

IOWA UTILITIES BOARD

IN RE:	
REVIEW OF UTILITY RECORDS RULES [199 IOWA ADMINISTRATIVE CODE CHAPTER 18]	DOCKET NO. RMU-2023-0018

ORDER APPROVING REGULATORY ANALYSIS

On January 10, 2023, Gov. Kim Reynolds issued Executive Order Number 10 (Executive Order), which placed a moratorium on agency rulemaking 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 rulemaking 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 language. As 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.

Pursuant to the Executive Order, the Board is conducting comprehensive reviews of each chapter of its administrative rules. Each review includes a technical conference for the Board to discuss a draft Regulatory Analysis with interested persons. For chapter 18, this technical conference was held on September 13, 2023. No commenting stakeholder requested changes to the draft Regulatory Analysis.

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The Board has reviewed the oral and written comments received and will approve the final Regulatory Analysis, attached to this order as Attachment A, which the Board will publish on the Board's website.

Additionally, as part of the final Regulatory Analysis, the Board is suggesting revisions to chapter 18 based on comments received during the stakeholder comment process. The revised chapter 18 is included as part of the final Regulatory Analysis. Consequently, the Board will seek authority to commence a formal rulemaking in the above-captioned docket by submitting the Request to Initiate Rulemaking, attached to this order as Attachment B, as required by the Red Tape Review Process. See <https://dom.iowa.gov/red-tape-review> (last accessed on Oct. 17, 2023) (setting forth Executive Order 10 forms and processes).

IT IS THEREFORE ORDERED:

The final regulatory analysis for 199 Iowa Administrative Code chapter 18 is approved.

UTILITIES BOARD

Erik M. Helland 2023.10.25
11:18:46 -05'00'

Joshua Byrnes Date: 2023.10.25
10:35:38 -05'00'

ATTEST:

Keetah A Horras Date: 2023.10.25
13:06:08 -05'00'

Sarah Martz Date: 2023.10.25
09:16:57 -05'00'

Dated at Des Moines, Iowa, this 25th day of October, 2023.

Final Regulatory Analysis

TEXT BOXES WILL EXPAND AS YOU TYPE

Agency Name Iowa Utilities Board **Rule #** 199 IAC chapter 18

Iowa Code Section Authorizing Rule Iowa Code section 476.31 and 546.7

State or Federal Law(s) Implemented by the Rule Iowa Code sections 476.31 and 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: 09/13/2023 9 a.m.

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

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

Email and/or phone number

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

Purpose and summary of proposed rule:

The purpose of this chapter is to ensure the Board has a methodology to review any necessary records that may pertain to the rules or policies of rate-regulated public utilities and the rates or charges for utility services.

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:

Electric, natural gas, water, sanitary sewage, and storm water drainage utilities will bear the costs of the proposed chapter.

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

Interested persons and ratepayers of electric, natural gas, water, sanitary sewage, and storm water drainage utilities and public utilities that are provided notice of the specified requirements will benefit from the proposed chapter.

Final Regulatory Analysis

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:

This is part of the everyday work of the Board, so there is no additional impact to the Board, economic or otherwise. The utilities may have costs due to the record retention requirements.

- Qualitative description of impact:

This proposed chapter ensures that utilities have accurate and detailed information, if needed by the Board, to enable the Board to review any concerns within the Board's jurisdiction.

3. Costs to the state

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

There are no additional costs to any agency other than the normal everyday costs of operation of the Board.

- Anticipated effect on state revenues:

There is no anticipated effect on state revenues.

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

There is a benefit in ensuring the utilities are compliant in retaining necessary records to allow the Board to function as the utility regulator with regard to issues within its jurisdiction. For administering this proposed chapter, there are minimal costs involved. Inaction could make it more difficult for the Board to determine where to locate necessary documentation.

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

The Board does not believe there are any less costly methods of addressing the purpose of this proposed chapter.

6. Alternative methods considered by the agency

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

Inaction was considered by the Board.

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

Inaction is not feasible due to a statutory mandate requiring the Board to adopt rules and policies.

Small Business Impact

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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?

There is no substantial impact on small business.

Text of Proposed Rule:

ITEM 1. Rescind 199—Chapter 18 and adopt the following new chapter in lieu thereof:

CHAPTER 18
UTILITY RECORDS

199—18.1(476) Definitions. The following words and terms, when used in this chapter, have the meanings shown below:

“FCC rules” means the rules and regulations of the Federal Communications Commission under the Communications Act of 1934 as published in the Code of Federal Regulations (CFR).

“FERC rules” means the rules and regulations of the Federal Energy Regulatory Commission under the Federal Power Act and Natural Gas Act as published in the CFR.

“NARUC guidelines” means the guidelines published by the National Association of Regulatory Utility Commissioners.

“RUS rules” means the rules and regulations of the Rural Utilities Service, 7 CFR Part 1767, of the United States Department of Agriculture applicable to electric and telephone borrowers of the RUS under the terms of their mortgages to the RUS.

199—18.2(476) Location of records. All records kept pursuant to any rules of the board, or necessary for the administration thereof, shall be kept or made accessible within this state unless otherwise authorized by the board, including:

18.2(1) The utility’s tariffs.

18.2(2) A record of the telephone number and business location of the utility’s administrative, technical, and operating personnel within the state.

18.2(3) The most recent inspection report.

18.2(4) The most recent rate case filing.

18.2(5) Annual reports for the past five years.

18.2(6) Shareholder’s reports for the past five years.

18.2(7) Form IG-1 (gas utilities).

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18.2(8) Form IE-1 (electric utilities).

18.2(9) Information regarding the location of other books, records, and accounts to be maintained or made accessible pursuant to statute or rule.

199—18.3(476) Availability of records. All records kept pursuant to any rules of the board, which are of a general corporate nature or otherwise pertain to the utility's operations as a whole, shall be made available for examination by the board during normal business hours, unless otherwise authorized by the board. Upon receipt by a utility of a formal request in writing from the board for records or information pertaining to records required by any board rule, the utility shall provide the requested information to the board within 15 days of receiving the written request from the board unless the utility files an objection to the request or a request for an extension of time within 7 days of the utility's receipt of the information request. The objection or request for extension of time is to be filed in writing and state the concise grounds for relief. If the board finds that the objection or request for extension of time does not have merit, the information originally requested shall be provided immediately upon receiving notice of the board's decision.

199—18.4(476) Electric utilities other than rural electric cooperatives.

18.4(1) *Units of property.* Electric utilities subject to rate regulation shall maintain an accounting system for Units of Property in Accounting for Additions and Retirements of Electric Plant in accordance with board chapter 199—16(476) Uniform systems of accounts—electric rules.

18.4(2) *Preservation of records.* All electric utilities subject to regulation by the board shall preserve the records of their operations in accordance with the provisions of Part 125 of the FERC rules, 18 CFR Part 125, Preservation of Records of Public Utilities and Licensees, as issued on August 15, 2000. Rate-regulated companies further ensure the preservation of records of associated companies, whether or not the associated companies are themselves utilities, as necessary to support the cost of services rendered to the utility by the associated companies.

199—18.5(476) Rural electric cooperatives.

18.5(1) *Units of property.* Rural electric cooperatives (RECs) subject to rate regulation by the board shall adopt the RUS rules contained in RUS 7 CFR Part 1767 published May 27, 2008. The REC shall maintain sufficient records to support additions to plant, retirement units, and replacements of electric plant, in accordance with 7 CFR Part 1767.10, Definitions; 7 CFR Part 1767.15, General Instructions; 7 CFR Part 1767.16, Electric Plant Instructions; and 7 CFR Part 1767.20, Plant Accounts.

18.5(2) *Preservation of records.* RECs shall preserve the records of their operations in accordance with the provisions of the RUS rules contained in RUS Bulletin 180-2, Record Retention Recommendations for RUS Electric Borrowers, issued June 26, 2003.

199—18.6(476) Gas utilities.

18.6(1) *Units of property.* Gas utilities subject to rate regulation shall maintain an accounting system for Units of Property in Accounting for Additions and Retirements of Gas Plant in accordance with board chapter 199—16(476) Uniform systems of accounts—gas rules.

18.6(2) *Preservation of records.* All gas utilities subject to regulation by the board shall preserve the records of their operations in accordance with the provisions of FERC rules, 18 CFR Part 225, Preservation of Records of Natural Gas Companies, as issued August 15, 2000. Rate-regulated companies further ensure the preservation of records of associated companies, whether or not the associated companies are themselves utilities, as necessary to support the cost of services rendered to the utility by the associated companies.

199—18.7(476) Water, sanitary sewage, and storm water drainage utilities.

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18.7(1) *Units of property.* Water, sanitary sewage, and storm water drainage utilities subject to rate regulation shall maintain an accounting system for Units of Property in Accounting for Additions and Retirements of Water Plant in accordance with board chapter 199—16(476) Uniform systems of accounts—water rules.

18.7(2) *Preservation of records.* All water, sanitary sewage, and storm water drainage utilities subject to regulation by the board shall preserve the records of their operations in accordance with the provisions of the NARUC guidelines: Regulations to Govern the Preservation of Records of Electric, Gas and Water Utilities, revised October 2007 edition. Regulated water, sanitary sewage, and storm water drainage utilities further ensure the preservation of records of associated companies, whether or not the associated companies are themselves utilities, as necessary to support the cost of services rendered to the utility by the associated companies.

These rules are intended to implement Iowa Code sections 476.31 and 546.7.

Executive Order 10 – Red Tape Review

Request to Initiate New Rulemaking

Agency Name Iowa Utilities Board

Rule Number(s) 199 Iowa Administrative Code Chapter 18

Agency Point of Contact (POC) Maison Bleam

Agency POC Phone 515-380-9587 Email maison.bleam@iub.iowa.gov

This new rulemaking action was directed by the Administrative Rules Coordinator.

If the new rulemaking action was not directed by the ARC:

This new rulemaking action is narrowly-tailored to achieve the following objective(s):

Reduce or remove a regulatory burden, including reducing restrictive terms.

Remove obsolete, outdated, inconsistent, incompatible, redundant, or unnecessary regulations, including instances where rule language is duplicative of statutory language.

Comply with a new statutory requirement, court order, or federal mandate where no waiver is permitted.

Provide bill# or statutory citation or attach copy of court order.

Prevent a substantiated and well-documented threat to public health, peace, or safety.

Attach substantiated and well-documented evidence of threat to public health, peace, or safety.

Reduce state spending

Attach fiscal estimate

Repeal a rule chapter as specified in Executive Order 10

Re-promulgate a rule chapter as specified in Executive Order 10

A copy of the final regulatory analysis required under Executive Order 10 is attached.

Date of the public hearing on the regulatory analysis 9 / 13 / 2023

ARC Preclearance

Date _____ / _____