

**Economic Impact Statement**

LSA Document #19-378

**IC 4-22-2.1-5 Statement Concerning Rules Affecting Small Businesses****I. Estimate of Number of Small Businesses That Will Be Subject to this Rule**

As required by [IC 4-22-2.1-5\(a\)\(1\)](#), the estimate of the number of small businesses, classified by industry sector, that will be subject to the proposed rule:

Unknown. The rule applies to all persons and entities seeking to file documents with the Indiana Utility Regulatory Commission (Commission). These persons/entities include utilities under the Commission's jurisdiction, as well as those that seek to intervene or otherwise participate in proceedings before the Commission. Most likely, the filings would be made by attorneys that work for or represent the filing party. Of note, there is no cost to comply with the rule and electronic filing will make it easier for small businesses to file documents with the Commission.

As required by [IC 4-22-2.1-5\(a\)\(2\)](#), the estimate of the average annual reporting, record keeping, and other administrative costs that small businesses will incur to comply with the proposed rule:

None. The Commission changed to an upgraded electronic filing system (EFS) at the end of 2016, and certain procedural rules need to be updated to match the new system. The result is streamlined filing that saves resources associated with printing and delivery costs and that reduces Commission staff. There are no estimated administrative expenses. Regarding the EFS, such expenses are actually anticipated to be reduced. This includes costs for paper, printing, mailing, courier service, and any other expenses relating to hard copy filing.

The Commission also used the opportunity to clarify its ex parte rules and add an exception that did not exist at the time the ex parte rules were originally drafted. The result is clarity regarding when Commission staff can be used as a resource for utilities, resulting in reduced attorney, accountant, and other professional service fees for regulated utilities. With regard to the ex parte exception, regulated entities' legal and accounting costs may be reduced. By knowing instances where ex parte does not apply, those entities may be able to seek assistance from Commission staff rather than hiring attorneys and accountants for help.

As required by [IC 4-22-2.1-5\(a\)\(3\)](#) and [IC 4-22-2-28\(i\)\(3\)](#), the estimate of the total annual economic impact that compliance with the proposed rule will have on all small businesses subject to the rule:

None. If anything, there would be cost savings.

**II. Justification Statement**

As required by [IC 4-22-2.1-5\(a\)\(4\)](#) and [IC 4-22-2-28\(i\)\(2\)](#), the following statement justifies any requirement or cost that is imposed on small businesses by the rule; and not expressly required by the statute authorizing the agency to adopt the rule; or any other state or federal law. The statement required by this subdivision must include a reference to any data, studies, or analyses relied upon by the agency in determining that the imposition of the requirement or cost is necessary.

Commission staff has involved regulated entities in the development not only of the rule but also in the creation of the EFS behind the rule. An updated draft rule was sent to the participant listserv in October 2018, requesting financial impact comments. The rule was further edited in response to those comments, and this analysis incorporates the parties' financial impact comments. Based on this, there are no costs to small businesses imposed by this rule.

**III. Regulatory Flexibility Analysis**

As required by [IC 4-22-2.1-5\(a\)\(5\)](#) and [IC 4-22-2-28\(i\)\(4\)](#), this regulatory flexibility analysis considers whether there are alternative methods of achieving the purpose of the rule that are less costly or intrusive or would otherwise minimize the economic impact of the rule on small businesses. The analysis under this subdivision considers the following methods of minimizing the economic impact of the proposed rule on small businesses:

(A) The establishment of less stringent compliance or reporting requirements for small businesses.

The rule does not establish more stringent compliance or reporting requirements for small businesses than what already exists in current practice. The rule simply modifies procedures to change from hard copy to electronic filing.

(B) The establishment of less stringent schedules or deadlines for compliance or reporting requirements for small businesses.

The rule does not establish more stringent schedule or deadlines or reporting requirements for small businesses than what already exists in current practice. The rule modifies procedures to change from hard

copy to electronic filing. This actually creates longer schedules and later deadlines by making filing instantaneous rather than calculating mailing or delivery times.

(C) The consolidation or simplification of compliance or reporting requirements for small businesses.

The rule does not establish the number or complexity of compliance or reporting requirements for small businesses than what already exists in current practice. The rule simply modifies procedures to change from hard copy to electronic filing. Of note, the affected parties have been using the new EFS since 2016, so any complexity would be a result of the new EFS, not the codification of its use.

(D) The establishment of performance standards for small businesses instead of design or operational standards imposed on other regulated entities by the rule.

It would not be practical to establish performance standards rather than design or operational standards.

The act of filing is an operational standard. It is not a standard that can be performed poorly versus well (i.e. performance standards) or one way versus another; it is simply performed in a standard manner.

(E) The exemption of small businesses from part or all of the requirements or costs imposed by the rule.

There are no costs imposed by the rules. Also, as noted in subsection (D), it would be impractical to permit different ways of filing depending on the nature of the filer.

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