

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. This notice will also be provided on the utility's website and supplied to the customer with service applications.

(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.

b. Inquiries for information or complaints to a utility will 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 will provide identification to the customer, which will enable the customer to reach that employee again if needed.

c. Each utility will notify its customers, by bill insert or notice on the bill form, of the address and telephone number where a utility representative qualified to assist in resolving the complaint can be reached. The utility will also include the following statement: "If (utility name) does not resolve your complaint, you may request assistance from the Iowa Utilities Commission by calling 877.565.4450, by writing to 1375 E. Court Ave., Des Moines, IA 50319, or by email to customer@iuc.iowa.gov." This information will be provided no less than annually.

d. Any utility that does not use the standard statement described in this subrule will file its proposed statement in its tariff for approval. A utility that bills by postcard may place an advertisement in a local newspaper of general circulation or a customer newsletter instead of a mailing, as long as the advertisement is of a type size that is easily legible and conspicuous and contains the information set forth above.

21.4(2) Customer deposits.

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

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

c. New or additional deposit. A new or additional deposit may be required from a customer when a deposit has been refunded or is found to be inadequate. Written notice is to be mailed advising the customer of any new or additional deposit requirement. The customer will have no less than 12 days from the date of mailing to comply. The utility does not need to provide written notice of a deposit required as a prerequisite for commencing initial service.

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

e. Interest on customer deposits. Interest will be paid by the utility to each customer required to make a deposit. Utilities will compute interest on customer deposits at 7.5 percent per annum, compounded annually. Interest for prior periods will be computed at the rate specified by the rule in effect for the period in question. Interest will be paid for the period beginning with the date of deposit to the date of refund or to the date that the deposit is applied to the customer's account, or to the date the customer's bill becomes permanently delinquent. The date of refund is that date on which the refund or the notice of deposit refund is forwarded to the customer's last-known address. The date a customer's bill becomes permanently delinquent is the most recent date the account is treated as uncollectible.

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

g. Unclaimed deposits. The utility will make a reasonable effort to return each unclaimed deposit and accrued interest after the termination of the services for which the deposit was made. The utility will maintain a record of deposit information for at least two years or until such time as the deposit, together with accrued interest, escheats to the state pursuant to Iowa Code section 556.4 at which time the record and deposit, together with accrued interest, less any lawful deductions, will be sent to the state treasurer pursuant to Iowa Code section 556.13.

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

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

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

b. Charge forgiveness. Each account will be granted at least one complete forgiveness of a late payment charge each calendar year. The utility's rules will be definitive that on one monthly bill in each period of eligibility, the utility will accept the net amount of such bill as full payment for such month after expiration of the net payment period. The rules shall state how the customer is notified that the eligibility has been used.

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.

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 subrule 21.4(6), but not less than three years.

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

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

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

c. Slow meters. Whenever a meter is found to be more than 2 percent slow, the utility may bill the customer for the amount the test indicates the customer has been undercharged for the period of inaccuracy, or a period as estimated in paragraph 21.4(6) "a" unless otherwise ordered by the 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 cannot 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 will not exceed the billing for like charges (e.g., usage-based, fixed, or service charges) in the 12 months preceding discovery of the error unless otherwise ordered by the 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 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 resolution and thereby avoid discontinuance of service for nonpayment of the disputed bill for up to 45 days after the rendering of the bill. The 45 days will be extended 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 will only be allowed if the governing body of a city utility, city enterprise, combined city utility, or combined city enterprise has entered into a written agreement with the utility that includes provisions:
 - (1) Requiring that a notice of disconnection of water service for failure to pay a debt owed to the city utility, city enterprise, combined city utility, or combined city enterprise for wastewater service or services of sewer systems, storm water drainage systems, or sewage treatment be made by the utility and allow the customer 12 days, excluding Sundays and legal holidays, after the mailing of the notice to take necessary action to satisfy the debt.
 - (2) Providing for prompt notice from the city utility, city enterprise, combined city utility, or combined city enterprise to the utility that the debt for wastewater service or services of sewer systems, storm water drainage systems, or sewage treatment has been satisfied and providing that, once notified of the payment of the debt, the utility shall reconnect water service to the customer as provided for in the utility's tariff.
 - (3) Requiring the city utility, city enterprise, combined city utility, or combined city enterprise, prior to contacting the utility for disconnection of water service to a customer, to have completed the disconnection notification procedures established in the tariffs or ordinances of the city utility, city enterprise, combined city utility, or combined city enterprise.

(4) Providing that the customer may be charged a fee for disconnection and reconnection of water service by the utility for failure of the customer to pay a debt owed to the city utility, city enterprise, combined city utility, or combined city enterprise for wastewater service or services of sewer systems, storm water drainage systems, or sewage treatment, that the fee be no greater than the rates or charges established for reconnection and disconnection of water service in the utility's tariffs approved by the 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, prior to refusing water service due to nonpayment of a bill, will provide the customer a written statement of rights and responsibilities to avoid shutoff. Any utility that does not use the standard form set forth below will electronically submit its proposed form to the commission for approval. A utility that is preparing to disconnect water service due to nonpayment of a bill for sanitary sewage disposal service or storm water drainage service will replace the words "water service" in the form below with the words "sanitary sewage disposal service" or "storm water drainage service" as appropriate. The utility shall provide the customer with the written statement of customer rights and responsibilities at the same time it provides the customer the written notice of disconnect.

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

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

- a. Pay the bill in full;
- b. Enter into a reasonable payment plan with the utility (see #2 below); or
- c. 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 #3 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 6 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. 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. 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.)

4. 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 if requested of the utility by the Utilities Commission in the event you file a written complaint with the Utilities Commission.

5. 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.

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

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

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

7. 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 Ave., Des Moines, IA 50319, 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 800.532.1275.

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

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

- a. Delinquency in payment for service by a previous occupant of the premises to be served.
- b. Failure to pay the bill of another customer as guarantor thereof.
- c. Failure to pay for a different type or class of utility service, except sanitary sewage disposal service or storm water drainage service. Disconnection of water service pursuant to the provisions of paragraph 21.4(7) "f" is not considered a different type or class of public utility service for purposes of subrule 21.4(10).
- d. Delinquency in payment for service arising more than ten years prior, as measured from the most recent of the last date of service, the physical disconnection of service, or the last payment or promise of payment made by the customer.

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

- a. Each utility will 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 resolution of the complaint.

21.4(12) Payment agreement. A customer may enter into a reasonable payment agreement with the utility in the event of a past-due bill to avoid utility service shut off.

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 health and 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 is to offer an agreement with at least six even monthly payments. For customers who have been disconnected more than 120 days and are not in default of a payment agreement, the utility is to offer an agreement with at least six even monthly

payments. Utilities will 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 prepaid, or sent via electronic delivery with customer consent. If delivery is by other than U.S. mail, the document is considered provided to the customer when delivered to the last-known address, including electronic addresses, 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 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 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 within ten days after the written refusal is provided. During the review of this request, the utility shall not disconnect the service.

[ARC 8846C, IAB 1/22/25, effective 2/26/25]