
HOUSE BILL No. 1181

DIGEST OF INTRODUCED BILL

Citations Affected: IC 8-1-2-42.2; IC 8-1-2-42.5.

Synopsis: Rate adjustment mechanisms for utilities. Provides that not later than four years after the effective date of an order of the Indiana utility regulatory commission (IURC) approving a rate adjustment mechanism for an energy utility, the office of utility consumer counselor (OUCC) may file a petition requesting that the IURC review, and revise as necessary, the utility's basic rates and charges. Requires the IURC to use the procedures governing a general rate case in conducting the review.

Effective: January 1, 2008 (retroactive).

Moses, Crooks

January 10, 2008, read first time and referred to Committee on Commerce, Energy and Utilities.

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Second Regular Session 115th General Assembly (2008)

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 a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2007 Regular Session of the General Assembly.

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HOUSE BILL No. 1181



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

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

1 SECTION 1. IC 8-1-2-42.2 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2008 (RETROACTIVE)]: **Sec. 42.2. (a) This section**
4 **applies to a rate adjustment mechanism that is approved by the**
5 **commission after December 31, 2007.**

6 (b) As used in this section, "rate adjustment mechanism" means
7 a mechanism, other than a general rate case, by which the
8 commission allows a utility to timely recover, through the utility's
9 retail service rates, certain costs incurred by the utility. The term
10 includes any mechanism used by the commission under the
11 authority of:

- 12 (1) section 6.6, 6.8, 42, or 42.1 of this chapter;
- 13 (2) IC 8-1-2.5 or IC 8-1-8.8;
- 14 (3) any other law; or
- 15 (4) any rule or order of the commission.

16 (c) As used in this section, "utility" refers to a public,
17 municipally owned, or cooperatively owned utility:



1 (1) that owns, operates, manages, or controls any plant or
 2 equipment in Indiana for the production, transmission,
 3 delivery, or furnishing of gas, electricity, or steam; and
 4 (2) whose rates and charges are regulated by the commission.
 5 (d) Not later than four (4) years after the effective date of a
 6 commission order approving a rate adjustment mechanism for a
 7 utility, the office of utility consumer counselor may file a petition
 8 with the commission requesting the commission to review, and
 9 revise as necessary, the utility's basic rates and charges, regardless
 10 of whether the utility has filed a request for a general increase in
 11 its basic rates and charges under section 42(a) of this chapter.
 12 Upon receiving a petition under this section, the commission shall
 13 conduct the requested review using the procedures:
 14 (1) governing a general rate case; and
 15 (2) established by:
 16 (A) this chapter; or
 17 (B) any rule adopted by the commission.
 18 (e) The pendency of a review described in subsection (d) does
 19 not prohibit a utility from seeking one (1) or more additional rate
 20 adjustment mechanisms from the commission while the review is
 21 pending. If a utility seeks one (1) or more additional rate
 22 adjustment mechanisms during the pendency of any review under
 23 subsection (d) concerning one (1) or more of the utility's existing
 24 rate adjustment mechanisms, the commission may combine its
 25 review of the new rate adjustment mechanism requested by the
 26 utility with the review requested by the office of utility consumer
 27 counselor under subsection (d) for one (1) or more of the utility's
 28 existing rate adjustment mechanisms.
 29 (f) The commission may adopt rules under IC 4-22-2 to
 30 implement this section.
 31 SECTION 2. IC 8-1-2-42.5 IS AMENDED TO READ AS
 32 FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]:
 33 Sec. 42.5. (a) As used in this section, "rate adjustment mechanism"
 34 has the meaning set forth in section 42.2 of this chapter.
 35 (b) The commission shall by rule or order, consistent with the
 36 resources of the commission and the office of ~~the~~ utility consumer
 37 counselor, require that the basic rates and charges of all public,
 38 municipally owned, and cooperatively owned utilities (except those
 39 utilities described in IC 8-1-2-61.5) ~~are~~ **be** subject to a regularly
 40 scheduled periodic review and revision by the commission. However,
 41 the commission:
 42 (1) shall conduct the periodic review at least:

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1 **(A)** once every four (4) years; **or**
2 **(B)** as frequently as may be required under section 42.2 of
3 **this chapter, in response to a request by the office of utility**
4 **consumer counselor; and**
5 **(2)** may not authorize a filing for an increase in basic rates and
6 charges more frequently than is permitted by operation of section
7 42(a) of this chapter.
8 **SECTION 3. An emergency is declared for this act.**

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