

Economic Impact Statement

LSA Document #08-315

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

(1) Estimate of Number of Small Businesses That Will Be Subject to this Rule

This rule affects those small businesses that currently, or may at some time in the future, provide electric, gas, or water services in Indiana under the jurisdiction of the Indiana Utility Regulatory Commission ("IURC" or "Commission"). There are currently 19 small businesses that are authorized to provide the above referenced types of services under the jurisdiction of the IURC: electric – 0; gas – 6; and water –13. The number of small businesses that will be subject to this rule may 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. In addition, some small utilities (depending on size and other factors) have the option of withdrawing from Commission jurisdiction. Therefore, the Commission cannot determine (or reasonably estimate) at this time the number of small businesses that will be subject to this rule.

(2) Estimate of Average Annual Reporting, Record Keeping, and Other Administrative Costs

This rule does not impose any annual reporting or record keeping requirements beyond those already required by statute and current regulations. By updating the rule to conform to current industry practices for water utilities, this rule may reduce administrative costs of small water utilities. In addition, this rule allows for the electronic storage and filing of records, which may further reduce costs for small water utilities.

(3) Estimate of the Total Economic Impact of this Rule on Small Businesses

Because there is no way at this time to determine the number of small businesses affected by this rule, it is impossible for the commission to estimate the total economic impact of this rule. However, this rule does not impose any costs, but instead updates the rule to conform to current industry practices. Therefore, the total economic impact of this rule should be neutral.

(4) Statement Justifying Any Requirement or Cost Imposed

No requirement or cost is imposed on any small business under this rule that is not required by statute.

(5) Regulatory Flexibility Analysis

Considering this rule merely updates state regulation to conform to current industry practices, there is no less intrusive or less costly alternative to the purpose of this rule. This rule imposes no additional reporting requirements. In addition, this rule provides for electronic storage and filing of records, which should reduce administrative costs for the utility. Considering this rule acts to simplify and conform standards to current practices, no further consolidation or simplification of the compliance requirements is possible that would achieve the purpose of this rule. This rule only imposes very limited schedules or deadlines and no less stringent schedules or deadlines are possible that would achieve the purpose of the rule. No additional design, operational, or performance standards are imposed by this rule. The current standards of service were adopted by the Commission in the 1970s, and it is necessary to update them to conform to current industry practices. This update will prevent any duplicative administrative costs that may be incurred as a result of the utility having to comply with two differing sets of standards. Exemption from part or all of the requirements of this rule would not benefit small utilities, as the standards in this rule follow current industry practices for all sizes of utilities.

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