

# HOUSE BILL No. 1983

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 8-1-6.5.

**Synopsis:** Public utility service quality. Requires the Indiana utility regulatory commission to adopt service quality rules for public utilities. Requires a public utility to report annually to the commission regarding the public utility's compliance with the service quality rules. Requires a public utility to immediately report any significant interruption of service. Authorizes the commission to impose civil penalties if a public utility fails to comply with the service quality rules.

**Effective:** July 1, 2001.

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**Stilwell, Liggett, Fry**

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January 17, 2001, read first time and referred to Committee on Commerce, Economic Development and Technology.

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First Regular Session 112th General Assembly (2001)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2000 General Assembly.

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## HOUSE BILL No. 1983



A BILL FOR AN ACT to amend the Indiana Code concerning utilities.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 8-1-6.5 IS ADDED TO THE INDIANA CODE AS  
2 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY  
3 1, 2001]:

4 **Chapter 6.5. Public Utility Performance Standards**

5 **Sec. 1. The definitions in IC 8-1-2-1 apply throughout this**  
6 **chapter.**

7 **Sec. 2. The commission shall adopt rules under IC 4-22-2 to**  
8 **establish service quality rules for public utilities.**

9 **Sec. 3. The rules required by section 2 of this chapter must do**  
10 **the following:**

11 **(1) Require a public utility to meet performance levels**  
12 **established in the rules.**

13 **(2) Require a public utility to inspect and conduct periodic**  
14 **maintenance of equipment and facilities on schedules stated**  
15 **in the rules. The maintenance schedules must provide for**  
16 **scheduled trimming of trees.**

17 **(3) Require a public utility to immediately report any**



1 significant interruptions of service as defined in the rules.

2 (4) Establish response times for responding to customer calls  
3 and interruptions of service.

4 (5) Require a public utility to maintain sufficient personnel in  
5 strategic locations as defined in the rules.

6 (6) Require a public utility to file a report with the  
7 commission not later than a date set by the commission in the  
8 rules covering the most recent calendar year. A report filed  
9 under this subdivision must provide the following  
10 information:

11 (A) Whether the public utility met the performance levels  
12 set by the rules.

13 (B) A description of those areas, if any, in which the public  
14 utility failed to meet the performance levels.

15 (C) A description of each interruption of service, both  
16 system wide and for each operational component of the  
17 system. The information reported under this clause must  
18 identify the worst performing operational component of  
19 the public utility's system.

20 (D) State the plans the public utility has developed to  
21 improve:

22 (i) performance in areas described in clause (B); and

23 (ii) the performance of system components described in  
24 clause (C).

25 (7) Provide for the imposition of civil penalties on a public  
26 utility that provides poor quality service as defined in the  
27 rules.

28 (8) Require the imposition of civil penalties if a public utility  
29 fails to improve the worst performing operational component  
30 of the public utility's system.

31 Sec. 4. If, after notice and hearing, the commission finds that a  
32 public utility has failed to comply with the service quality rules  
33 adopted by the commission, the commission may issue an order  
34 that does one (1) or more of the following:

35 (1) Imposes a civil penalty of not more than twenty-five  
36 thousand dollars (\$25,000) for each noncompliance with the  
37 rules. For purposes of this subdivision, the commission may  
38 consider each day a noncompliance occurs to be a separate  
39 noncompliance.

40 (2) Imposes a civil penalty of not more than fifteen percent  
41 (15%) of the annual gross intrastate operating revenue of the  
42 public utility. A public utility's gross intrastate operating

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1 revenue shall be determined from the most recent public  
2 utility annual report filed under IC 8-1-6-5.

3 (3) Requires the public utility cease and desist from the  
4 noncompliance.

5 (4) Mandates corrective action to alleviate the noncompliance.

6 (5) Revokes or modifies the terms of the public utility's  
7 certificate of territorial authority, certificate of public  
8 convenience and necessity, or other permit issued by the  
9 commission.

10 Sec. 5. The commission shall consider the following when  
11 determining the appropriateness of the amount of a civil penalty or  
12 compromise amount under section 4 of this chapter:

13 (1) The size of the public utility.

14 (2) The gravity of the noncompliance.

15 (3) The good faith of the utility in attempting to remedy the  
16 noncompliance after receiving notification of the  
17 noncompliance.

18 Sec. 6. (a) The attorney general may bring an action in the name  
19 of the state of Indiana to enforce an order of the commission under  
20 section 4 of this chapter, including the collection of an unpaid civil  
21 penalty imposed by the commission under section 4(1) or 4(2) of  
22 this chapter.

23 (b) The attorney general may bring the action in a court that  
24 has jurisdiction.

25 Sec. 7. All civil penalties accruing under this chapter are  
26 cumulative. A suit for recovery of one (1) civil penalty does not bar  
27 or affect:

28 (1) the recovery of any other civil penalty or forfeiture; or

29 (2) a criminal prosecution against:

30 (A) a public utility;

31 (B) an officer, a director, an agent, or an employee of a  
32 public utility; or

33 (C) any other person.

34 Sec. 8. The secretary of the commission shall deposit any civil  
35 penalties collected under this chapter in the commission public  
36 utility fund account established under IC 8-1-6.

37 Sec. 9. The authority granted under this chapter is in addition  
38 to, and may be exercised independently of, any other authority  
39 granted under this article.

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