

**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.
- (4) In unusual circumstances.

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

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

**21.3(3) Water meter requirements.**

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

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

- (1) Meter identification.
  1. Manufacturer.
  2. Meter type, catalog number, and serial number.
  3. Meter capacity.
  4. Registration unit of measurement (gallons or cubic feet).
  5. Number of moving digits or dials on register.
  6. Number of fixed zeros on register.
  7. Pressure rating of the meter.
- (2) Meter location history.
  1. Dates of installation and removal from service.
  2. Location of installations.
  3. All customer names with readings and read out dates.

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

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

*d. Water meter readings.*

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

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

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

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

**21.3(5) Extensions to customers.**

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

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

*“Agreed-upon attachment period”* means a period of not less than 30 days nor more than one year mutually agreed upon by the utility and the applicant within which the customer will attach. If no time period is mutually agreed upon, the agreed-upon attachment period is deemed to be 30 days.

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

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

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

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

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

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

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

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

*“Extensions”* means a distribution main extension.

*“Similarly situated customer”* means a customer whose annual consumption or service requirements, as defined by estimated annual revenue, are approximately the same as the annual consumption or service requirements of other customers.

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

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

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

1. If the estimated construction cost to provide a distribution main extension is less than or equal to five times the estimated annual revenue calculated on the basis of similarly situated customers, the utility 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 will be called by the utility at the end of one year or when the earned refunds are equal to the bonded amount, less the surcharge, whichever occurs first. If, upon termination of the surety bond, there are sufficient earned refunds to offset the amount of the surety bond, less the surcharge, the depositors 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 depositors may pay the interest on the previous year's bond and rebond the balance due to the utility for a second or third one-year period. Upon receipt of such cash deposit, the utility releases the surety bond. The cash deposit, less the surcharge, will be subject to refund by the utility for the remainder of the ten-year period.

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

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

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

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

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

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

*f. Connections to utility-owned equipment.* An individual, partnership, or company may construct its own extension; however, it will meet, at a minimum, the applicable portions of the standards in rule 199—21.5(476) and such other reasonable standards as the utility may employ in constructing extensions, so long as the standards do not mandate a particular supplier. All connections to the utility-owned equipment or facilities are to be made by the utility at the applicant's expense. At the time of attachment to the utility-owned equipment or facilities, the applicant will transfer ownership of the extension to the utility

and the utility will book the original cost of construction of the extension as an advance for construction, and make refunds to the applicant in accordance with paragraph 21.3(5) "c." The utility will be responsible for the operation and maintenance of the extension after attachment.

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

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

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

*a. Outside meters.* Meters installed out-of-doors 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 is to be installed so as to be unaffected by climatic conditions and reasonably secure from injury.

*b. Inside meters.* Meters installed inside the customer's building 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) will be located within the premises served or in a common location accessible to the customers and the utility.

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