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FISCAL IMPACT STATEMENT

LS 7510

BILL NUMBER: HB 1548

NOTE PREPARED: Jan 11, 2003

BILL AMENDED:

SUBJECT: Monitoring of Electric and Gas Utilities.

FIRST AUTHOR: Rep. Herrell

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill provides that eligible distribution system improvements for purposes of automatic adjustment of utility rates include qualified electric and gas utility meter reading projects such as the purchase and installation of automatic meter reading systems, software, transmitters, repeaters, concentrators, and related devices.

Effective Date: July 1, 2003.

Explanation of State Expenditures: This bill could have a minimal impact on state expenditures for utility services insofar as it could cause a slight increase in utility rates.

IURC: While the provisions in this bill will require the IURC to evaluate current procedure, they are not expected to have a significant fiscal impact on the Commission's costs.

Background on IURC and Office of the Utility Consumer Counselor (OUCC) Funding: The operating budgets of the IURC and OUCC are funded by regulated utilities operating in Indiana. The IURC determines the rate at which to bill the utilities based on the two agencies' budgets, less reversions, divided by the total amount of gross intra-state operating revenue received by the regulated utilities for the previous fiscal year. Based on this formula, utilities are currently billed approximately 0.10% of their gross intra-state operating revenues to fund the IURC and OUCC. In FY 2002, fees from the utilities and fines generated approximately \$9.5 M.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: The bill would allow regulated municipally owned utilities to cover certain additional costs through an automatic adjustment of base rates.

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

Local Agencies Affected: Municipally Owned Utilities.

Information Sources:

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