

## IOWA UTILITIES BOARD

<p>IN RE:</p> <p>EXECUTIVE ORDER 10 — REVIEW OF ANNUAL REPORT RULES [199 IOWA ADMINISTRATIVE CODE CHAPTER 23]</p>	<p>DOCKET NO. RMU-2023-0023</p>
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### ORDER APPROVING REGULATORY ANALYSIS

On January 10, 2023, Gov. Kim Reynolds issued Executive Order Number 10 (Executive Order), which put 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 lowans, 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 23, this technical conference was held on October 26, 2023, and was attended by the Office of the Consumer Advocate (OCA), a division of the Iowa Department of Justice; Interstate Power and Light Company; MidAmerican Energy Company (MidAmerican); and Black Hills/Iowa Gas Utility Company, LLC d/b/a Black Hills Energy

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(Black Hills). The Board also received written filings from OCA, MidAmerican, Black Hills, and Iowa-American Water Company.

In its written comment, OCA states it agrees with the Board proposed regulatory analysis and further adds that with respect to rate-regulated public utilities, “annual reports serve the essential function of facilitating the continuous review of operations of these utilities with respect to all matters that affect rates or charges for utility services.” The Board agrees and will approve the draft Regulatory Analysis as the final version, attached to this order as Attachment A, with this addition. The Board will also publish the final Regulatory Analysis on its website as required under the Executive Order.

Additionally, as part of the draft Regulatory Analysis, the Board proposed to rescind and re-promulgate a revised version of chapter 23. Commenting stakeholders provided analysis and suggestions on the proposed chapter. The Board has taken such comments under advisement and has proposed a revised version of chapter 23. 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 December 11, 2023) (setting forth Executive Order 10 forms and processes).

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**IT IS THEREFORE ORDERED:**

The final regulatory analysis for 199 Iowa Administrative Code chapter 23, attached to this Order as Attachment A, is approved.

**UTILITIES BOARD**

Erik M. Helland 2023.12.20  
10:17:58 -06'00'

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Joshua Byrnes Date: 2023.12.19  
23:13:56 -06'00'

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ATTEST:

Keetah A Horras Date: 2023.12.20  
10:40:26 -06'00'

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Sarah Martz Date: 2023.12.20  
09:53:27 -06'00'

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Dated at Des Moines, Iowa, this 20th day of December, 2023

Final 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 was held as follows:

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

ITsupport@iub.iowa.gov

**Purpose and summary of proposed rule:**

Chapter 23 is intended to inform the public and utilities of Board requirements related to the filing of annual reports. With respect to rate-regulated public utilities, annual reports serve the essential function of facilitating the continuous review of operation of these utilities with respect to all matters that affect 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:

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:

### Final Regulatory Analysis

Iowans as this rule causes public utility information to be updated annually, and each Iowa utility benefits 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 IUB does not believe Chapter 23 will cause 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 Board has updated information regarding public utilities that provide 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 on the public, the IUB does not believe there is a less costly or intrusive method to implementing the rules found in chapter 23. 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

- 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:

## Final Regulatory Analysis

Rescission of the chapter is inappropriate because it is paramount that the IUB has 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 business.

### Text of Proposed Rule:

ITEM 1. Rescind 199—Chapter 23 and adopt the following **new** chapter in lieu thereof:

#### CHAPTER 23 ANNUAL REPORT

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

**23.1(1)** Every public utility shall keep and render its books, accounts, papers, and records accurately and faithfully in the manner and form prescribed by the board and 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 shall 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

**Final Regulatory Analysis**

to 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:

*a.* 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.

*b.* Investor-owned, non-rate-regulated electric utilities file Form EC-1.

*c.* 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.

*d.* Regulated water utilities file Form WA-1.

*e.* Cooperative electric utilities file Form EC-1.

*f.* Municipally owned electric utilities file Form ME-1.

*g.* Municipally owned gas utilities file Form MG-1.

*h.* Providers of telecommunications service file Form TC-1.

*i.* Competitive natural gas providers and aggregators file Form CNGP-1.

*j.* Generation and transmission cooperatives file Form EC-1N.

*k.* 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:

*a.* 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.

*b.* 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.

**Executive Order 10 – Red Tape Review**

**Request to Initiate New Rulemaking**

Agency Name Iowa Utilities Board

Rule Number(s) 199 Iowa Administrative Code chapter 23

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 10/26/2023

ARC Preclearance

Date \_\_\_\_/\_\_\_\_/\_\_\_\_