

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7349**

**BILL NUMBER: SB 478**

**NOTE PREPARED: Jan 9, 2004**

**BILL AMENDED:**

**SUBJECT:** IURC Deliberations and Deadlines.

**FIRST AUTHOR:** Sen. Server

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**    **GENERAL**  
                          **X DEDICATED**  
                          **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill permits the Indiana Utility Regulatory Commission (IURC) to deliberate in executive session on a proposed order under certain circumstances. The bill allows a public, municipally owned, or cooperatively owned utility to implement rates proposed by the utility in a petition for a change in its basic rates and charges if the IURC fails to issue an order on the petition within nine months. It requires the utility to give notice to the IURC and to make appropriate changes to the utility's rate schedule not later than 14 days before implementing the proposed rates. The bill also requires the utility to refund or credit to customers any difference between the rate implemented and the higher of the rate: (1) finally approved; or (2) previously in effect.

**Effective Date:** Upon passage.

**Explanation of State Expenditures:** *IURC:* This bill could increase the administrative burden of the IURC insofar as it could encourage the Commission to shift staff and resources to complete the review of the affected utilities within the specified nine-month period. It is presumed that the IURC would absorb any additional administrative costs using existing resources.

*Background on IURC and Office of the Utility Consumer Counselor Funding (OUCC):* 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 2003, fees from the utilities and fines generated approximately \$10.9M.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** *Municipally Owned Utilities:* This bill could help expedite basic rate increases for municipally owned utilities

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

**Local Agencies Affected:** Municipally owned utilities.

**Information Sources:**

**Fiscal Analyst:** John Parkey, 317-232-9854.