

Indiana Utility Regulatory Commission



Rulemaking to Enhance Regulation

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Indianapolis, Indiana

1

Statutory Authority



- Utility Regulatory Commission created primarily as a fact finding body with the technical expertise to administer the regulatory scheme devised by the legislature.
 - As a creation of the legislature the Utility Regulatory Commission may exercise only that power conferred by Statue.
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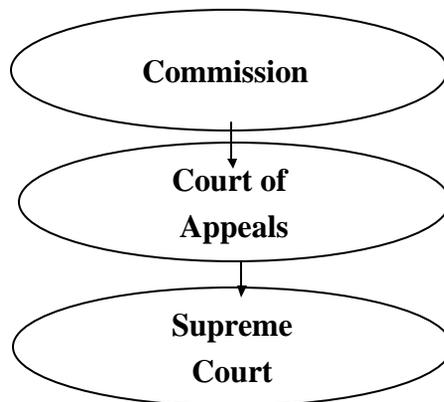
2

Authority of the Indiana Utility Regulatory Commission



- An Order of the Commission is subject to judicial review to determine whether it is supported by specific findings of fact and evidence and to allow the court to determine if the Order is contrary to law.

Judicial Review of Commission Orders



Treatment of Commission Orders on Judicial Review



- On matters within its authority the Commission enjoys wide discretion.
 - The Commission's findings and decision will not be taken lightly, or overturned, just because the Supreme Court might reach a different decision on the same evidence.
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5

Rulemaking Authority of the Commission



- Ind. Code 8-1-1-3 (g), states that: “The commission shall formulate rules necessary or appropriate to carry out the provisions of this chapter, and shall perform the duties imposed by law under them.”
 - Thus, as part of this statute, the legislature specifically required the Commission to develop rules.
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6

Example of a Code Section with Directions to Rulemake Ind. Code 8-1-2-34.5



- **Customer service; determination of complaints**
Sec. 34.5. (a) The Commission shall establish reasonable rules and regulations to govern the relations between public utilities and any or all classes of their customers. Those rules and regulations shall cover the following subjects:
 - (1) extension of service;
 - (2) extension of credit;
 - (3) deposits, including interest thereon;
 - (4) billing procedures;
 - (5) termination of service;
 - (6) complaints; and
 - (7) information and notice to customers of their rights under the rules.
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7

Types of Rules Promulgated by the Commission



- **Procedural Rules**
 - Set out specific procedures for issues typically encountered by the Commission, from the initial filing in a case –through the Prehearing Conference and the Evidentiary Hearing-- in cases pending before the Commission.
 - Provide specific details as to how to properly file documents with the Commission, and;
 - Provide guidelines regarding appropriate and inappropriate communication with the Commission when a case is pending before the Commission.
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8

Types of Electricity Rules



- Service Standards 170 IAC 4-1-2
 - Include standards for installation of meters and steps that must be taken to ensure accuracy.
 - Standards for the preparation and submission of bills to customers as well as billing adjustments.
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9

Types of Electricity Rules (Continued)



- Standards for customer complaint procedures.
 - Standards for disconnection of service;
 - Requirement to file rate schedules with the Commission for public inspection.
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10

Rulemaking Process



- **Draft Rule**
 - Published in Indiana Register.
 - Public Notice and Comment.
 - Proceeding open to the public to allow oral or written comments on the proposed rule.
 - **Final Rule**
 - May incorporate some, all, or none of the comments from the public.
 - Published in the Indiana Register.
 - Effective Date.
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11

Legal Effect of Rules



- Rules have the force and effect of law if:
 - Properly promulgated;
 - Reasonable and consistent with the Statute.
 - Once a rule has been properly promulgated it becomes an integral part of the regulatory statute.
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12

Benefits of Rulemaking



- Allows for input by impacted or interested parties.
 - Provides a common framework regarding how regulated issues are to be addressed
 - Public notice provisions and open meetings help to build public trust and confidence in the administrative process.
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13

Why Rulemaking is Important to Regulatory Agencies



- Expertise on technical regulatory issues is developed and resides with the Commission.
 - When the legislature delegates rulemaking authority to the Commission, and the Commission develops rules, it stands in the place of the legislature and makes law.
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14

Enforcement of Rules



- As rules have the effect of law, they must be followed by regulated entities.
 - Rules may be enforced by the Commission.
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15

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16