

ORIGINAL
STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

**IN THE MATTER OF THE COMMISSION'S)
INVESTIGATION, PURSUANT TO IC § 8-1-2-58,)
INTO THE EFFECTIVENESS OF DEMAND SIDE)
MANAGEMENT ("DSM") PROGRAMS CURRENTLY)
UTILIZED IN THE STATE OF INDIANA,)
INCLUDING AN EXAMINATION OF ISSUES THAT)
COULD IMPROVE THE EFFECTIVENESS OF)
DEMAND SIDE MANAGEMENT PROGRAMS IN)
THE STATE, INCLUDING CONSIDERATION OF)
THE ESTABLISHMENT OF AN INDEPENDENT)
DSM ADMINISTRATOR MODEL ON A STATE-)
WIDE BASIS)**

CAUSE NO. 42693

APPROVED:

JUL 28 2004

**BY THE COMMISSION:
Judith G. Ripley, Commissioner
Scott R. Storms, Chief Administrative Law Judge**

1. Background. On July 21, 2004, the Indiana Utility Regulatory Commission ("Commission") issued an Order on Rehearing in Cause No. 42418, in which we determined, inter alia, that we should initiate a formal Investigation to consider and review Demand Side Management ("DSM) issues and programs in the State of Indiana. Therefore, the Commission hereby initiates this investigation to examine the overall effectiveness of DSM programs in the state, and to allow us to consider any and all issues that that may improve DSM programs. Our review of the issues will include consideration as to whether an Independent DSM Administrator Model should be established in Indiana on a state-wide basis.

2. Commission Jurisdiction and Review. Pursuant to IC § 8-1-2-58, investigations such as this one may be summarily made, with or without notice. If the Commission becomes satisfied that sufficient grounds exist to warrant a hearing pertinent to the matters investigated, IC § 8-1-2-59 requires that the public utility involved be furnished a statement notifying it of the matters under investigation. In addition to the foregoing statutory provisions, the Commission notes that the Indiana Court of Appeals has specifically found that inherent in this grant of power is the implicit power and authority to "do that which is necessary to effectuate the regulatory scheme." South Eastern Indiana Natural Gas v. Ingram, 617 N.E.2d 943, 948 (Ind. Ct. App. 1993).

The Commission has broad discretion to investigate matters pertinent to public utilities operating within the state. Indiana Code 8-1-2-58 states:

Whenever the commission shall believe that any rate or charge may be unreasonable or unjustly discriminatory or that any service is inadequate, or can not be obtained, or that an investigation of any matters relating to any public utility should for any reason be made, it may, on its own motion, summarily investigate the same,

with or without notice.

Ind. Code 8-1-2-1(a) defines "public utility" as follows:

"Public utility", as used in this chapter, means every corporation, company, partnership, limited liability company, individual, association of individuals, their lessees, trustees, or receivers appointed by the court, that may own, operate, manage, or control any plant or equipment within the state for the:

(2) Production, transmission, delivery or furnishing of heat, light water or power...

Accordingly, the Commission has jurisdiction over the public utilities that might be impacted by this Investigation.

Therefore, pursuant to IC § 8-1-2-58, and related statutes, the Commission is satisfied that sufficient grounds exist to warrant a formal investigation into the issues set forth in this Order, and through the issuance of this Order hereby notify utilities subject to our jurisdiction, in accordance with IC § 8-1-2-59, of the matters under investigation.

IT IS THEREFORE ORDERED BY THE INDIANA UTILITY REGULATORY COMMISSION that:

1. An Investigation is hereby commenced to allow the Commission to consider and review DSM issues and programs in the State of Indiana. This Investigation shall include an examination of the overall effectiveness of current DSM programs in the state, and allow for the consideration of any and all issues that may improve current DSM programs. Our review of the issues shall include consideration as to whether an Independent DSM Administrator Model should be established in Indiana on a state-wide basis.


2. The Order constitutes notice to utilities subject to our jurisdiction, in accordance with IC § 8-1-2-59, of the matters under investigation.

3. This Order shall be effective on and after the date of its approval.

McCARTY, LANDIS AND ZIEGNER CONCUR, HADLEY AND RIPLEY ABSENT:

APPROVED: JUL 28 2004

I hereby certify that the above is a true and correct copy of the Order as approved.


Nancy E. Manley
Secretary to the Commission