

**199—29.3(476) Management efficiency evaluation.** The board may evaluate a utility's management efficiency based upon the utility's particular circumstances and considering a range of factors that may differ among utilities. In evaluating a utility's management efficiency, the board may consider any of the factors listed in subrule 29.3(1) and any additional relevant factors. No single factor will be deemed conclusive evidence of efficiency or inefficiency. In performing the evaluation, the board may collect data to compare a utility to other rate-regulated utilities providing the same service within the state of Iowa. The board may consider data for time periods outside a rate case test year.

**29.3(1) Factors.**

The board may consider the following factors:

- a. The price per unit of service (including amounts collected subject to refund) by customer class and type of service.
- b. Operation and maintenance costs per unit of service. Low operations and maintenance costs may not support a finding of efficiency if quality of service is substandard.
- c. Quality of service, as reflected in objective measures of service quality, customer complaints shown in company and board records, findings made in complaint proceedings, penalties assessed, and measures of customer satisfaction.
- d. Customer mix.
- e. The total compensation for each officer of the utility.
- f. The company's bad debt ratio.
- g. Innovative practices implemented by utility management that result in improved service or that control costs.
- h. Geographic service territory.
- i. Economic conditions in the areas served.
- j. Weather patterns and disasters.

**29.3(2) Electric utilities.** When evaluating an electric utility, in addition to considering the factors listed in subrule 29.3(1), the board may consider factors specific to electric utilities including the following:

- a. Fuel cost per kwh.
- b. Availability for each generating unit with 2,000 or more service hours per year.
- c. Companywide load factor.
- d. Development and implementation of energy efficiency programs.

**29.3(3) Natural gas utilities.** When evaluating a natural gas utility, in addition to considering the factors listed in subrule 29.3(1), the board may consider factors specific to natural gas utilities including the following:

- a. Total cost per unit of gas purchased from a pipeline (to be considered separately from operations and maintenance costs).
- b. Total cost per unit of gas purchased from other sources (to be considered separately from operations and maintenance costs).
- c. Residential and commercial sales volume in relation to investment in the system (rate base).
- d. Unaccounted-for gas as a percentage of total sales volume.
- e. Development and implementation of energy efficiency programs.

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