

IOWA UTILITIES BOARD

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| IN RE: EXECUTIVE ORDER 10 — REVIEW OF ANNUAL REPORT RULES [199 IOWA ADMINISTRATIVE CODE CHAPTER 23] | DOCKET NO. RMU-2023-0023 |
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ORDER OPENING DOCKET AND SETTING TECHNICAL CONFERENCE AND COMMENT DEADLINE

On January 10, 2023, Gov. Kim Reynolds issued Executive Order Number 10 (Executive Order), which put a moratorium on agency rule making and directed agencies, including the Utilities Board (Board), to engage in a comprehensive evaluation of existing rules. The goals of the Executive Order include increasing public input in the rule-making process, eliminating rules that do not provide substantial benefits to Iowans, reducing the page and word count of the Iowa Administrative Code, and reducing restrictive rule language. As a part of the comprehensive review, agencies are required to repeal each rules chapter and evaluate whether the chapter, or a portion of the chapter, should be re-promulgated. To assist agencies in performing their comprehensive reviews, the Iowa Department of Management developed and published forms and processes. See <https://dom.iowa.gov/red-tape-review> (last accessed on August 22, 2023).

Pursuant to the Executive Order, the Board is conducting comprehensive reviews of each chapter of its administrative rules, and the Board will open the above-captioned docket for purposes of conducting a comprehensive review of chapter 23, which contains the Board's Annual Report rules. Attached to this order as Attachment A is the

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Board's retrospective analysis (Red Tape Review Rule Report) of chapter 23, which the Board will publish on the Board's website as required by section III.B of the Executive Order. Attached to this order as Attachment B is the Board's draft regulatory analysis of chapter 23, which the Board will submit in the legislative Rules Management System for publication in the Iowa Administrative Bulletin. The draft regulatory analysis published in the Iowa Administrative Bulletin may contain changes from the version attached to this order. Finally, attached to this order as Attachment C is a draft version of chapter 23 that the Board is evaluating whether to re-promulgate.

The Board also will schedule a technical conference for October 26, 2023. The technical conference will be led by Board staff, and participation may occur in person or by webinar. The purpose of the technical conference is to receive comments regarding the draft regulatory analysis and the Board's proposed version of chapter 23 to be re-promulgated. Additionally, the Board will accept written comments through October 26, 2023, concerning the draft regulatory analysis and the proposed re-promulgated version of chapter 23. The Board will use the oral and written comments received to prepare a final version of the regulatory analysis, which will be uploaded in this docket and published on the Board's website.

IT IS THEREFORE ORDERED:

1. Docket No. RMU-2023-0023 is opened for purposes of conducting a comprehensive review of 199 Iowa Administrative Code chapter 23 pursuant to Executive Order Number 10.
2. A technical conference is set for 1 p.m. October 26, 2023, in the Utilities Board hearing room, located at 1375 East Court Avenue, Des Moines, Iowa. Interested

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persons may appear in person or by webinar. Information for attending by webinar can be found on the Utilities Board's website on the Hearing and Meeting Calendar webpage.

3. Comments regarding the draft regulatory analysis or the proposed re-promulgated version of chapter 23 shall be filed by October 26, 2023.

UTILITIES BOARD

ATTEST:

Keetah Horras 2023.09.01
09:14:10 -05'00'

Sarah Martz Date: 2023.08.31
14:57:05 -05'00'

Dated at Des Moines, Iowa, this 1st day of September, 2023.

ATTACHMENT A

**Red Tape Review Rule Report
(Due: September 1, 2025)**

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|-------------------------|----------------------|--------------------------------------|--|--|--|
| Department Name: | Iowa Utilities Board | Date: | August 28, 2023 | Total Rule Count: | 2 rules in Chapter 23 |
| IAC #: | 199 | Chapter/ SubChapter/ Rule(s): | 199 IAC chapter 23 | Iowa Code Section Authorizing Rule: | Iowa Code §§ 476.2, 476.9, 476.10, 476.22, 476.31, 546.7 |
| Contact Name: | Matt Oetker | Email: | matt.oetker@iub.iowa.gov | Phone: | 515-725-7349 |

PLEASE NOTE, THE BOXES BELOW WILL EXPAND AS YOU TYPE

What is the intended benefit of the rule?

The intended benefit of Chapter 23 is to inform the public and utilities of Iowa Utilities Board (IUB) requirements related to the filing of annual reports.

Each industry type needs to file distinct information with the IUB to fulfill its annual report filing requirement. Within the industry types, certain utility types may have distinct information to be filed. With all of the information to be filed, it is necessary to provide direction to utilities and other interested persons.

Is the benefit being achieved? Please provide evidence.

The public benefit of chapter 23 is being achieved. Every year, public utilities are required to update their record with current information on the IUB's website.

What are the costs incurred by the public to comply with the rule?

Because this chapter does not impose any requirements on the public, the public does not incur any costs. Chapter 23 merely provides information that public utilities need to file.

What are the costs to the agency or any other agency to implement/enforce the rule?

Chapter 23 does not impose any costs to the IUB or any other agency because the website and reports are already created.

Do the costs justify the benefits achieved? Please explain.

Because chapter 23 imposes no costs on the public and no costs on the agency (or any other agency) and because the public utilities do benefit from the availability of the information contained within the rules, the benefits outweigh the costs.

Are there less restrictive alternatives to accomplish the benefit? YES NO

If YES, please list alternative(s) and provide analysis of less restrictive alternatives from other states, if applicable. If NO, please explain.

Chapter 23 imposes no restrictions on the public; however, it does impose requirements on public utilities and conveys information to assist public utilities with filing annual reports. Based on this, the IUB does not think there are less restrictive alternatives.

Does this chapter/rule(s) contain language that is obsolete, outdated, inconsistent, redundant, or unnecessary language, including instances where rule language is duplicative of statutory language? [list chapter/rule number(s) that fall under any of the above categories]

PLEASE NOTE, THE BOXES BELOW WILL EXPAND AS YOU TYPE

Yes, both rules, 23.1 and 23.2, will be revised to remove restrictive language.

RULES PROPOSED FOR REPEAL (list rule number[s]):

Rule 23.3 was rescinded in 2019 and removed from proposed new chapter 23.

RULES PROPOSED FOR RE-PROMULGATION (list rule number[s] or include rule text if available):

CHAPTER 23
ANNUAL REPORT

199—23.1(476) General information.

23.1(1) Every public utility is to keep and render its books, accounts, papers, and records accurately and faithfully in the manner and form prescribed by the board and to comply with all directions of the board relating to such books, accounts, papers, and records.

23.1(2) Each public utility subject to Iowa Code chapter 476 is to file an annual report with this board on or before April 1 of each year covering operations during the immediately preceding calendar year. This information will be used for a number of purposes, including to apportion the costs of the utilities division pursuant to Iowa Code section 476.10 and to determine whether rate-regulated utilities' earnings are excessive pursuant to Iowa Code section 476.32.

23.1(3) The forms that are to be completed by each utility will be made publicly available on the board's website or by other means readily accessible. The board may direct the utilities file the completed forms through a portal on the board's website or the board's electronic filing system.

199—23.2(476) Annual report requirements.

23.2(1) Forms. The following annual report forms shall be filed by the following utilities:

1. Investor-owned, rate regulated electric utilities file Form IE-1 with a copy of that utility's Federal Energy Regulatory Commission (FERC) Annual Report Form No. 1 or 1A as applicable.
2. Investor-owned, non-rate-regulated electric utilities file Form EC-1.
3. Investor-owned gas utilities file Form IG-1 with a copy of that utility's FERC Annual Report Form No. 2 or 2A as applicable.
4. Regulated water utilities file Form WA-1.
5. Cooperative electric utilities file Form EC-1.

6. Municipally owned electric utilities file Form ME-1.
7. Municipally owned gas utilities file Form MG-1.
8. Providers of telecommunications service file Form TC-1.
9. Competitive natural gas providers and aggregators file Form CNGP-1.
10. Generation and transmission cooperatives file Form EC-1N.
11. Storm water drainage and sanitary sewage utilities file Form SW-1.

23.2(2) Additional requirements for rate-regulated utilities. A rate-regulated utility is to include information concerning its Iowa operations in its report as requested on the forms and file as part of its annual report the following:

1. A list (by title, author, and date) of any financial, statistical, technical or operational reviews or reports that a company may prepare for distribution to stockholders, bondholders, utility organizations or associations or other interested parties.
2. A list (by form number and title) of all financial, statistical, technical and operational review-related documents filed with an agency of the federal government.

These rules are intended to implement Iowa Code sections 476.2, 476.9, 476.10, 476.22, 476.31, and 546.7.

***For rules being re-promulgated with changes, you may attach a document with suggested changes.**

METRICS

| | |
|---|---------------|
| Total number of rules repealed: | 1 (rule 23.3) |
| Proposed word count reduction after repeal and/or re-promulgation | 57 |
| Proposed number of restrictive terms eliminated after repeal and/or re-promulgation | 19 |

ARE THERE ANY STATUTORY CHANGES YOU WOULD RECOMMEND INCLUDING CODIFYING ANY RULES?

None at this time.

ATTACHMENT B

Draft Regulatory Analysis

TEXT BOXES WILL EXPAND AS YOU TYPE

Agency Name Iowa Utilities Board **Rule #** 199 IAC chapter 23

Iowa Code Section Authorizing Rule Iowa Code §§ 476.2, 476.9, 476.10, 476.22, 476.31, 546.7

State or Federal Law(s) Implemented by the Rule Iowa Code §§ 476.2, 476.9, 476.10, 476.22, 476.31, 546.7

Public Hearing

A public hearing at which persons may present their views orally or in writing will be held as follows:

Date/Time: October 26, 2023, at 1 p.m.

Location: Iowa Utilities Board Hearing Room, 1375 East Court Avenue, Des Moines, Iowa 50319

Any interested person may submit written comments concerning this regulatory analysis. Written comments in response to this regulatory analysis must be received by the Department no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Contact Name

IT Support

Address

Iowa Utilities Board, 1375 E. Court Avenue, Des Moines, Iowa 50319

Email and/or phone number

Phone: 515.725.7300 Email: ITsupport@iub.iowa.gov

Purpose and summary of proposed rule:

To inform the public and utilities of Board requirements related to the filing of annual reports.

Analysis of Impact of Proposed Rule

1. Persons affected by the proposed rule

- Classes of persons that will bear the costs of the proposed rule:

Chapter 23 imposes no costs on the public; however, administrative costs may be incurred by public utilities to comply with the rules when filing the annual report or responding to questions.

- Classes of persons that will benefit from the proposed rule:

Regulatory Analysis

Iowans benefit from the chapter because a public utility's information will be updated annually, and Iowa utilities benefit because the chapter identifies what information must be filed as part of its annual report.

2. Impact of the proposed rule, economic or otherwise, including the nature and amount of all the different kinds of costs that would be incurred

- Quantitative description of impact:

The Iowa Utilities Board (IUB) does not believe chapter 23 will cause it to incur additional costs, economic or otherwise. Public utilities may incur costs associated with administrative functions for filing annual reports and answering IUB inquiries. Other costs may be incurred that are associated with having a full- or part-time employee to complete the job function.

- Qualitative description of impact:

Chapter 23 has some level of qualitative impact because it ensures the IUB has updated information regarding public utilities that are providing service within the state of Iowa. This will help the IUB function more efficiently, and allow it to help answer public concerns in a more expedited manner.

3. Costs to the state

- Implementation and enforcement costs borne by the agency or any other agency:

There are no additional costs to the IUB, and no costs to any other agency.

- Anticipated effect on state revenues:

The IUB does not anticipate that the chapter will have an effect on state revenues.

4. Comparison of the costs and benefits of the proposed rule to the costs and benefits of inaction

Because chapter 23 imposes no costs on the public and no additional costs on the agency (or any other agency) and because the public does benefit from the IUB receiving the updated information and utilities benefit from the chapter identifying what information must be filed annually, the benefits of providing the information outweighs the costs.

5. Determination if less costly methods or less intrusive methods exist for achieving the purpose of the proposed rule

Because chapter 23 imposes no costs or requirements to the public, the agency does not believe there is a less costly or intrusive method. The information required of public utilities is information previously required. Further, there are no direct costs to the public utility for providing the information to the IUB.

6. Alternative methods considered by the agency

Regulatory Analysis

- Description of any alternative methods that were seriously considered by the agency:

The IUB considered rescinding the chapter.

- Reasons why they were rejected in favor of the proposed rule:

Rescission of the chapter is inappropriate because it is paramount that the IUB have accurate information regarding public utilities that provide service within the state of Iowa.

Small Business Impact

If the rule will have a substantial impact on small business, include a discussion of whether it would be feasible and practicable to do any of the following to reduce the impact of the rule on small business:

- Establish less stringent compliance or reporting requirements in the rule for small business.
- Establish less stringent schedules or deadlines in the rule for compliance or reporting requirements for small business.
- Consolidate or simplify the rule's compliance or reporting requirements for small business.
- Establish performance standards to replace design or operational standards in the rule for small business.
- Exempt small business from any or all requirements of the rule.

If legal and feasible, how does the rule use a method discussed above to reduce the substantial impact on small business?

The IUB does not believe chapter 23 has an adverse impact on small businesses.

Text of Proposed Rule:

CHAPTER 23 ANNUAL REPORT

199—23.1(476) **General information.**

23.1(1) Every public utility is to keep and render its books, accounts, papers, and records accurately and faithfully in the manner and form prescribed by the board and to comply with all directions of the board relating to such books, accounts, papers, and records.

23.1(2) Each public utility subject to Iowa Code chapter 476 is to file an annual report with this board on or before April 1 of each year covering operations during the immediately preceding calendar year. This

Regulatory Analysis

information will be used for a number of purposes, including to apportion the costs of the utilities division pursuant to Iowa Code section 476.10 and to determine whether rate-regulated utilities' earnings are excessive pursuant to Iowa Code section 476.32.

23.1(3) The forms that are to be completed by each utility will be made publicly available on the board's website or by other means readily accessible. The board may direct the utilities file the completed forms through a portal on the board's website or the board's electronic filing system.

199—23.2(476) Annual report requirements.

23.2(1) Forms. The following annual report forms shall be filed by the following utilities:

1. Investor-owned, rate regulated electric utilities file Form IE-1 with a copy of that utility's Federal Energy Regulatory Commission (FERC) Annual Report Form No. 1 or 1A as applicable.
2. Investor-owned, non-rate-regulated electric utilities file Form EC-1.
3. Investor-owned gas utilities file Form IG-1 with a copy of that utility's FERC Annual Report Form No. 2 or 2A as applicable.
4. Regulated water utilities file Form WA-1.
5. Cooperative electric utilities file Form EC-1.
6. Municipally owned electric utilities file Form ME-1.
7. Municipally owned gas utilities file Form MG-1.
8. Providers of telecommunications service file Form TC-1.
9. Competitive natural gas providers and aggregators file Form CNGP-1.
10. Generation and transmission cooperatives file Form EC-1N.
11. Storm water drainage and sanitary sewage utilities file Form SW-1.

23.2(2) Additional requirements for rate-regulated utilities. A rate-regulated utility is to include information concerning its Iowa operations in its report as requested on the forms and file as part of its annual report the following:

1. A list (by title, author, and date) of any financial, statistical, technical or operational reviews or reports that a company may prepare for distribution to stockholders, bondholders, utility organizations or associations or other interested parties.
2. A list (by form number and title) of all financial, statistical, technical and operational review-related documents filed with an agency of the federal government.

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ATTACHMENT C

CHAPTER 23
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