30. Correct. The answer is true. Yardstick regulation bases prices on the costs of best in class companies that provide a yardstick for other companies to emulate and has been popular in Scandinavia. The other three popular forms of price regulation have been:

Price Cap (RPI - X): the regulated company is free to lower prices or to raise prices at the rate of price inflation (RPI) minus expected productivity (X)

Light Handed: the government does not step in unless they feel that monopoly pricing is being implemented. Then they may fine or use other incentives to pressure the company to lower prices.

Rate of Return: the utility is allowed to earn a normal rate of return on their capital stock or their rate base (RB). If s is the allowed rate of return, then the actual rate much be $\leq$ or equal to the s in the formula $\Sigma_1^n p_i q_i$ = expenses + s(RB). Where p_i is the price of electricity in consumer class i and q_i is the quantity of electricity sold to consumer class i and RB is the rate base.