

701—107.8(428,433,437,438) Allocation of unit value to state.

107.8(1) *Allocation by the department.* The department shall allocate that portion of the total unit value of the utility company's operating property to the state of Iowa based on factors that are representative of the ratio that the utility company's property and activity in the state of Iowa bear to the utility company's total property and activity. These factors are:

- a. Gross operating property weighted 75 percent, and
- b. Gross operating revenues, or MCF miles, or barrel miles weighted 25 percent. The selection of the property and use factor to be utilized shall depend on the type of utility being valued.

107.8(2) *Alternative methods.* In the event that the allocation prescribed by subrule 107.8(1) does not fairly and reasonably allocate unit value of the utility company's operating property to the state of Iowa, the department shall consider such other factors as the department deems appropriate by the exercise of sound appraisal judgment.

This rule is intended to implement Iowa Code sections 428.29, 433.4, 437.6, 437.7, and 438.14.

[ARC 2657C, IAB 8/3/16, effective 9/7/16; Editorial change: IAC Supplement 11/2/22; Editorial change: IAC Supplement 10/18/23]