

SENATE BILL No. 368

DIGEST OF INTRODUCED BILL

Citations Affected: IC 8-1-35.

Synopsis: Universal service program. Requires gas utilities to: (1) develop universal service programs to provide education and home energy assistance to low income customers; and (2) submit plans for the universal service programs to the Indiana utility regulatory commission for review and approval.

Effective: Upon passage.

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January 8, 2009, read first time and referred to Committee on Utilities & Technology.

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First Regular Session 116th General Assembly (2009)

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 2008 Regular Session of the General Assembly.

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SENATE BILL No. 368



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 8-1-35 IS ADDED TO THE INDIANA CODE AS
- 2 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON
- 3 PASSAGE]:
- 4 **Chapter 35. Universal Service Programs**
- 5 **Sec. 1. The general assembly makes the following findings:**
- 6 (1) **Gas service is essential to the health, well-being, and public**
- 7 **safety of Indiana and its residents.**
- 8 (2) **Energy assistance programs help low income gas utility**
- 9 **customers address the seasonal affordability of residential**
- 10 **home energy.**
- 11 (3) **Gas utility customers whose service is disconnected face**
- 12 **health risks and may use home energy alternatives that pose**
- 13 **public safety risks.**
- 14 (4) **Federal home energy assistance has not kept pace with**
- 15 **increases in home energy costs.**
- 16 (5) **Universal service programs create positive financial**
- 17 **benefits for gas utilities and their customers by:**



- 1 (A) decreasing the incidence and amounts of customer
- 2 arrearages;
- 3 (B) reducing the expensive collection process, including the
- 4 disconnection of gas service due to nonpayment; and
- 5 (C) allowing gas utilities to focus on assisting customers
- 6 with arrearages rather than disconnecting service.

7 Sec. 2. As used in this chapter, "commission" refers to the
 8 Indiana utility regulatory commission created by IC 8-1-1-2.

9 Sec. 3. As used in this chapter, "community action agency"
 10 means a community action agency described in IC 12-14-23-2(2)
 11 that administers an energy assistance program.

12 Sec. 4. As used in this chapter, "energy assistance program"
 13 means programs administered by the state to supply home energy
 14 through the Low Income Home Energy Assistance Block Grant
 15 under 42 U.S.C. 8261 et seq.

16 Sec. 5. As used in this chapter, "gas utility" has the meaning set
 17 forth in IC 8-1-2-87.

18 Sec. 6. As used in this chapter, "low income customer" means
 19 a gas utility customer whose household income (as defined in 47
 20 CFR 54.400(f)) is less than one hundred fifty percent (150%) of the
 21 federal income poverty level.

22 Sec. 7. As used in this chapter, "universal service program"
 23 means a program established by a gas utility under section 8 of this
 24 chapter.

25 Sec. 8. (a) A gas utility shall establish a universal service
 26 program to serve the gas utility's service area. The program shall:

- 27 (1) provide assistance to low income customers with their gas
- 28 bills, whether through reduced rates, direct financial
- 29 assistance, or other methods determined by the gas utility;
- 30 (2) maintain reasonable standards of safety, availability, and
- 31 reliability of gas service for all customers of the gas utility;
- 32 and
- 33 (3) provide a mechanism, subject to the approval of the
- 34 commission, for the gas utility to recover reasonable and
- 35 necessary costs associated with implementing the universal
- 36 service program.

37 (b) In establishing a universal service program under subsection
 38 (a), a gas utility shall develop a plan to achieve the following goals:

- 39 (1) Educating low income customers about responsible bill
- 40 payment practices.
- 41 (2) Enhancing existing account management programs to
- 42 assist low income customers in making complete, timely, and

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- unprompted bill payments.**
- (3) Improving the gas utility's ability to identify and assist low income customers who are at risk of having their gas service disconnected due to nonpayment.**
- (4) Maximizing the interaction of private and public home energy assistance programs.**
- (5) Improving collection efforts.**

(c) The commission shall determine a staggered schedule for submission of universal service program plans developed under subsection (b). The schedule must require each gas utility to submit:

- (1) an initial universal service program plan not later than January 1, 2010; and**
- (2) a revised universal service program plan not less frequently than every three (3) years thereafter, on a date determined by the commission.**

(d) A universal service program plan submitted by a gas utility under this section must include the following:

- (1) A description of the gas utility's previous efforts to achieve the goals described in subsection (b).**
- (2) Eligibility criteria for participation in the universal service program.**
- (3) Projected enrollment levels and needs assessments based on existing customer data.**
- (4) An accounting mechanism by which the gas utility may adjust rates and billings to ensure that customers are not overbilled for expenses that are not related to the universal service program.**
- (5) Planned uses of and coordination of services with:**
 - (A) community action agencies; and**
 - (B) existing energy assistance programs.**
- (6) Proposed rate schedules and caps for gas service provided through the universal service program.**
- (7) Identification of differences between the gas utility's current and previous universal service program plans, including revisions based on analysis of the gas utility's previous universal service programs.**

Sec. 9. (a) The commission shall approve or deny a universal service program plan submitted under section 8 of this chapter not more than ninety (90) days after the date on which the plan is submitted.

(b) In approving or denying a universal service program plan,

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the commission shall consider:

(1) the annual reports filed with the commission by the gas utility that submitted the plan; and

(2) any other information the commission considers relevant.

(c) If the commission denies a universal service program plan, the commission may order the gas utility to submit a revised universal service program plan not more than forty-five (45) days after the date of the order.

Sec. 10. Not later than November 1 of each year, a gas utility shall report to the commission and the regulatory flexibility committee established under IC 8-1-2.6-4 on the status of the gas utility's universal service program. The report must include an assessment of the gas utility's achievement of the goals set forth in section 8(b) of this chapter.

SECTION 2. An emergency is declared for this act.

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