

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.

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