

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 (FERC’s) rules and regulations, and the July 16, 2025, uniform systems of accounts for rural electric cooperatives prescribed for electric borrowers of the Rural Utilities Service (RUS), 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 FERC (as in definitions 22 and 27), where Commission means FERC.

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.

16.2(3) 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 that 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(4) 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 RUS uniform systems of accounts.

16.2(5) General instruction 2-D of the uniform systems of accounts for electric utilities is modified by adding the following sentence: “The electric utilities may use 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(6) The definitions for the uniform systems of accounts for electric utilities, when used in accounts 909, Informational and Instructional Advertising Expenses; 913, Advertising Expenses; and 930.1, General Advertising Expenses, are modified to include the following definitions:

“*Affiliate*” means 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.

“*Appliance*” or “*equipment*” means any device, including a fixture, that consumes electric energy and any ancillary device required for its operation.

“*Consideration*” means 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.

“*Financing*” includes 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.

“*Person*” includes an individual, group, firm, partnership, corporation, cooperative, association, or other organization, but does not include state or local political subdivisions or municipal corporations.

“*Promotional practices*” means 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” do not include the following activities:

1. Providing repairs and service to appliances or equipment of customers of a public utility in an emergency, to restore service, to prevent hazardous conditions, or to 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 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 that 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 are not 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 that 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(7) The uniform systems of accounts for electric utilities are modified as follows:

a. 424 Promotional Practices. This account includes the cost of labor, materials, 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 that include promotional practices, and the labor, materials, and expenses related to promotional practices that are exempted by subrule 16.6(2) need not be included in this account. The account includes but is not 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 means 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, will 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.
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.
5. Social media or other interactive technology platforms that allow for the creation, distribution, and aggregation of content in either text, audio, or visual formats among participants within a virtual community.

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b. 426 Miscellaneous Income Deductions. Immediately following the current text and item list, add the following:

- (1) 426.7 Promotional Advertising Expenses.
- (2) 426.8 Institutional or Goodwill Advertising Expenses.
- (3) 426.9 Rate Justification Advertising Expenses.

c. 426.4 Expenditures for Certain Civic, Political, and Related Activities.

(1) This account includes the cost of labor, materials, and expenses incurred in advertising, whether on a national, regional, or local basis, that is 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 also includes expenditures for influencing the decisions of public officials, but not 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 certain civic, political, and related activities included in this account contain or refer to supporting documents that 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 certain civic, political, and related activities are 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 activities charged to any member or subsidiary that is an Iowa electric utility and included in this account will be determined in accordance with the text of this account as set forth in paragraph 16.2(7) "c."

(4) Labor items related to certain civic, political, and related activities:

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.

6. Direct supervision of certain civic, political, and related activities.

7. Social media or other interactive technology platforms that allow for the creation, distribution, and aggregation of content in either text, audio, or visual formats among participants within a virtual community.

(5) Materials and expenses related to certain civic, political, and related activities:

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.
9. Social media or other interactive technology platforms that allow for the creation, distribution, and aggregation of content in either text, audio, or visual formats among participants within a virtual community.

NOTE: Franchise advertising and related expenses shall be charged to account 913.5. More information can be found in paragraph 16.2(7)“h” or FERC account 302, Franchises and Consents.

d. 426.7 Promotional Advertising Expenses.

(1) This account includes the cost of labor, materials, 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 that is part of a promotional practice, or a program that 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 contain or refer to supporting documents that identify the specific advertising message. If references are used, copies or scripts of the advertising message will 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 that is an Iowa electric utility and included in this account will be determined in accordance with the text of this account as set forth in paragraph 16.2(7)“c.”

(4) Labor items related to promotional advertising include items in numbered paragraphs 16.2(7)“c”(4)“1” through “6.”

(5) Materials and expenses related to promotional advertising include:

1. Items in numbered paragraphs 16.2(7)“c”(5)“1” through “8.”

2. Premiums distributed generally, such as recipe books, etc., when not offered as inducement to purchase appliances.

NOTE A: Advertisements that 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) will be considered sales promotion advertising, and the cost will be charged to this account. However, advertisements that 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, will 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 that 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, will 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 includes the cost of labor, materials, and expenses incurred in advertising that 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 contain or refer to supporting documents that identify the specific advertising message. If references are used, copies or scripts of the advertising message will 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 that is an Iowa electric utility and included in this account will be determined in accordance with the text of this account as set forth in paragraph 16.2(7)“e.”

(4) Labor items related to institutional or goodwill advertising include items in numbered paragraphs 16.2(7)“c”(4)“1” through “6.”

(5) Materials and expenses related to institutional or goodwill advertising include items in numbered paragraphs 16.2(7)“c”(5)“1” through “8.”

Below are examples of the advertising to be included in this account:

EXAMPLE 1. Pronouncements primarily lauding the utility or the area or community the utility serves.

EXAMPLE 2. Advertising activities to inform the ratepayers of the social and economic advantages or status of the area or community the utility serves.

EXAMPLE 3. 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.

EXAMPLE 4. Advertising activities to inform the public of the utility’s role of good citizenship.

EXAMPLE 5. Information and routine data supplied by the utility to local governments, planning agencies, civic groups, businesses, and the general public that is not included in account 909, Informational and Instructional Advertising Expenses. More information can be found in paragraph 16.2(7)“g.”

EXAMPLE 6. 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 account 909, Informational and Instructional Advertising Expenses.

f. 426.9 Rate Justification Advertising Expenses.

(1) This account includes the cost of labor, materials, and expenses incurred in advertising, whether on a regional or local basis, that is designed to promote public acceptance of utility rate increases or the utility’s filed rates. The account also includes 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 will be recorded in FERC account 928, Regulatory Commission Expenses.

(2) Entries relating to rate justification advertising included in this account contain or refer to supporting documents that identify the specific advertising message. If references are used, copies or scripts of the advertising message will 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 that is an Iowa electric utility and included in this account will be determined in accordance with the text of this account as set forth in paragraph 16.2(7)“f.”

(4) Labor items related to rate justification advertising include items in numbered paragraphs 16.2(7)“c”(4)“1” through “6.”

(5) Materials and expenses related to rate justification advertising include items in numbered paragraphs 16.2(7)“c”(5)“1” through “8.”

g. 909 Informational and Instructional Advertising Expenses.

(1) This account is amended to include the cost of labor, materials, and expenses incurred in advertising activities relating to informing customers of the reasons for and methods whereby energy may be conserved and energy consumption reduced by the consumer; informing the public of the methods by which customers can participate with the utility in preserving and improving the environment; and 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.

1. Included in this account will be advertising activity relating to the electric utility that is related directly to the company’s provision of service to the customer during energy, fuel, and related shortages.

2. Advertising that is primarily designed to laud the utility’s achievements or projects purporting to preserve or enhance the environment will be recorded in account 426.8. More information can be found in paragraph 16.2(7)“e.”

(2) Immediately following the current text and items list, “Load Factor Advertising Expenses” is added.

1. This incorporates into the account the cost of labor, materials, 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 also includes advertising expenditures that are designed to further industrial and commercial development of the company's service area.

(3) Entries relating to informational and instructional advertising included in this account will contain or refer to supporting documents that identify the specific advertising message. If references are used, copies or scripts of the advertising message will be readily available to staff, consumer advocate, or any party involved in a discovery proceeding.

(4) Where informational and instructional 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 that is an Iowa electric utility and included in this account will be determined in accordance with the text of this account as set forth in paragraph 16.2(7) "g."

(5) Labor items related to informational and instructional advertising include items in numbered paragraphs 16.2(7) "c" (4) "1" through "6."

(6) Materials and expenses related to informational and instructional advertising include items in numbered paragraphs 16.2(7) "c" (5) "1" through "8."

Below are examples of the advertising to be included in this account:

EXAMPLE 1. Instructions in the proper use of equipment owned by the utility or the customer that will result in less consumption of energy.

EXAMPLE 2. 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.

EXAMPLE 3. Instructions in the proper use of equipment owned by the utility or the customer that makes use of the utility's service.

EXAMPLE 4. Information as to new rates, billing practices, new inspection, or meter-reading schedules.

EXAMPLE 5. Notification of emergency conditions and procedures to be followed during the emergency.

EXAMPLE 6. Advice concerning hazards associated with the utility's electric service.

EXAMPLE 7. Encouragement for manufacturers to go to night operations.

(7) Excluded from this account and charged to FERC account 930.2, Miscellaneous General Expenses, is the cost of publication of stockholder reports, dividend notices, bond redemption notices, financial statements, and other notices of a general corporate character. Also excluded are all expenses of promotional, institutional or goodwill, and political advertising. More information can be found in paragraphs 16.2(7) "c," 16.2(7) "d," and 16.2(7) "e," which refer to accounts 426.4, Expenditures for Certain Civic, Political, and Related Activities; 426.7, Promotional Advertising Expenses; and 426.8, Institutional or Goodwill Advertising Expenses, respectively.

1. Advertising expenses directly related to obtaining a franchise or renewing an old franchise will be charged to FERC account 302, Franchises and Consents. Such amounts shall be maintained in a separate subaccount for ready identification.

2. Advertising expenses directly related to securing of new debt financing will be charged to FERC account 181, Unamortized Debt Expense. Such amounts shall be maintained in a separate subaccount for ready identification.

3. Advertising expenses 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.

h. 913 Advertising Expenses. The entire current text of FERC account 913, Major Expenses (Major Only), is to be replaced with subaccount 913.5, Franchise Advertising Expenses.

(1) This account includes 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 contain or refer to supporting documents that identify the specific advertising message. If references are used, copies or

scripts of the advertising matter will be readily available to staff, consumer advocate, or any party involved in a discovery proceeding.

(3) Labor items related to franchise advertising include items in numbered paragraphs 16.2(7)“c”(4)“1” through “6.”

(4) Materials and expenses related to franchise advertising include items in numbered paragraphs 16.2(7)“c”(5)“1” through “8.”

16.2(8) FERC account 421.1, Gain on Disposition of Property, or 421.2, Loss on Disposition of Property, as they are defined and exist in the uniform systems of accounts, will 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(9) FERC account 105, Electric Plant Held for Future Use, of the uniform systems of accounts in 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 will 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, Gain on Disposition of Property, or 421.2, Loss on Disposition of Property, as appropriate unless otherwise authorized or required by the commission for good cause shown.”

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