



# Report to the Regulatory Flexibility Committee

Chairman David Lott Hardy  
*Indiana Utility Regulatory Commission*  
September 17, 2009

# IURC Accomplishments

- Reexamination of the public utility standard
- Acknowledgement of issues for utilities both large and small
- Implementation of new policies and procedures
- Establishment of the new RTO/FERC Team



# Indiana's Regulatory Landscape

- Future energy needs
- Financial issues and access to commodity markets
- State RPS
- Infrastructure investments
- Construction work in progress
- Trackers





## Natural Gas

- Prices ranging from \$13 Dth to \$3 Dth
- Supply issues
  - Conventional and emerging exploration
  - Shale gas
  - Storage capacity
- Rockies Express Pipeline
- Underground plant protection
  - SEA 487 (P.L. 62-2009)
- Substitute natural gas



## Electricity

- Competitive price advantage on retail rates
  - Indiana's average retail rates were 12<sup>th</sup> lowest in the nation for 2008
- Cost-of-service review for investor-owned utilities
- Additional generation capacity
  - Edwardsport IGCC facility
  - Wind projects and other renewables



## Electricity Legislative Initiatives

- Waxman-Markey Bill on climate change
- Smart Grid
  - Investigation, Cause No. 43580
- Net Metering
- Transmission
  - Growing impact of regional and federal energy policies
  - Siting authority
  - Investments
- Reliability concerns
  - Tree-trimming investigation, Cause No. 43663



# Communications

- Regulatory developments
  - HEA 1279 (P.L. 27-2006)
  - Elimination of policies and procedures
- Competition and market monitoring
  - Investment in infrastructure
  - Video franchises
- Mergers
  - CenturyTel/Embarq
  - Verizon/Frontier



## Water/Wastewater

- Infrastructure investment
  - High capital costs
- Small, troubled utilities
  - Ability to withdraw from Commission jurisdiction
- Small utility workshops and training opportunities
- Water/energy nexus
  - Conservation measures



## Water/Wastewater Legislative Initiatives

- Small utility filing process
  - Expanded opportunities
- Jurisdiction over small, investor-owned utilities
- DSIC process for wastewater utilities
- Outside-city customer rates
- Water resources task force