

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7007

BILL NUMBER: SB 245

NOTE PREPARED: Jan 5, 2024

BILL AMENDED:

SUBJECT: Natural Gas and Electric Utility Infrastructure.

FIRST AUTHOR: Sen. Glick

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill provides that an applicant that seeks: (1) the installation or extension of electric or natural gas utility infrastructure; (2) electric or natural gas utility service; or (3) both; in connection with certain development projects is entitled to request and convene, before commencing construction on the project, at least one technical advisory meeting with each utility whose service area includes the project site. The bill also defines a "technical advisory meeting" and sets forth the procedures and time frame for requesting and holding a technical advisory meeting.

The bill requires an applicant and a utility to enter into an extension agreement before construction commences on a project, regardless of whether a technical advisory meeting is requested or held. It defines an "extension agreement". It also sets forth the required elements of an extension agreement.

The bill provides that before agreeing to extend utility infrastructure to a project site in connection with the project, a natural gas utility must provide the applicant with a written summary that explains the obligations and commitments that apply to: (1) the utility; (2) the applicant; and (3) the customers to be initially served by the extension of the utility infrastructure upon its installation; under the Indiana Utility Regulatory Commission's (IURC) rule on the extension of gas distribution mains. It sets forth the information required to be included in the summary.

The bill also provides that an applicant or a utility may submit an informal complaint to the IURC's Consumer Affairs Division in connection with the bill's provisions concerning technical advisory meetings and extension agreements. It provides that if the IURC determines that it requires additional staff to handle the volume of informal complaints submitted, the IURC may impose a fee on a party against whom a decision is rendered. The bill provides that the fee may not exceed the lesser of: (1) the IURC's actual costs in

handling the informal complaint; or (2) \$750. It also authorizes the IURC to adopt rules to implement the bill's provisions.

Effective Date: July 1, 2024.

Explanation of State Expenditures: This bill will increase the workload of the IURC to adopt rules concerning technical advisory meetings as well as informal complaint hearings. The bill will also increase the workload of the IURC to create a prescribed form to provide a written summary explaining obligations and commitments for an extension of utility service. Increases in workload are within the routine administrative function of the agency and are expected to be accomplished within existing resource and funding levels.

Additionally, the bill establishes an informal complaint procedure that can be filed by either a utility or an applicant for an extension of utility service. Under the bill, the IURC Consumer Affairs Division would hear informal complaints. If the number of informal complaints filed with the IURC exceeds what the staff can accommodate, the bill allows the IURC to charge an informal complaint filing fee. The collection of a fee could offset any impact to the IURC's workload and expenditures to hear informal complaints.

Explanation of State Revenues: The bill allows the IURC to collect an informal complaint filing fee under certain conditions. The fee is not authorized to exceed the actual costs of hearing informal complaints or \$750, whichever is less. To the extent the IURC elects to collect filing fees to administer the bill's requirements, state revenue will increase. Increases in state revenue are indeterminable.

Explanation of Local Expenditures: The bill could increase municipal utility workload in accordance with the requirements in the bill to the extent a utility elects to extend service to development projects in the state. Additionally, local workload could increase to file informal complaints and local expenditures could increase as well if the IURC elects to collect a filing fee.

Explanation of Local Revenues:

State Agencies Affected: IURC.

Local Agencies Affected: Municipal utilities.

Information Sources:

Fiscal Analyst: Bill Brumbach, 317-232-9559.