

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6806
BILL NUMBER: SB 177

DATE PREPARED: Mar 30, 1999
BILL AMENDED: Mar 29, 1999

SUBJECT: Various provisions regarding utilities.

FISCAL ANALYST: Brian Tabor
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FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: (Amended) *Rural telephone cooperative elections:* This bill provides that rural telephone cooperative corporations must annually designate and elect those officers the corporation considers necessary.

Operation of certain water and sewer utilities: This bill authorizes the Indiana Utility Regulatory Commission (IURC) to review specified aspects of a utility company that provides water or sewer service. It provides that if the Commission finds that such a utility company has continued violations of Indiana law or Commission orders or if a review of the utility company reveals that it has severe deficiencies in its operations that it has failed to remedy, the Commission may order the sale of the utility company or the filing of an action for the appointment of a receiver for the utility company.

Regulatory Flexibility Committee: The bill also requires the Regulatory Flexibility Committee to study and make any necessary recommendations to the General Assembly regarding the Commission's enforcement powers and the single rate tariff method of billing for utility service.

Effective Date: July 1, 1999.

Explanation of State Expenditures: (Revised) *Rural telephone cooperative elections:* The provisions regarding rural telephone cooperative elections would not have a fiscal impact.

Operation of certain water and sewer utilities: This proposal would allow the IURC to review the operation of a water or sewer utility upon its own motion, at the request of the Office of the Consumer Counselor (OUCC), or a customer of the utility (this provision does not apply to municipally-owned utilities). If the utility has committed continued violations of Commission orders and other acts of noncompliance, the IURC may provide for the utility to be acquired by another entity or be placed into receivership. While this bill makes additional enforcement options available to the IURC, it should require no new procedures and

minimal additional expenditures for the Commission and the OUCC.

Regulatory Flexibility Committee: The provision regarding the Regulatory Flexibility Committee would not have a fiscal impact.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Indiana Utility Regulatory Commission, Office of the Utility Consumer Counselor.

Local Agencies Affected:

Information Sources: Mike Leppert, Director, Consumer Affairs, IURC, (317) 232-2714.