to prevent closure of the interconnection under conditions other than a reasonable degree of synchronization between the voltages on each side of the interconnection switch.

45.3(3) *Access.* If a disconnection device is required, the operator of the distributed generation facility, the utility, and emergency personnel shall have access to the disconnection device at all times. For distributed generation facilities installed prior to July 1, 2015, an interconnection customer may elect to provide the utility with access to a disconnection device that is contained in a building or area that may be unoccupied and locked or not otherwise accessible to the utility by installing a lockbox provided by the utility that allows ready access to the disconnection device. The lockbox shall be in a location determined by the utility, in consultation with the customer, to be accessible by the utility. The interconnection customer shall permit the utility to affix a placard in a location of the utility's choosing that provides instructions to utility operating personnel for accessing the disconnection device. If the utility needs to isolate the distributed generation facility, the utility shall not be held liable for any damages resulting from the actions necessary to isolate the generation facility.

45.3(4) *Inspections and testing.* The operator of the distributed generation facility shall adopt a program of inspection and testing of the generator and its appurtenances and the interconnection facilities in order to determine necessity for replacement and repair. Such a program shall include all periodic tests and maintenance prescribed by the manufacturer. If the periodic testing of interconnection-related protective functions is not specified by the manufacturer, periodic testing shall occur at least once every

five years. All interconnection-related protective functions shall be periodically tested, and a system that depends upon a battery for trip power shall be checked and logged. The operator shall maintain test reports and shall make them available upon request by the electric utility. Representatives of the utility shall have access at all reasonable hours to the interconnection equipment specified in subrule 45.3(2) for inspection and testing with reasonable prior notice to the applicant.

45.3(5) *Emergency disconnection.* In the event that an electric utility or its customers experience problems of a type that could be caused by the presence of alternating currents or voltages with a frequency higher than 60 Hertz, the utility shall be permitted to open and lock the interconnection switch pending a complete investigation of the problem. Where the utility believes the condition creates a hazard to the public or to property, the disconnection may be made without prior notice. However, the utility shall notify the operator of the distributed generation facility by written notice and, where possible, verbal notice as soon as practicable after the disconnections.

45.3(6) *Notification.* When the distributed generation facility is placed in service, owners of interconnected distributed generation facilities are required to notify local fire departments via U.S. mail of the location of distributed generation facilities and the associated disconnection device(s). The owner is required to provide any information related to the distributed generation facility as reasonably required by that local fire department including but not limited to:

a. A site map showing property address; service point from utility company; distributed generation facility and disconnect location(s); location of rapid shutdown and battery disconnect(s), if applicable; property owner's or owner's representative's emergency contact information; utility company's emergency telephone number; and size of the distributed generation facility.

b. Information to access the disconnection device.

c. A statement from the owner verifying that the distributed generation facility was installed in accordance with the current state-adopted National Electrical Code.

45.3(7) *Disconnections.* If an interconnection customer fails to comply with the foregoing requirements of rule 199—45.3(476), the electric utility may require disconnection of the applicant's distributed generation facility until the facility complies with rule 199—45.3(476). The disconnection process shall be specified in individual electric utility tariffs or in the interconnection agreement. If separate disconnection of only the distributed generation facility is not feasible or safe, the customer's electric service may be disconnected as provided in 199—Chapter 20.

45.3(8) *Reconnections.* If a customer's distributed generation facility or electric service is disconnected due to noncompliance with rule 199—45.3(476), the customer shall be responsible for payment of any costs associated with reconnection once the facility is in compliance with the rules.

[**ARC 8859B**, IAB 6/16/10, effective 7/21/10; **ARC 2917C**, IAB 1/18/17, effective 2/22/17; **ARC 4645C**, IAB 8/28/19, effective 10/2/19]

199—45.4(476) Interconnection requests.

45.4(1) Applicants seeking to interconnect a distributed generation facility shall submit an interconnection request to the utility that owns the electric distribution system to which interconnection is sought. Applicants shall identify in the application if they are representing a group of customers that are located in the same vicinity and whether the application requires a group interconnection study. Applicants shall use the commission-approved interconnection request forms and agreements that are provided on the commission's website, iuc.iowa.gov.

45.4(2) Preapplication request. Applicants may request a preapplication report from the utility using the following process:

a. The utility shall designate an employee or office from which information on the application process and on the affected system can be obtained through an informal request from the applicant presenting a proposed project for a specific site, which may include multiple proposed individual interconnections in close proximity and related to one project, such as a residential or commercial development proposing rooftop solar on each premises or a multiturbine wind project. The name, telephone number, and email address of such contact employee or office shall be made available on the utility's website. Electric system information provided to the applicant should include, to the extent such provision does not violate confidentiality provisions of prior agreements or critical infrastructure requirements,

relevant, available system studies, interconnection studies, and other materials useful for gaining an understanding of an interconnection at a particular point on the utility's electric distribution system. The utility shall comply with reasonable requests for such information.

b. In addition to the information described in paragraph 45.4(2)*"a,"* which may be provided in response to an informal request, an applicant may submit a formal written request form along with a nonrefundable fee of $300 for a preapplication report on a proposed project at a specific site. The utility shall provide the preapplication data described in paragraph 45.4(2)*"a"* to the applicant within 20 business days of receipt of the completed request form and payment of the $300 fee. The preapplication report produced by the utility is nonbinding, it does not confer any rights, and the applicant must still successfully apply to interconnect to the utility's system. The written preapplication report request form shall include the following information to clearly and sufficiently identify the location of the proposed point of interconnection:

(1) Proposed distributed generation facility owner's contact information, including name, address, telephone number, and email address.

(2) Project location (street address with nearby cross streets and name of town).

(3) Meter number, pole number, or other equivalent information identifying the proposed point of interconnection, if available.

(4) Generator type (e.g., solar, wind, combined heat and power).

(5) Size (alternating current kW).

(6) Single or three-phase generator configuration.

(7) Stand-alone generator (whether or not there is an onsite load, not including station service).

(8) Whether or not new service is requested. If there is existing service, include the customer account number, site minimum and maximum current or proposed electric loads in kW (if available) and specify if the load is expected to change.

c. Using the information provided in the preapplication report request form in paragraph 45.4(2)*"b,"* the utility will identify the substation/area bus, bank or circuit likely to serve the proposed point of interconnection. This selection by the utility does not necessarily indicate, after application of the screens or study or both, that this would be the circuit to which the distributed generation facility ultimately will be connected or that interconnection will occur. The applicant must request additional preapplication reports if information about multiple points of interconnection is requested. Subject to paragraph 45.4(2)*"d"* and other confidentiality concerns identified by the utility, the preapplication report will include the following information:

(1) Total capacity (in MW) of substation/area bus, bank or circuit based on normal or operating ratings likely to serve the proposed point of interconnection.

(2) Existing aggregate generation capacity (in MW) interconnected to a substation/area bus, bank or circuit (i.e., amount of generation online) likely to serve the proposed point of interconnection.

(3) Aggregate queued generation capacity (in MW) for a substation/area bus, bank or circuit (i.e., amount of generation in the queue) likely to serve the proposed point of interconnection.

(4) Available capacity (in MW) of substation/area bus or bank and circuit likely to serve the proposed point of interconnection (i.e., total capacity less the sum of existing aggregate generation capacity and aggregate queued generation capacity).

(5) Substation nominal distribution voltage or transmission nominal voltage or both if applicable.

(6) Nominal distribution circuit voltage at the proposed point of interconnection.

(7) Approximate circuit distance between the proposed point of interconnection and the substation.

(8) Actual or estimated peak load and minimum load data, including daytime minimum load and absolute minimum load, when applicable, for relevant line sections.

(9) Number and rating of protective devices and number and type (standard, bi-directional) of voltage-regulating devices between the proposed point of interconnection and the substation/area and whether or not the substation has a load tap changer.

(10) Number of phases available at the proposed point of interconnection. If it is a single phase, distance from the three-phase circuit.

(11) Limiting conductor ratings from the proposed point of interconnection to the distribution substation.

(12) Whether the point of interconnection is located on a spot network, grid network, or radial supply.

(13) Based on the proposed point of interconnection, existing or known constraints such as, but not limited to, electrical dependencies at that location, short-circuit interrupting capacity issues, power quality or stability issues on the circuit, capacity constraints, or secondary networks.

d. The preapplication report need only include existing data. A preapplication report request does not obligate the utility to conduct a study or other analysis of the proposed generator in the event that data is not readily available. If the utility cannot complete all or some of the preapplication report due to lack of available data, the utility shall provide the applicant with a preapplication report that includes the data that is available. The provision of information on "available capacity" pursuant to subparagraph 45.4(2)*"c"*(4) does not imply that an interconnection up to this level may be completed without impacts since there are many variables studied as part of the interconnection review process and data provided in the preapplication report may become outdated at the time of the submission of the complete interconnection request. Notwithstanding any of the provisions of this subrule, the utility shall, in good faith, include data in the preapplication report that represents the best available information at the time of reporting.

45.4(3) Utilities shall specify the fee by level that the applicant shall remit to process the interconnection request. The fee shall be specified in the interconnection request forms. The utilities shall not charge more than the fees as specified below:

a. Level 1 - $125 application fee and up to an additional $125 if the utility performs a witness test as specified in subrule 45.5(10).

b. Level 2 - $250 application fee plus $1 per kVA and up to an additional $125 if the utility performs a witness test as specified in subrule 45.5(10).

c. Level 3 - $500 application fee plus $2 per kVA.

d. Level 4 - $1,000 application fee plus $2 per kVA.

45.4(4) Interconnection requests may be submitted electronically, if agreed to by the parties.

[**ARC 8859B**, IAB 6/16/10, effective 7/21/10; **ARC 2917C**, IAB 1/18/17, effective 2/22/17; Editorial change: IAC Supplement 7/24/24]

199—45.5(476) General requirements.

45.5(1) When an interconnection request for a distributed generation facility includes multiple energy production devices at a site for which the applicant seeks a single point of interconnection, the interconnection request shall be evaluated on the basis of the aggregate nameplate capacity of the multiple devices.

45.5(2) When an interconnection request is for an increase in capacity for an existing distributed generation facility, the interconnection request shall be evaluated on the basis of the new total nameplate capacity of the distributed generation facility.

45.5(3) The utility shall designate a point of contact and provide contact information on the utility's website. The point of contact shall be able to direct applicant questions concerning interconnection request submissions and the interconnection request process to knowledgeable individuals within the utility.

45.5(4) The information that the utility makes available to potential applicants can include previously existing utility studies that help applicants understand whether it is feasible to interconnect a distributed generation facility at a particular point on the utility's electric distribution system. However, the utility can refuse to provide the information to the extent that providing it violates security requirements or confidentiality agreements, or is contrary to state or federal law. In appropriate circumstances, the utility may require a confidentiality agreement prior to release of this information.

45.5(5) When an interconnection request is deemed complete by the utility, any modification that is not agreed to by the utility requires submission of a new interconnection request.

45.5(6) The applicant shall provide, upon utility request, proof of the applicant's legal right to control the site(s). Site control may be demonstrated through:

a. Ownership of, a leasehold interest in, or a right to develop a site for the purpose of constructing, the distributed generation facility;

b. An option to purchase or acquire a leasehold site for such purpose; or

c. Exclusivity or other business relationship between the interconnection customer and the entity having the right to sell, lease, or grant the interconnection customer the right to possess or occupy a site for such purpose.

45.5(7) To minimize the cost to interconnect multiple distributed generation facilities, the utility or the applicant may propose a single point of interconnection for multiple distributed generation facilities located at an interconnection customer site that is on contiguous property. If the applicant rejects the utility's proposal for a single point of interconnection, the applicant shall pay any additional cost to provide a separate point of interconnection for each distributed generation facility. If the utility, without written technical explanation, rejects the customer's proposal for a single point of interconnection, the utility shall pay any additional cost to provide separate points of interconnection for each distributed generation facility.

45.5(8) Any metering required for a distributed generation interconnection shall be installed, operated, and maintained in accordance with the utility's metering rules and inspection and testing practices defined in 199—Chapter 20. Any such metering requirements shall be identified in the Level 1 Interconnection Request Application form and Distributed Generation Interconnection Agreement or the Levels 2 to 4 Distributed Generation Interconnection Request Agreement executed between the interconnection customer and the utility.

45.5(9) Utility requirements for monitoring and control of distributed generation facilities are permitted only when the nameplate capacity rating is greater than 1 MVA. Monitoring and control requirements shall be reasonable, consistent with the utility's published requirements, and shall be clearly identified in the interconnection agreement between the interconnection customer and the utility. Transfer trip shall not be considered utility monitoring and control when required and installed to protect the electric distribution system or an affected system against adverse system impacts.

45.5(10) The utility may require a witness test after the distributed generation facility is constructed. The applicant shall provide the utility with at least 15 business days' notice of the planned commissioning test for the distributed generation facility. The applicant and utility shall schedule the witness test at a mutually agreeable time. If the witness test results are not acceptable to the utility, the applicant shall be granted 30 business days to address and resolve any deficiencies. The time period for addressing and resolving any deficiencies may be extended upon the mutual agreement of the utility and the applicant prior to the end of the 30 business days. An initial request for extension shall not be denied by the utility; subsequent requests may be denied. If the applicant fails to address and resolve the deficiencies to the utility's satisfaction, the interconnection request shall be deemed withdrawn. Even if the utility or an entity approved by the utility does not witness a commissioning test, the applicant remains obligated to satisfy the interconnection test specifications and requirements set forth in IEEE Standard 1547, Section 11. The applicant shall, if requested by the utility, provide a copy of all documentation in its possession regarding testing conducted pursuant to IEEE Standard 1547.1.

[**ARC 8859B**, IAB 6/16/10, effective 7/21/10; **ARC 2917C**, IAB 1/18/17, effective 2/22/17; **ARC 4645C**, IAB 8/28/19, effective 10/2/19]

199—45.6(476) Lab-certified equipment. An interconnection request may be eligible for expedited interconnection review under rule 199—45.8(476), 199—45.9(476), or 199—45.10(476) (as described in rule 199—45.7(476)) if the distributed generation facility uses interconnection equipment that is lab-certified.

45.6(1) Interconnection equipment shall be deemed to be lab-certified if:

a. The interconnection equipment has been successfully tested in accordance with IEEE Standard 1547.1 (as appropriate for lab testing) or complies with UL Standard 1741, as demonstrated by any NRTL recognized by OSHA to test and certify interconnection equipment; and

b. The interconnection equipment has been labeled and is publicly listed by the NRTL at the time of the interconnection application; and

c. The applicant's proposed use of the interconnection equipment falls within the use or uses for which the interconnection equipment was labeled and listed by the NRTL; and

d. The generator, other electric sources, and interface components being utilized are compatible with the interconnection equipment and are consistent with the testing and listing specified by the NRTL for this type of interconnection equipment.

45.6(2) Lab-certified interconnection equipment shall not require further design testing or production testing, as specified by IEEE Standard 1547, Section 11, or additional interconnection equipment modification to meet the requirements for expedited review; however, the applicant shall conduct all commissioning tests or periodic testing as specified by IEEE Standard 1547, Section 11. The utility may conduct additional witness tests, but no more frequently than annually.

[**ARC 8859B**, IAB 6/16/10, effective 7/21/10; **ARC 2917C**, IAB 1/18/17, effective 2/22/17; **ARC 4645C**, IAB 8/28/19, effective 10/2/19]

199—45.7(476) Determining the review level. A utility shall determine whether an interconnection request should be processed under the Level 1, 2, 3, or 4 procedures by using the following screens.

45.7(1) A utility shall use Level 1 procedures to evaluate all interconnection requests to connect a distributed generation facility when:

a. The applicant has filed a Level 1 application; and

b. The distributed generation facility has a nameplate capacity rating of 20 kVA or less; and

c. The distributed generation facility is inverter-based; and

d. The customer interconnection equipment proposed for the distributed generation facility is lab-certified; and

e. No construction of facilities by the utility shall be required to accommodate the distributed generation facility.

45.7(2) A utility shall use Level 2 procedures for evaluating interconnection requests when:

a. The applicant has filed a Level 2 application; and

b. The nameplate capacity rating is 2 MVA or less for non-inverter-based systems. The Level 2 eligibility for inverter-based systems can be based on the following table.

Line Voltage	Level 2 Eligibility Regardless of Location	Level 2 Eligibility on a Mainline and < 2.5 Electrical Circuit Miles from Substation
< 5 kV	< 500 kVA	< 500 kVA
> 5 kV and < 15 kV	< 2 MVA	< 3 MVA
> 15 kV and < 30 kV	< 3 MVA	< 4 MVA
> 30 kV and < 69 kV	< 4 MVA	< 5 MVA

For purposes of this table, a mainline is the three-phase backbone of a circuit; and

c. The interconnection equipment proposed for the distributed generation facility is lab-certified; and

d. The proposed interconnection is to a radial distribution circuit or a spot network limited to serving one customer; and

e. No construction of facilities by the utility shall be required to accommodate the distributed generation facility, other than minor modifications provided for in subrule 45.9(6).

45.7(3) A utility shall use Level 3 review procedures for evaluating interconnection requests to area networks and radial distribution circuits where power will not be exported based on the following criteria.

a. For interconnection requests to the load side of an area network, the following criteria shall be satisfied to qualify for a Level 3 expedited review:

(1) The applicant has filed a Level 3 application; and

(2) The nameplate capacity rating of the distributed generation facility is 50 kVA or less; and

(3) The proposed distributed generation facility uses a lab-certified inverter-based equipment package; and

(4) The distributed generation facility will use reverse power relays or other protection functions that prevent the export of power into the area network; and

(5) The aggregate of all generation on the area network does not exceed the lower of 5 percent of an area network's maximum load or 50 kVA; and

(6) No construction of facilities by the utility shall be required to accommodate the distributed generation facility.

b. For interconnection requests to a radial distribution circuit, the following criteria shall be satisfied to qualify for a Level 3 expedited review:

(1) The applicant has filed a Level 3 application; and

(2) The aggregated total of the nameplate capacity ratings of all of the generators on the circuit, including the proposed distributed generation facility, is 10 MVA or less; and

(3) The distributed generation facility will use reverse power relays or other protection functions that prevent power flow onto the electric distribution system; and

(4) The distributed generation facility is not served by a shared transformer; and

(5) No construction of facilities by the utility on its own system shall be required to accommodate the distributed generation facility.

45.7(4) A utility shall use the Level 4 study review procedures for evaluating interconnection requests when:

a. The applicant has filed a Level 4 application; and

b. The nameplate capacity rating of the small generation facility is 10 MVA or less; and

c. Not all of the interconnection equipment or distributed generation facilities being used for the application are lab-certified.

[**ARC 8859B**, IAB 6/16/10, effective 7/21/10; **ARC 2917C**, IAB 1/18/17, effective 2/22/17]

199—45.8(476) Level 1 expedited review. A utility shall use the Level 1 interconnection review procedures for an interconnection request that meet the requirements specified in subrule 45.7(1). A utility may not impose additional requirements on Level 1 reviews that are not specifically authorized under this rule or rule 199—45.3(476) unless the applicant agrees.

45.8(1) The utility shall evaluate the potential for adverse system impacts using the following screens, which shall be satisfied:

a. For interconnection of a proposed distributed generation facility to a radial distribution circuit, the total distributed generation connected to the distribution circuit, including the proposed distributed generation facility, may not exceed 15 percent of the maximum load normally supplied by the distribution circuit.

b. For interconnection within a spot network, the distributed generation facility must use a minimum import relay or other protective scheme that will ensure that power imported from the utility to the network will, during normal utility operations, remain above 1 percent of the network's maximum load over the past year, or will remain above a point reasonably set by the utility in good faith. At the utility's discretion, the requirement for minimum import relays or other protective schemes may be waived and alternative screening criteria may be applied.

c. When a proposed distributed generation facility is to be interconnected on a single-phase shared secondary line, the aggregate generation capacity on the shared secondary line, including the proposed distributed generation facility, shall not exceed 20 kVA.

d. When a proposed distributed generation facility is single-phase and is to be interconnected on a center tap neutral of a 240-volt service, its addition may not create an imbalance between the two sides of the 240-volt service of more than 20 percent of the nameplate rating of the service transformer.

e. The utility shall not be required to construct any facilities on its own system to accommodate the distributed generation facility's interconnection.

45.8(2) The Level 1 interconnection shall use the following procedures:

a. The applicant shall submit an interconnection request using the Level 1 Interconnection Request Application form and Distributed Generation Interconnection Agreement along with the Level 1 application fee.

b. Within seven business days after receipt of the interconnection request, the utility shall inform the applicant whether the interconnection request is complete. If the request is incomplete, the utility shall specify what information is missing and the applicant has ten business days after receiving notice from the utility to provide the missing information or the interconnection request shall be deemed withdrawn.

c. Within 15 business days after the utility notifies the applicant that its interconnection request is complete, the utility shall verify whether the distributed generation facility passes all the relevant Level 1 screens.

d. If the utility determines and demonstrates that a distributed generation facility does not pass all relevant Level 1 screens, the utility shall provide a letter to the applicant explaining the reasons that the facility did not pass the screens.

e. Otherwise, the utility shall approve the interconnection request and provide to the applicant a signed version of the standard Conditional Agreement to Interconnect Distributed Generation Facility in the Level 1 Interconnection Request Application form and Distributed Generation Interconnection Agreement subject to the following conditions:

(1) The distributed generation facility has been approved by local or municipal electric code officials with jurisdiction over the interconnection;

(2) The Certificate of Completion form has been returned to the utility. Completion of local inspections may be designated on inspection forms used by local inspecting authorities;

(3) The witness test has either been successfully completed or waived by the utility in accordance with Section (2)(c)(ii) of the Terms and Conditions for Interconnection in the Level 1 Interconnection Request Application form and Distributed Generation Interconnection Agreement; and

(4) The applicant has signed the standard Conditional Agreement to Interconnect Distributed Generation Facility in the Level 1 Interconnection Request Application form and Distributed Generation Interconnection Agreement. When an applicant does not sign the agreement within 30 business days after receipt of the agreement from the utility, the interconnection request is deemed withdrawn unless the applicant requests to have the deadline extended for no more than 15 business days. An initial request for extension shall not be denied by the utility, but subsequent requests may be denied.

f. If a distributed generation facility is not approved under a Level 1 review and the utility's reasons for denying Level 1 status are not subject to dispute, the applicant may submit a new interconnection request for consideration under Level 2, Level 3, or Level 4 procedures. The date of the completed Level 1 interconnection request shall be retained and shall be used to determine the review order position for subsequent Level 2 to 4 applications, provided the request is made by the applicant within 15 business days after notification that the Level 1 interconnection request is denied.

[**ARC 8859B**, IAB 6/16/10, effective 7/21/10; **ARC 2917C**, IAB 1/18/17, effective 2/22/17]

199—45.9(476) Level 2 expedited review. A utility shall use the Level 2 review procedure for interconnection requests that meet the Level 2 criteria in subrule 45.7(2). A utility may not impose additional requirements for Level 2 reviews that are not specifically authorized under this rule or rule 199—45.3(476) or subrule 45.5(9) unless the applicant agrees.

45.9(1) The utility shall evaluate the potential for adverse system impacts using the following screens, which shall be satisfied:

a. For interconnection of a proposed distributed generation facility to a radial distribution circuit, the total distributed generation connected to the distribution circuit, including the proposed distributed generation facility, may not exceed 15 percent of the maximum normal load normally supplied by the distribution circuit.

b. For interconnection of a proposed distributed generation facility within a spot network, the proposed distributed generation facility must be inverter-based and use a minimum import relay or other protective scheme that will ensure that power imported from the utility to the network will, during normal utility operations, remain above 1 percent of the network's maximum load over the past year, or will remain above a point reasonably set by the utility in good faith. At the utility's discretion, the requirement for minimum import relays or other protective schemes may be waived and alternative screening criteria may be applied.

c. The proposed distributed generation facility, in aggregation with other generation on the distribution circuit, may not contribute more than 10 percent to the distribution circuit's maximum fault current at the point on the primary line nearest the point of interconnection.

d. Any proposed distributed generation facility, in aggregate with other generation on the distribution circuit, shall not cause any electric utility distribution devices to be exposed to fault currents exceeding 90 percent of their short-circuit interrupting capability. Interconnection of a non-inverter-based distributed generation facility may not occur under Level 2 if equipment on the utility's distribution circuit is already exposed to fault currents of between 90 and 100 percent of the utility's equipment short-circuit interrupting

capability. However, if fault currents exceed 100 percent of the utility's equipment short-circuit interrupting capability even without the distributed generation being interconnected, the utility shall replace the equipment at its own expense, and interconnection may proceed under Level 2.

e. When a customer-generator facility is to be connected to 3-phase, 3-wire primary utility distribution lines, a 3-phase or single-phase generator shall be connected phase-to-phase.

f. When a customer-generator facility is to be connected to 3-phase, 4-wire primary utility distribution lines, a 3-phase or single-phase generator shall be connected line-to-neutral and shall be grounded.

g. When the proposed distributed generation facility is to be interconnected on a single-phase shared secondary line, the aggregate generation capacity on the shared secondary line, including the proposed distributed generation facility, may not exceed 20 kVA.

h. When a proposed distributed generation facility is single-phase and is to be interconnected on a center tap neutral of a 240-volt service, its addition may not create an imbalance between the two sides of the 240-volt service of more than 20 percent of the nameplate rating of the service transformer.

i. A distributed generation facility, in aggregate with other generation interconnected to the distribution side of a substation transformer feeding the circuit where the distributed generation facility proposes to interconnect, may not exceed 10 MVA in an area where there are transient stability limitations to generating units located in the general electrical vicinity, as publicly posted by the Midwest Reliability Organization (MRO), the SERC Reliability Corporation (SERC), the Midcontinent Independent System Operator, Inc. (MISO) or the Southwest Power Pool (SPP).

j. Except as permitted by additional review in subrule 45.9(6), the utility shall not be required to construct any facilities on its own system to accommodate the distributed generation facility's interconnection.

45.9(2) The Level 2 interconnection shall use the following procedures:

a. The applicant submits an interconnection request using the Levels 2 to 4 Interconnection Request Application form along with the Level 2 application fee.

b. Within ten business days after receiving the interconnection request, the utility shall inform the applicant as to whether the interconnection request is complete. If the request is incomplete, the utility shall specify what materials are missing and the applicant has ten business days to provide the missing information or the interconnection request shall be deemed withdrawn.

c. After an interconnection request is deemed complete, the utility shall assign a review order position based upon the date that the interconnection request is determined to be complete. The utility shall then inform the applicant of its review order position.

d. If, after determining that the interconnection request is complete, the utility determines that it needs additional information to evaluate the distributed generation facility's adverse system impact, it shall request this information. The utility may not restart the review process or alter the applicant's review order position because it requires the additional information. The utility can extend the time to finish its evaluation only to the extent of the delay required for receipt of the additional information. If the additional information is not provided by the applicant within 15 business days, the interconnection request shall be deemed withdrawn.

e. Within 20 business days after the utility notifies the applicant it has received a completed interconnection request, the utility shall:

(1) Evaluate the interconnection request using the Level 2 screening criteria; and

(2) Provide the applicant with the utility's evaluation, including a written technical explanation. If a utility does not have a record of receipt of the interconnection request and the applicant can demonstrate that the original interconnection request was delivered, the utility shall complete the evaluation of the interconnection request within 20 business days after applicant's demonstration.

45.9(3) When a utility determines that the interconnection request passes the Level 2 screening criteria, or the utility determines that the distributed generation facility can be interconnected safely and will not cause adverse system impacts, even if the facility fails one or more of the Level 2 screening criteria, the utility shall provide the applicant with the Levels 2 to 4 Distributed Generation Interconnection Agreement within three business days of the date the utility makes its determination.

45.9(4) Within 30 business days after issuance by the utility of the Levels 2 to 4 Distributed Generation Interconnection Agreement, the applicant shall sign and return the agreement to the utility. If the applicant does not sign and return the agreement within 30 business days, the interconnection request shall be deemed withdrawn unless the applicant requests a 15-business-day extension in writing before the end of the 30-day period. The initial request for extension may not be denied by the utility. When the utility conducts an additional review under the provisions of subrule 45.9(6), the interconnection of the distributed generation facility shall proceed according to milestones agreed to by the parties in the Levels 2 to 4 Distributed Generation Interconnection Agreement.

45.9(5) The Levels 2 to 4 Distributed Generation Interconnection Agreement is not final until:

a. All requirements in the agreement are satisfied;

b. The distributed generation facility is approved by the electric code officials with jurisdiction over the interconnection;

c. The applicant provides the Certificate of Completion form to the utility. Completion of local inspections may be designated on inspection forms used by local inspecting authorities; and

d. The witness test has either been successfully completed or waived by the utility in accordance with Article 2.1.1 of the Levels 2 to 4 Distributed Generation Interconnection Agreement.

45.9(6) Supplemental review may be appropriate when a distributed generation facility fails to meet one or more of the Level 2 screens. The utility shall offer to perform a supplemental review to determine whether there are minor modifications to the distributed generation facility or electric distribution system that would enable the interconnection to be made safely without causing adverse system impacts. To accept the offer of a supplemental review, the applicant shall agree in writing and submit a deposit for the estimated costs of the supplemental review in the amount of the utility's good-faith nonbinding estimate of the costs for such review, both within 15 business days of the offer. If the written agreement and deposit have not been received by the utility within that time frame, the interconnection request shall continue to be evaluated under the applicable study process unless it is withdrawn by the applicant.

a. The applicant may specify the order in which the utility will complete the screens described in paragraph 45.9(6)*"d."*

b. The applicant shall be responsible for the utility's actual costs for conducting the supplemental review. The applicant must pay any review costs that exceed the deposit within 20 business days of receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced costs, the utility will return such excess within 20 business days of the date of the invoice without interest.

c. Within 30 business days following receipt of the deposit for a supplemental review, the utility shall:

(1) Perform a supplemental review using the screens set forth below;

(2) Notify the applicant in writing of the results; and

(3) Include with the notification copies of the analysis and data underlying the utility's determinations based on the screens.

d. Unless the applicant provided instructions on how to respond to the failure of any of the supplemental review screens identified below at the time the applicant accepted the offer of a supplemental review, the utility shall notify the applicant following the failure of any of the screens; or if the utility is unable to perform the screen described in subparagraph 45.9(6)*"d"*(1) within 2 business days of making such determination, the utility shall obtain the applicant's permission to: (a) continue evaluating the proposed interconnection under this subparagraph; (b) terminate the supplemental review and continue evaluating the small generating facility; or (c) terminate the supplemental review upon withdrawal of the interconnection request by the applicant.

(1) Minimum Load Screen: Where 12 months of line section minimum load data (including onsite load but not station service load served by the proposed small generating facility) are available, can be calculated, can be estimated from existing data, or can be determined from a power flow model, the aggregate generating facility capacity on the line section must be less than 100 percent of the minimum load for all line sections bounded by automatic sectionalizing devices upstream of the proposed small generating facility. If minimum load data is not available, or cannot be calculated, estimated or determined,

the utility shall include the reason(s) that it is unable to calculate, estimate or determine minimum load in its supplemental review results notification under paragraph 45.9(6)*"c"* above.

1. The type of generation used by the proposed small generating facility will be taken into account when calculating, estimating, or determining circuit or line section minimum load relevant for the application of screen. Solar photovoltaic (PV) generation systems with no battery storage use daytime minimum load (i.e., 10 a.m. to 4 p.m. for fixed panel systems and 8 a.m. to 6 p.m. for PV systems utilizing tracking systems), while all other types of generation use absolute minimum load.

2. When this screen is being applied to a small generating facility that serves some station service load, only the net injection into the utility's electric system will be considered as part of the aggregate generation.

3. Utility will not consider generating facility capacity known to be already reflected in the minimum load data as part of the aggregate generation for purposes of this screen.

(2) Voltage and Power Quality Screen: In aggregate with existing generation on the line section: (1) the voltage regulation on the line section can be maintained in compliance with relevant requirements under all system conditions; (2) the voltage fluctuation is within acceptable limits as defined by the Institute of Electrical and Electronics Engineers (IEEE) Standard 1453, or utility practice similar to IEEE Standard 1453; and (3) the harmonic levels meet IEEE Standard 519 limits.

(3) Safety and Reliability Screen: The location of the proposed small generating facility and the aggregate generation capacity on the line section do not create impacts to safety or reliability that cannot be adequately addressed without application of the study process. The utility shall give due consideration to the following and other factors in determining potential impacts to safety and reliability in applying this screen.

1. Whether the line section has significant minimum load levels dominated by a small number of customers (e.g., several large commercial customers).

2. Whether the load along the line section is uniform or even.

3. Whether the proposed small generating facility is located in close proximity to the substation (i.e., less than 2.5 electrical circuit miles) and whether the line section from the substation to the point of interconnection is a mainline rated for normal and emergency ampacity.

4. Whether the proposed small generating facility incorporates a time delay function to prevent reconnection of the generator to the system until system voltage and frequency are within normal limits for a prescribed time.

5. Whether operational flexibility is reduced by the proposed small generating facility, such that transfer of the line section(s) of the small generating facility to a neighboring distribution circuit/substation may trigger overloads or voltage issues.

6. Whether the proposed small generating facility employs equipment or systems certified by a recognized standards organization to address technical issues such as, but not limited to, islanding, reverse power flow, or voltage quality.

e. If the proposed interconnection passes the supplemental screens described in subparagraphs 45.9(6)*"d"*(1), (2), and (3), the interconnection request shall be approved and the utility will provide the applicant with an executable interconnection agreement within the time frames established in paragraphs 45.9(6)*"f"* and *"g."* If the proposed interconnection fails any of the supplemental review screens and the applicant does not withdraw its interconnection request, it shall continue to be evaluated under the Level 4 study process consistent with rule 199—45.11(476).

f. If the proposed interconnection passes the supplemental screens described in subparagraphs 45.9(6)*"d"*(1), (2), and (3) and does not require construction of facilities by the utility on its own system, the interconnection agreement shall be provided within 10 business days after the notification of the supplemental review results.

g. If interconnection facilities or minor modifications to the utility's system are required for the proposed interconnection to pass the supplemental screens described in subparagraphs 45.9(6)*"d"*(1), (2), and (3) and the applicant agrees to pay for the modifications to the utility's electric system, the interconnection agreement, along with a nonbinding good-faith estimate for the interconnection facilities or

minor modifications or both, shall be provided to the applicant within 15 business days after receiving written notification of the supplemental review results.

h. If the proposed interconnection would require more than interconnection facilities or minor modifications to the utility's system to pass the supplemental screens described in subparagraphs 45.9(6)*"d"*(1), (2), and (3), the utility shall notify the applicant at the same time it notifies the applicant with the supplemental review results, that the interconnection request shall be evaluated under the Level 4 study process unless the applicant withdraws its small generating facility.

45.9(7) If the distributed generation facility is not approved under a Level 2 review, the utility shall provide the applicant with written notification explaining its reasons for denying the interconnection request. The applicant may submit a new interconnection request for consideration under a Level 4 interconnection review. The review order position assigned to the Level 2 interconnection request shall be retained, provided that the request is made by the applicant within 15 business days after notification that the current interconnection request is denied.

[**ARC 8859B**, IAB 6/16/10, effective 7/21/10; **ARC 2917C**, IAB 1/18/17, effective 2/22/17]

199—45.10(476) Level 3 expedited review. A utility shall use the Level 3 expedited review procedure for an interconnection request that meets the criteria in subrule 45.7(3) or 45.7(4). A utility may not impose additional requirements for Level 3 reviews not specifically authorized under this rule or rule 199—45.3(476) unless the applicant agrees.

45.10(1) A Level 3 interconnection shall use the following procedures:

a. The applicant shall submit an interconnection request using the Levels 2 to 4 Interconnection Request Application form along with the Level 3 application fee.

b. Within ten business days after receiving the interconnection request, the utility shall inform the applicant as to whether the interconnection request is complete. If the request is incomplete, the utility shall specify what materials are missing and the applicant has ten business days to provide the missing information, or the interconnection request shall be deemed withdrawn.

c. After an interconnection request is deemed complete, the utility shall assign a review order position to it based upon the date the interconnection request is determined to be complete. The utility shall then inform the applicant of its review order position.

d. If, after determining that the interconnection request is complete, the utility determines that it needs additional information to evaluate the distributed generation facility's adverse system impact, the utility shall request this information. The utility may not restart the review process or alter the applicant's review order position because it requires the additional information. The utility can extend the time to finish its evaluation only to the extent the delay is required for receipt of the additional information. If this additional information is not provided by the applicant within 15 business days, the interconnection request shall be deemed withdrawn.

e. Interconnection requests meeting the requirements set forth in paragraph 45.7(3)*"a"* for nonexporting distributed generation facilities interconnecting to an area network shall be presumed to be appropriate for interconnection. The utility shall process the interconnection requests using the following procedures:

(1) The utility shall evaluate the interconnection request under Level 2 interconnection review procedures as set forth in subrule 45.9(1) except that the utility has 25 business days to evaluate the interconnection request against the screens to determine whether interconnecting the distributed generation facility to the utility's area network has any potential adverse system impacts.

(2) If the Level 2 screens for area networks identify potential adverse system impacts, the utility may determine at its sole discretion that it is inappropriate for the distributed generation facility to interconnect to the area network under Level 3 review, and the interconnection request is denied. The applicant may submit a new interconnection request for consideration under Level 4 procedures at the review order position assigned to the Level 3 interconnection request, if the request is made within 15 business days after notification that the current application is denied.

f. For interconnection requests that meet the requirements of paragraph 45.7(3)*"b"* for nonexporting distributed generation facilities interconnecting to a radial distribution circuit, the utility shall evaluate the

interconnection request under the Level 2 expedited review in subrule 45.9(1), except for the screen in paragraph 45.9(1)*"a."*

45.10(2) For a distributed generation facility that satisfies the criteria in paragraph 45.10(1)*"e"* or 45.10(1)*"f,"* the utility shall approve the interconnection request and provide the applicant with the Levels 2 to 4 Distributed Generation Interconnection Agreement within three business days of the date the utility makes its determination.

45.10(3) Within 30 business days after issuance by the utility of the Levels 2 to 4 Distributed Generation Interconnection Agreement, the applicant shall complete, sign, and return the agreement to the utility. If the applicant does not sign the agreement within 30 business days, the request shall be deemed withdrawn, unless the applicant requests a 15-business-day extension in writing before the end of the 30-day period. An initial request for extension may not be denied by the utility. After the agreement is signed by the parties, interconnection of the distributed generation facility shall proceed according to any milestones agreed to by the parties in the Levels 2 to 4 Distributed Generation Interconnection Agreement.

45.10(4) The Levels 2 to 4 Distributed Generation Interconnection Agreement shall not be final until:

a. All requirements in the agreement are satisfied; and

b. The distributed generation facility is approved by the electric code officials with jurisdiction over the distributed generation facility; and

c. The applicant provides the Certificate of Completion form to the utility; and

d. The witness test has either been successfully completed or waived by the utility in accordance with Article 2.1.1 of the Levels 2 to 4 Distributed Generation Interconnection Agreement.

45.10(5) If the distributed generation facility is not approved under a Level 3 review, the utility shall provide the applicant with written notification explaining its reasons for denying the interconnection request. The applicant may submit a new interconnection request for consideration under a Level 4 interconnection review. The review order position assigned to the Level 3 interconnection request shall be retained, provided that the request is made within 15 business days after notification that the current interconnection request is denied.

[**ARC 8859B**, IAB 6/16/10, effective 7/21/10; **ARC 2917C**, IAB 1/18/17, effective 2/22/17]

199—45.11(476) Level 4 review. A utility shall use the following Level 4 study review procedures for an interconnection request that meets the criteria in subrule 45.7(4).

45.11(1) The applicant submits an interconnection request using the Levels 2 to 4 Interconnection Request Application form along with the Level 4 application fee.

45.11(2) Within ten business days after receipt of an interconnection request, the utility shall notify the applicant whether the request is complete. When the interconnection request is not complete, the utility shall provide the applicant with a written list detailing the information required to complete the interconnection request. The applicant has ten business days to provide the required information or the interconnection request is considered withdrawn. The parties may agree to extend the time for receipt of the additional information. The interconnection request is deemed complete when the required information has been provided by the applicant, or the parties have agreed that the applicant may provide additional information at a later time.

45.11(3) After an interconnection request is deemed complete, the utility shall assign a review order position to it based upon the date the interconnection request is determined to be complete. When assigning a review order position, a utility may consider whether there are any other interconnection projects on the same distribution circuit. If there are other interconnection projects on the same distribution circuit, the utility may consider them together. If a utility assigns a review order position based on the existence of interconnection projects on the same distribution circuit, the utility shall notify the applicant of that fact when it assigns the review order position. The review order position of an interconnection request is used to determine the cost responsibility for the facilities necessary to accommodate the interconnection. The utility shall notify the applicant as to its position in the review order. If the interconnection request is subsequently amended, it shall receive a new review order position based on the date that it was amended.

45.11(4) Level 4 study review procedures. After the interconnection request has been assigned to the review order, a Level 4 study review shall be conducted:

a. Waiver or combination of standard Level 4 study review procedures. By mutual agreement of the parties in writing, the scoping meeting, feasibility study, system impact study, or facilities study in paragraph 45.11(4)*"b"* may be waived or combined with other studies. Otherwise, the standard Level 4 study review procedures in paragraph 45.11(4)*"b"* shall apply.

b. Standard Level 4 study review procedures.

(1) Scoping meeting. Unless waived or combined with other studies pursuant to paragraph 45.11(4)*"a,"* a scoping meeting shall be held with the applicant on a mutually agreed-upon date and time, after the utility has notified the applicant that the Level 4 interconnection request is deemed complete, or after the applicant has requested that its interconnection request proceed under Level 4 review after failing the requirements of a Level 1, Level 2, or Level 3 review. The purpose of the meeting is to review the interconnection request, any existing studies relevant to the interconnection request, and the results of any Level 1, Level 2, or Level 3 screening criteria.

(2) Feasibility study. Unless waived or combined with other studies pursuant to paragraph 45.11(4)*"a,"* an interconnection feasibility study (subrule 45.11(5)) shall be performed.

1. The utility shall provide the applicant a copy of the Interconnection Feasibility Study Agreement or a mutually agreed-upon alternative form, plus a description of the study and a nonbinding estimate of the cost to perform the study.

2. The utility shall provide the study agreement and information no later than 10 business days after the following have occurred, as applicable:

- Receipt of a complete interconnection request; and
- The scoping meeting (if held).

3. If the applicant does not sign and return the study agreement with payment of the estimated costs of the study within 15 business days, the application shall be deemed withdrawn.

(3) System impact study. Unless waived or combined with other studies pursuant to paragraph 45.11(4)*"a,"* an interconnection system impact study (subrule 45.11(6)) shall be performed.

1. The utility shall provide the applicant a copy of the Interconnection System Impact Study Agreement or a mutually agreed-upon alternative form, plus an outline of the scope of the study and a nonbinding estimate of the cost to perform the study.

2. The utility shall provide the study agreement and information no later than 10 business days after the following have occurred, as applicable:

- Receipt of a complete interconnection request;
- The scoping meeting (if held); and
- Transmittal of the interconnection feasibility study (if performed).

3. If the applicant does not sign and return the study agreement with payment of the estimated costs of the study within 15 business days, the application shall be deemed withdrawn.

(4) Facilities study. Unless waived or combined with other studies pursuant to paragraph 45.11(4)*"a,"* an interconnection facilities study (subrule 45.11(7)) shall be performed.

1. The utility shall provide the applicant a copy of the Interconnection Facilities Study Agreement or a mutually agreed-upon alternative form, plus an outline of the scope of the study and a nonbinding estimate of the cost to perform the study.

2. The utility shall provide the study agreement and information no later than 10 business days after the following have occurred, as applicable:

- Receipt of a complete interconnection request;
- The scoping meeting (if held);
- Transmittal of the interconnection feasibility study (if performed); and
- Transmittal of the interconnection system impact study (if performed).

3. If the applicant does not sign and return the study agreement with payment of the estimated costs of the study within 15 business days, the application shall be deemed withdrawn.

45.11(5) Interconnection feasibility study.

a. Unless waived or combined with other studies by agreement of the parties pursuant to paragraph 45.11(4)*"a,"* the interconnection feasibility study shall include any necessary analyses for the purpose of

identifying potential adverse system impacts to the utility's electric system that would result from the interconnection from among the following:

(1) Initial identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;

(2) Initial identification of any thermal overload or voltage limit violations resulting from the interconnection; and

(3) Initial review of grounding requirements and system protection.

b. Before performing the study, the utility shall provide the applicant a description of the study and a nonbinding estimate of the cost to perform the study.

c. If an applicant requests that the interconnection feasibility study evaluate multiple potential points of interconnection, additional evaluations may be required. Additional evaluations shall be paid for by the applicant.

d. An interconnection system impact study is not required when the interconnection feasibility study concludes that there is no adverse system impact, or when the study identifies an adverse system impact but the utility is able to identify a remedy without the need for an interconnection system impact study.

e. Either party can require that the Interconnection Feasibility Study Agreement be used. However, if both parties agree, an alternative form can be used.

45.11(6) Interconnection system impact study. An interconnection system impact study evaluates the impact of the proposed interconnection on both the safety and reliability of the utility's electric distribution system. The study identifies and details the system impacts that interconnecting the distributed generation facility to the utility's electric system have if there are no system modifications. It focuses on the potential or actual adverse system impacts identified in the interconnection feasibility study, including those that were identified in the scoping meeting. The study shall consider all other distributed generation facilities that, on the date the interconnection system impact study is commenced, are directly interconnected with the utility's system, have a pending higher review order position to interconnect to the electric distribution system, or have signed an interconnection agreement. The utility shall coordinate with any affected system owners regarding potential impacts to affected systems in a timely manner and include the results of such studies along with the system impacts study.

a. Unless waived or combined with other studies by agreement of the parties pursuant to paragraph 45.11(4)*"a,"* an interconnection system impact study shall be performed when either a potential adverse system impact is identified in the interconnection feasibility study, or an interconnection feasibility study has not been performed. Before performing the study, the utility shall provide the applicant an outline of the scope of the study and a nonbinding estimate of the cost to perform the study. The interconnection system impact study shall include any pertinent elements from among the following:

(1) A load flow study;

(2) Identification of affected systems and any subsequent affected system study;

(3) An analysis of equipment interrupting ratings;

(4) A protection coordination study;

(5) Voltage drop and flicker studies;

(6) Protection and set point coordination studies;

(7) Grounding reviews; and

(8) Impact on system operation.

b. An interconnection system impact study shall consider any necessary criteria from among the following:

(1) A short-circuit analysis;

(2) A stability analysis;

(3) Alternatives for mitigating adverse system impacts on affected systems;

(4) Voltage drop and flicker studies;

(5) Protection and set point coordination studies;

(6) Grounding reviews; and

(7) Results from the affected system study.

c. The final interconnection system impact study shall provide the following:

(1) The underlying assumptions of the study;
(2) The results of the analyses;
(3) A list of any potential impediments to providing the requested interconnection service;
(4) Required distribution upgrades; and
(5) A nonbinding estimate of cost and time to construct any required distribution upgrades.

d. Either party can require that the Interconnection System Impact Study Agreement be used. However, if both parties agree, an alternative form can be used.

45.11(7) Interconnection facilities study. Unless waived or combined with other studies by agreement of the parties pursuant to paragraph 45.11(4)*"a,"* an interconnection facilities study shall be performed as follows:

a. Before performing the study, the utility shall provide the applicant an outline of the scope of the study and a nonbinding estimate of the cost to perform the study.

b. The interconnection facilities study shall estimate the cost of the equipment, engineering, procurement and construction work, including overheads, needed to implement the conclusions of the interconnection feasibility study and the interconnection system impact study. The interconnection facilities study shall identify:

(1) The electrical switching configuration of the equipment, including transformer, switchgear, meters and other station equipment;

(2) The nature and estimated cost of the utility's interconnection facilities and distribution upgrades necessary to accomplish the interconnection; and

(3) An estimate for the time required to complete the construction and installation of the interconnection facilities and distribution upgrades.

c. The utility may agree to permit an applicant to arrange separately for a third party to design and construct the required interconnection facilities. In such a case, when the applicant agrees to separately arrange for design and construction, and to comply with security and confidentiality requirements, the utility shall make all relevant information and required specifications available to the applicant to permit the applicant to obtain an independent design and cost estimate for the facilities, which shall be built in accordance with the utility's specifications.

d. Upon completion of the interconnection facilities study, and after the applicant agrees to pay for the interconnection facilities and distribution upgrades identified in the interconnection facilities study, the utility shall provide the applicant with the Levels 2 to 4 Distributed Generation Interconnection Agreement within three business days of the date the utility makes its determination.

e. In the event that distribution upgrades are identified in the interconnection system impact study that shall be added only in the event that customers with higher review order positions not yet interconnected eventually complete and interconnect their generation facilities, the applicant may elect to interconnect without paying the estimate for such upgrades at the time of the interconnection, provided that the applicant pays for such upgrades prior to commencement of construction of such upgrades to be completed by the time the customer with higher review order position is ready to interconnect. If the applicant does not pay for such upgrades at that time, the utility shall require the applicant to immediately disconnect its distributed generation facility to accommodate the customer with higher review order position.

f. Either party can require that the Interconnection Facilities Study Agreement be used. However, if both parties agree, an alternative form can be used.

45.11(8) When a utility determines, as a result of the studies conducted under a Level 4 review, that it is appropriate to interconnect the distributed generation facility, the utility shall provide the applicant with the Levels 2 to 4 Distributed Generation Interconnection Agreement. If the interconnection request is denied, the utility shall provide the applicant with a written explanation as to its reasons for denying interconnection. If denied, the interconnection request does not retain its position in the review order.

45.11(9) Within 30 business days after receipt of the Levels 2 to 4 Distributed Generation Interconnection Agreement, the applicant shall provide all necessary information required of the applicant by the agreement, and the utility shall develop all other information required of the utility by the agreement. After completing the agreement with the additional information, the utility will transmit the

completed agreement to the applicant. Within 30 business days after receipt of the completed agreement, the applicant shall sign and return the completed agreement to the utility. If the applicant does not sign and return the agreement within 30 business days after receipt, the interconnection request shall be deemed withdrawn, unless the applicant requests in writing to have the deadline extended by no more than 15 business days, prior to the expiration of the 30-business-day period. The initial request for extension may not be denied by the utility. If the applicant does not sign and return the agreement after the 15-business-day extension, the interconnection request shall be deemed withdrawn. If withdrawn, the interconnection request does not retain its position in the review order. When construction is required, the interconnection of the distributed generation facility shall proceed according to milestones agreed to by the parties in the Levels 2 to 4 Distributed Generation Interconnection Agreement.

45.11(10) The Levels 2 to 4 Distributed Generation Interconnection Agreement is not final until:

a. The requirements of the agreement are satisfied; and

b. The distributed generation facility is approved by electric code officials with jurisdiction over the interconnection; and

c. The applicant provides the Certificate of Completion form to the utility. Completion of local inspections may be designated on inspection forms used by local inspecting authorities; and

d. The witness test has either been successfully completed or waived by the utility in accordance with Article 2.1.1 of the Levels 2 to 4 Distributed Generation Interconnection Agreement.

[**ARC 8859B**, IAB 6/16/10, effective 7/21/10; **ARC 2917C**, IAB 1/18/17, effective 2/22/17]

199—45.12(476) Disputes.

45.12(1) A party shall attempt to resolve all disputes regarding interconnection promptly and in a good-faith manner. A party shall provide prompt written notice of the existence of the dispute, including sufficient detail to identify the scope of the dispute, to the other party in order to attempt to resolve the dispute in a good-faith manner.

45.12(2) An informal meeting between the parties shall be held within ten business days after receipt of the written notice. Persons with decision-making authority from each party shall attend such meeting. In the event said dispute involves technical issues, persons with sufficient technical expertise and familiarity with the issue in dispute from each party shall also attend the informal meeting. If the parties agree, such a meeting may be conducted by teleconference.

45.12(3) Subsequent to the informal meeting referred to in subrule 45.12(2), a party may seek resolution of any disputes through the 199—Chapter 6 complaint procedures of the commission. Dispute resolution under these procedures will initially be conducted informally under rules 199—6.2(476) through 199—6.4(476) to reach resolution with minimal cost and delay. If any party is dissatisfied with the outcome of the informal process, the party may file a formal complaint with the commission under rule 199—6.5(476).

45.12(4) Pursuit of dispute resolution shall not affect an interconnection applicant with regard to consideration of an interconnection request or an interconnection applicant’s position in the utility’s interconnection review order.

[**ARC 8859B**, IAB 6/16/10, effective 7/21/10; Editorial change: IAC Supplement 7/24/24]

199—45.13(476) Records and reports.

45.13(1) For each completed interconnection request received by the utility, the utility shall maintain records of the following for a minimum of three years:

a. The date the interconnection application was received as complete, the total AC nameplate capacity, and the fuel type of the distributed generation facility;

b. The level of review received (Level 1, Level 2, Level 3, or Level 4) and whether the project failed any initial screens, and if so and readily determinable, which screens; whether the facility received a supplemental review; and whether any impact or facility study was conducted;

c. Whether the interconnection was approved, denied, or withdrawn and the date of that action; and

d. Whether the facility is operational and, if so, the date the electric utility authorized the facility to begin operation.

45.13(2) Each utility shall file a report by May 1 of each year detailing the information required in subrule 45.13(1) for the previous calendar year.

45.13(3) Each utility shall retain copies of studies it performs to determine the feasibility of, system impacts of, or facilities required by the interconnection of any distributed generation facility. The utility shall provide the applicant copies of any studies performed in analyzing the applicant's interconnection request upon applicant request. However, a utility has no obligation to provide any future applicants any information regarding prior interconnection requests to the extent that providing the information would violate security requirements or confidentiality agreements, or is contrary to state or federal law. In appropriate circumstances, the utility may require a confidentiality agreement prior to release of this information.

[**ARC 8859B**, IAB 6/16/10, effective 7/21/10; **ARC 2917C**, IAB 1/18/17, effective 2/22/17]

These rules are intended to implement Iowa Code sections 476.1 and 476.8 and Section 211 of the Public Utilities Regulatory Policies Act of 1978, as amended by the Energy Policy Act of 2005.

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