

---

---

# ENGROSSED HOUSE BILL No. 1202

---

DIGEST OF HB 1202 (Updated February 19, 1998 5:44 pm - DI 87)

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

**Synopsis:** Rural electric community development services. Adds the rendering of community development services to the definition of "services" for the purposes of the rural electric membership act. Provides that a subsidiary or affiliate of a rural electric membership corporation may not begin water service until certain conditions are satisfied. (Current law provides that a rural electric membership corporation may not begin water service until certain conditions are satisfied.)

**Effective:** July 1, 1998.

---

---

## Linder, Crosby

(SENATE SPONSORS — WHEELER, LEWIS)

---

---

January 8, 1998, read first time and referred to Committee on Commerce and Economic Development.

January 28, 1998, amended, reported — Do Pass.

February 2, 1998, read second time, ordered engrossed. Engrossed.

February 3, 1998, read third time, passed. Yeas 97, nays 0.

### SENATE ACTION

February 9, 1998, read first time and referred to Committee on Planning and Public Services.

February 10, 1998, reported favorably — Do Pass.

February 19, 1998, read second time, amended, ordered engrossed.

---

---

EH 1202—LS 6683/DI 93+



C  
O  
P  
Y

Reprinted  
February 20, 1998

Second Regular Session 110th General Assembly (1998)

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 1997 General Assembly.

## ENGROSSED HOUSE BILL No. 1202

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 8-1-13-3, AS AMENDED BY P.L.109-1995,  
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 1998]: Sec. 3. The following terms whenever used or referred  
4 to in this chapter have the following meanings, unless a different  
5 meaning clearly appears from the context:  
6 (a) "Corporation" means a corporation formed under this chapter.  
7 (b) "Municipality" means any county, city, or town of this state.  
8 (c) "Person" or "inhabitant" means natural persons, firms,  
9 associations, corporations, limited liability companies, business trusts,  
10 partnerships, and bodies politic.  
11 (d) "Energy" means all electric energy no matter how generated or  
12 produced.  
13 (e) "System" means any plant, works, system, facilities, or  
14 properties, together with all parts thereof and appurtenances thereto,  
15 used or useful in the furnishing of services.

**EH 1202—LS 6683/DI 93+**



C  
O  
P  
Y

1 (f) "Obligations" means negotiable bonds, interim certificates or  
 2 receipts, notes, debentures, and all other evidences of indebtedness,  
 3 either issued or the payment thereof assumed by the corporation.

4 (g) "Law" means any law of this state.

5 (h) "Federal agency" means the United States of America, the  
 6 President of the United States of America, the federal emergency  
 7 administrator of public works and any other authority, agency, or  
 8 instrumentality of the United States of America, heretofore or hereafter  
 9 created.

10 (i) "Acquire" means construction, obtaining by purchase, lease,  
 11 devise, or gift, the exercise of the right of eminent domain in the  
 12 manner provided by law for the exercise thereof, or other mode of  
 13 acquisition.

14 (j) "Improve" means to construct, reconstruct, improve, extend,  
 15 enlarge, alter, better, or repair.

16 (k) "Board" means board of directors of a corporation formed under  
 17 this chapter.

18 (l) "Member" means each person signing the articles of  
 19 incorporation of a corporation and each person admitted to membership  
 20 therein pursuant to law or the corporation's bylaws.

21 (m) "Service" or "services" means the furnishing of energy or other  
 22 utility services incidental to development, operation, or maintenance  
 23 of utility infrastructure and the rendering of related engineering,  
 24 financial, accounting, economic, **or community** development, or  
 25 educational services assisting in the establishment and maintenance of  
 26 better communication between corporations and their members, or any  
 27 of the same.

28 (n) As used in this chapter, the word "territory" when modified by  
 29 the phrase "already being served with energy by any public or  
 30 municipally owned utility" shall not be construed to include territory  
 31 served by an electric distribution line or lines:

32 (1) acquired prior to March 1, 1980, from a public or municipally  
 33 owned utility by a corporation formed or admitted to do business  
 34 in this state under this chapter; or

35 (2) acquired on or after March 1, 1980, from a public or  
 36 municipally owned utility by such a corporation;

37 if the Indiana utility regulatory commission, after public hearing, finds  
 38 that public convenience and necessity would be best served by, and  
 39 authorizes, such acquisition, and if the electric distribution line or lines,  
 40 together with all other facilities proposed to be purchased, have a  
 41 reproduction cost new, less depreciation, of not more than three  
 42 hundred thousand dollars (\$300,000) and are not located in whole or



C  
O  
P  
Y

1 in part in any city or town having a population in excess of one  
 2 thousand five hundred (1,500); however, the dollar and population  
 3 limitations do not apply if the acquisition is agreed to in all respects by  
 4 all affected electricity suppliers and is approved by the commission.

5 (o) As used in this chapter, "commission" refers to the Indiana  
 6 utility regulatory commission.

7 SECTION 2. IC 8-1-13-9, AS AMENDED BY P.L.109-1995,  
 8 SECTION 2, IS AMENDED TO READ AS FOLLOWS[EFFECTIVE  
 9 JULY 1, 1998]: Sec. 9. (a) The corporate purpose of each corporation  
 10 formed under this chapter shall be to render services to or for the  
 11 benefit of its members and no person shall become or remain a member  
 12 of any local district corporation, defined in section 23 of this chapter,  
 13 unless such person shall use energy supplied by such corporation and  
 14 shall have complied with the terms and conditions in respect to  
 15 membership contained in the bylaws of such corporation.

16 ~~(b) Corporations may not furnish telecommunications service that~~  
 17 ~~is not incidental to the furnishing of other utility services.~~

18 ~~(c)~~ **(b) Notwithstanding IC 8-1-2.7, a** corporation **or any**  
 19 **subsidiary or affiliate thereof** may not begin water service in any area  
 20 unless both of the following apply:

21 (1) The corporation has filed a petition with the commission  
 22 seeking authority to begin water service.

23 (2) The commission has found after a hearing that public  
 24 convenience and necessity require the proposed service.

25 In connection with the petition, the commission may adopt conditions  
 26 and restrictions on the area and consumers to be served that the  
 27 commission finds consistent with the public interest. The commission  
 28 may revoke, modify, or amend a finding of public convenience and  
 29 necessity upon a showing of good cause after a hearing.

C  
O  
P  
Y



COMMITTEE REPORT

Mr. Speaker: Your Committee on Commerce and Economic Development, to which was referred House Bill 1202, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete everything after the enacting clause and insert the following:

(SEE TEXT OF BILL)

and when so amended that said bill do pass.

(Reference is to House Bill 1202 as introduced.)

BOTTORFF, Chair

Committee Vote: yeas 14, nays 0.

C  
o  
p  
y



COMMITTEE REPORT

Mr. President: The Senate Committee on Planning and Public Services, to which was referred House Bill 1202, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is made to House Bill 1202 as printed January 29, 1998.)

JOHNSON, Chairperson

Committee Vote: Yeas 7, Nays 0.

C  
o  
p  
y



## SENATE MOTION

Mr. President: I move that Engrossed House Bill 1202 be amended to read as follows:

Page 3, after line 5, begin a new paragraph and insert:

"SECTION 2. IC 8-1-13-9, AS AMENDED BY P.L.109-1995, SECTION 2, IS AMENDED TO READ AS FOLLOWS[EFFECTIVE JULY 1, 1998]: Sec. 9. (a) The corporate purpose of each corporation formed under this chapter shall be to render services to or for the benefit of its members and no person shall become or remain a member of any local district corporation, defined in section 23 of this chapter, unless such person shall use energy supplied by such corporation and shall have complied with the terms and conditions in respect to membership contained in the bylaws of such corporation.

~~(b) Corporations may not furnish telecommunications service that is not incidental to the furnishing of other utility services.~~

~~(c)~~ **(b) Notwithstanding IC 8-1-2.7, a corporation or any subsidiary or affiliate thereof** may not begin water service in any area unless both of the following apply:

- (1) The corporation has filed a petition with the commission seeking authority to begin water service.
- (2) The commission has found after a hearing that public convenience and necessity require the proposed service.

In connection with the petition, the commission may adopt conditions and restrictions on the area and consumers to be served that the commission finds consistent with the public interest. The commission may revoke, modify, or amend a finding of public convenience and necessity upon a showing of good cause after a hearing."

(Reference is to Engrossed House Bill 1202 as printed February 11, 1998.)

WHEELER

C  
O  
P  
Y

