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 multitenant buildings shall be measured on the basis of individual meter measurement for each unit, except in the following instances:

(1) Where gas sold by a utility is used as the primary energy source 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 that would make individual meters unsafe or physically impossible to install; or

2. Where the cost of providing individual metering exceeds the long-term benefits of individual metering.

(5) Where the benefits of individual metering (reduced or controlled energy consumption) are more effectively accomplished through a master meter arrangement.

1. A new multitenant building qualifies for master metering under this subparagraph if the predicted annual gas use would result in at least a 30 percent savings compared to the predicted annual gas use of a new building meeting the requirements of the state of Iowa energy code and operating with equipment, fixtures, and appliances meeting federal gas standards for manufactured devices for a new building.

2. An existing multitenant building qualifies for master metering under this subparagraph when the predicted annual gas use would result in at least a 20 percent gas savings compared to the building's current annual gas usage levels.

3. In determining whether a building's predicted annual gas use would result in at least a 20 or 30 percent savings, all relevant factors that decrease the building's gas usage may be considered, so long as each factor is relevant to why master metering more effectively reduces or controls the building's gas consumption. This includes but is not limited to new or more efficient equipment, materials, or appliances; improved operating practices; changes in fuel type; or structural improvements. This does not affect the determination made for buildings approved prior to July 16, 2025.

4. A report from a qualified independent third party stating that the proposed building or renovation will meet the gas 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 commission.

c. If a multitenant 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.

d. Master metering to multiple buildings is prohibited, except for multiple buildings owned by the same person or entity. Multitenant 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.

e. 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) *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. Whether the reading has been estimated.

e. Any applicable multiplier or constant.

19.3(3) *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 energy conservation initiatives as they desire. 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.

19.3(4) *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(5) *Meter reading and billing interval.*

a. 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. 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. 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.

b. Utilities should obtain readings of the meters on corresponding days of each meter reading period when possible. 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(6) *Readings and estimates.*

a. 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.

b. When access to a meter cannot be gained, the utility may, at its discretion, leave with the customer a meter reading form. The customer may provide the meter reading by telephone, email (if it is allowed by the utility), or mail. If the meter reading information is not obtained 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.

c. Utilities will file with the commission procedures for calculating bill estimates, which incorporate normalized weather data, as well as procedures for determining the reasonable heating 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(7) *Plant additions, distribution main extensions, and service lines.*

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

"Advance for construction" 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" means a period of no 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 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" means a segment of pipeline installed to convey gas to individual service lines or other distribution mains.

"Estimated base revenues" means an amount calculated by subtracting the cost of purchased gas and energy efficiency charges from estimated annual revenues.

"Estimated construction costs" means an amount 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. Estimated construction costs shall not 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.

"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. 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 that 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 six times estimated base revenue calculated on the basis of similarly situated customers. If the utility uses a feasibility model to determine an advance for construction, the utility will file a summary explaining the model's inputs and a description of the model as part of the utility's tariff. The utility may charge customers for actual permit fees and additional costs associated with construction during adverse conditions, which are not refundable.

(2) If the estimated construction cost to provide a distribution main extension is greater than six 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 based upon the following formula:

(estimated construction cost – 6 x estimated base revenues)

If a utility uses a feasibility model to determine if an advance for construction is necessary, it will file a summary explaining the model's inputs 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. The utility will provide the customer with a cost estimate that details the costs and credits, by category. The utility may charge customers for actual permit fees, which 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 additional costs associated with construction during adverse conditions, and the permit fees are not refundable.

(4) Advances for construction may be paid by cash or equivalent surety, unless the customer has failed to comply with the conditions of surety in the past, and shall be refundable for ten years.

(5) When the customer is required to make an advance for construction, the utility shall refund the advance in aid of construction 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 no less than four times per year.

1. The utility will provide the customer receiving the refund with a statement detailing the refund calculation.

2. Any amounts subject to refund shall be paid by the utility without interest.

(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 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 provide a nonrefundable contribution in aid of construction for that portion of the service line on private property in excess of 50 feet or in excess of 100 feet if polyethylene plastic pipe is used, exclusive of the riser, within 30 days after completion. The contribution in aid of construction for that portion of the service line shall be computed as follows:

$$\text{(Estimated Construction Costs)} \times \frac{\text{(Total Length in Excess of 50 Feet) or (Total Length in Excess of 100 Feet)}}{\text{(Total Length of Service Line)}}$$

(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 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 may charge the customer for actual permit fees and additional costs associated with construction during adverse conditions.

e. Extensions. Utilities are not 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. Utilities may make a contract with a customer using a different payment arrangement than provided in this subrule, 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(8) *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. A utility will provide all 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.

b. All utilities will 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 476.3.

[**ARC 0741D**, IAB 11/11/26, effective 12/16/26]