

**Economic Impact Statement**

LSA Document #08-670

**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 amends [170 IAC 1-5](#), the minimum standard filing requirements for a rate case to be decided on an expedited basis (MSFR). The utility files the required documentation at the beginning of the case, and, in exchange, the Commission agrees to expedite the processing of the rate case, so that the utility has the Commission's decision in a specific time frame (10 months). MSFR is typically used by larger utilities that do not qualify as small businesses. Small water and sewer utilities are eligible under [IC 8-1-2-61.5](#) and [170 IAC 14-1](#) for a separate expedited process that only requires a public hearing upon request. Consequently, this rule affects only a small percentage of 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 Indiana Utility Regulatory Commission ("IURC" or "Commission"). There are currently 134 small businesses that are authorized to provide the above referenced types of services under the jurisdiction of the IURC: electric – 0; gas – 6; sewer – 50; water – 25; and telecommunications – 53.

Under [IC 8-1-2.6-1.2](#), as of March 27, 2006, the Commission no longer exercised jurisdiction over nonbasic telecommunications services, which meant that small telecommunications businesses were no longer required to obtain Commission approval over rates for those services. Under [IC 8-1-2.6-1.4](#), as of July 1, 2009, the Commission will no longer exercise jurisdiction over basic telecommunications service. As a result, small telecommunications businesses will no longer be required to obtain Commission approval over any of their rates and charges after July 1, 2009. Therefore, small telecommunications businesses will not be subject to this rule after July 1, 2009.

The number of other 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.

**(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. There are no administrative costs associated with this rule.

The purpose of this rule is to update and clarify the Commission's MSFR rule. The MSFR process gives greater certainty to a utility applying for a change in its rates, in that the utility will know the specific time frame (10 months) in which the rate case will be completed. This certainty allows for better financial planning and better credit ratings. The reduced time frame also reduces the cost of bringing a rate case before the Commission. Consequently, this rule should result in a lessening of administrative costs and attorney fees.

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

There are no costs associated with this rule, and, therefore, this rule will have no negative economic impact on small businesses subject to the rule. Instead, the increased certainty of a specific time frame in which rate changes will be approved allows for better financial planning and an increased probability of better credit ratings, resulting in a positive economic impact to the utility.

**(4) Statement Justifying Any Requirement or Cost Imposed**

The only requirements imposed by this rule relate to what documentation the utility needs to file with the Commission in order to qualify for expedited processing of the utility's rate case. This rule amends the existing requirements, updating and clarifying them and hopefully thereby making them less burdensome. No additional requirements are imposed.

There are no costs imposed by this rule.

**(5) Regulatory Flexibility Analysis**

The minimum standard filing requirements that are being updated and clarified by this rule are by definition the minimum requirements for a rate case to be decided on an expedited basis. As such, there are no less intrusive or less costly alternatives for achieving the purposes of the proposed rule. This rule imposes no reporting requirements. No further consolidation or simplification of the compliance requirements is possible that would achieve the purpose of this rule. No design, operational, or performance standards are imposed by this rule. This rule allows small utility businesses to avoid more costly and time-consuming procedures for changes to the utility's rates and charges. No further exemption from the filing requirements is possible, as the requirements in

this rule provide the minimum amount of information that the Commission needs to make a decision regarding a rate case.

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