

Economic Impact Statement

LSA Document #07-514

IC 4-22-2.1-5 Statement Concerning Rules Affecting Small Businesses

The proposed rule amends the Indiana Utility Regulatory Commission's ("Commission" or "IURC") current rule governing practice and procedure before the Commission. Some of the amendments to the rule include requiring the use of light green paper for confidential filings; allowing presiding officers to discuss procedural matters and other prehearing-type issues at attorney and technical conferences; reducing the number of paper copies to be filed; and reducing from six months to two months the length of time the Commission must wait before dismissing a cause in which no activity has occurred.

This rulemaking affects those small businesses that currently, or may at some time in the future, provide electric, gas, water, sewage disposal, or telecommunications services in Indiana under the jurisdiction of the IURC and are a party to a proceeding before the Commission. Concerned with the economic impact of regulatory costs on small businesses, the Commission currently provides under [170 IAC 14-1](#) for a classification of small utilities to seek regulatory determinations without bringing a formal proceeding before the Commission. The special administrative process is known as the Small U process and is primarily used as an alternative to filing a costly rate case. The Small U process allows a utility serving fewer than 5,000 customers to complete and submit forms and schedules for consideration by the Commission's technical staff without requiring the utility to obtain legal representation or other professional services. The proposed amendment to the practice and procedure rule, therefore, will likely only impact other, less common types of matters before the Commission to which a small business might be a party, such as an initial request for a certificate of territorial authority or a boundary dispute.

There are currently 122 small businesses that are authorized to provide utility service under the jurisdiction of the IURC: electric – 0; gas – 6; sewer – 50; telecommunications – 53; and water – 13. The number of small businesses that will be subject to this rule will probably increase gradually over time as property continues to be developed in Indiana and small businesses continue to apply for authorization to offer utility services. However, it is unknown (and there is no way to know) how many small businesses may in the future become subject to IURC jurisdiction. Therefore, the Commission cannot determine (or reasonably estimate) at this time the number of small businesses that will be subject to this rule.

Estimated Average Annual Administrative Costs That Small Businesses Will Incur

Any administrative costs incurred under the proposed amendment are expected to be offset by the costs eliminated by the amendment. Thus, an anticipated increase in paper costs of approximately three cents per page due to the new requirement to submit confidential documents on green paper will be far offset by the reduction in the number of copies required to be filed with the Commission (the currently required eight copies will be reduced to four copies and the currently required 13 copies will be reduced to five copies). Furthermore, the amendment provides that prehearing conferences may be eliminated if the parties reach and file written agreement on procedural matters that otherwise would be considered at a prehearing conference. The result is expected to be a reduction in attorney's fees for small businesses. The amendment further eliminates prehearing conferences by permitting discussion of procedural matters at attorney and technical conferences. Thus, the reduction in costs that result from minimizing or eliminating the need for prehearing conferences and from reducing the number of copies to be filed far exceeds the additional cost to be incurred under the amended rule for filing confidential documents on green paper.

Estimated Total Annual Economic Impact on Small Businesses

The net economic impact to small businesses, if any, is estimated to be positive.

Regulatory Flexibility Analysis of Alternative Methods

The Commission has determined that amendment of the practice and procedure rule would be the most efficient for the marketplace. The potentially positive economic impact of the amendment will benefit small Indiana businesses.

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