



# STATE OF INDIANA

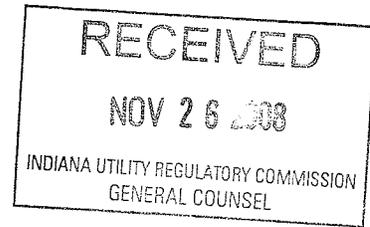
**Mitchell E. Daniels, Jr.**  
Governor

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## STATE BUDGET AGENCY

212 State House  
Indianapolis, Indiana 46204-2796  
317/232-5610

**Christopher A. Ruhl**  
Director



November 18, 2008

Beth Krogel Roads  
Assistant General Counsel  
Indiana Utility Regulatory Commission  
101 W. Washington Street, Suite 1500E  
Indianapolis, IN 46204

Dear Ms. Krogel Roads:

Pursuant to the provisions of Executive Order 2-89 and Budget Agency Financial Management Circular 2006-1, the State Budget Agency has reviewed the proposed rule to adopt 170 IAC 1-5 (LSA #08-670), which you submitted to the State Budget Agency on October 20, 2008.

After reviewing the proposed rule, the recommendation of the State Budget Agency is that the rule changes be approved.

Furthermore, the attached statement and analysis (attached hereto) provided by the Indiana Utility Regulatory Commission is hereby adopted as the Office of Management and Budget's own Fiscal Impact Statement for the purpose of satisfying the requirements under IC 4-22-2-28(d). Also, it is adopted as the Office of Management and Budget's cost benefit analysis under IC 4-3-22-13(a).

If you have questions concerning this action, please contact your budget analyst or Gayle Pierson at 232-5610.

Sincerely,

Christopher A. Ruhl  
Director

CAR/GP

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November 18, 2008

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**STATEMENT OF ECONOMIC IMPACT ANALYSIS  
IURC Proposed Rule, LSA Document #08-670**

This rule updates and clarifies the existing rule regarding the minimum standard filing requirements for a rate case to be decided on an expedited basis by the Indiana Utility Regulatory Commission ("IURC" or "Commission"). No additional costs are imposed and there may be some administrative and other savings. Consequently, the Indiana Utility Regulatory Commission estimates that the total economic impact of its proposed rule, LSA Document #08-670, will likely be neutral or positive and will definitely be less than \$500,000 per year.

**STATEMENT OF ESTIMATED FISCAL IMPACT  
ON STATE AND LOCAL GOVERNMENT  
IURC Proposed Rule, LSA Document #08-670**

The Indiana Utility Regulatory Commission (“IURC” or “Commission”) intends to adopt the attached proposed rule, LSA Document #08-670, which amends 170 IAC 1-5 to update and clarify the minimum standard filing requirements for a rate case to be decided on an expedited basis (“MSFR”).

**I. Estimated Fiscal Impact**

The IURC estimates that there will be no fiscal impact of the proposed rule on state and local government. As the proposed rule updates and clarifies current MSFR procedures, it will likely result in savings for the IURC and for any municipal utility that elects to use the MSFR procedures when it files a rate case.

**II. Effective Date of the Rule**

This rule shall be effective thirty (30) days after filing of the final approved rule with the Indiana Register / Legislative Services Agency.

**III. Revenue and Appropriations Affected**

Sources of revenue, appropriations, and distributions will not be affected by this rule.

**IV. Affect on Expenditures and Assumptions Made in Calculation**

This rule updates and clarifies the MSFR rule. The MSFR rule allows a utility to be able to plan on when changes to its rates will be approved by the Commission, as long as the utility meets the minimum standard filing requirements outlined in the rule. The greater certainty of the specific timeframe (i.e., ten (10) months) allows the utility to perform better financial planning and may even lower credit costs, as well as administrative costs and attorney fees as compared to a regular rate case. Municipal utilities use the MSFR process and also receive these benefits. Consequently, any fiscal impact of the proposed rule on state and local government should be positive.