

**476.52 Management efficiency.**

1. It is the policy of this state that a public utility shall operate in an efficient manner.
2. If the commission determines in the course of a proceeding conducted under [section 476.3](#) or [476.6](#) that a utility is operating in an inefficient manner, or is not exercising ordinary, prudent management, or in comparison with other utilities in the state the commission determines that the utility is performing in a less beneficial manner than other utilities, the commission may reduce the level of profit or adjust the revenue requirement for the utility to the extent the commission believes appropriate to provide incentives to the utility to correct its inefficient operation.
3. If the commission determines in the course of a proceeding conducted under [section 476.3](#) or [476.6](#) that a utility is operating in such an extraordinarily efficient manner that tangible financial benefits result to the ratepayer, the commission may increase the level of profit or adjust the revenue requirement for the utility.
4. In making its determination under [this section](#), the commission may also consider a public utility's pursuit of energy efficiency programs. The commission shall adopt rules for determining the level of profit or the revenue requirement adjustment that would be appropriate. The commission shall also adopt rules establishing a methodology for an analysis of a utility's management efficiency.  
[83 Acts, ch 127, §35; 89 Acts, ch 297, §11; 2018 Acts, ch 1041, §99; 2024 Acts, ch 1170, §369](#)