
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.

HEA 1202—Concur+



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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 a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1997 General Assembly.

HOUSE ENROLLED ACT No. 1202

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

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

SECTION 1. IC 8-1-13-3, AS AMENDED BY P.L.109-1995, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 3. The following terms whenever used or referred to in this chapter have the following meanings, unless a different meaning clearly appears from the context:

- (a) "Corporation" means a corporation formed under this chapter.
- (b) "Municipality" means any county, city, or town of this state.
- (c) "Person" or "inhabitant" means natural persons, firms, associations, corporations, limited liability companies, business trusts, partnerships, and bodies politic.
- (d) "Energy" means all electric energy no matter how generated or produced.
- (e) "System" means any plant, works, system, facilities, or properties, together with all parts thereof and appurtenances thereto, used or useful in the furnishing of services.
- (f) "Obligations" means negotiable bonds, interim certificates or receipts, notes, debentures, and all other evidences of indebtedness, either issued or the payment thereof assumed by the corporation.
- (g) "Law" means any law of this state.

HEA 1202—Concur+



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

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

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

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

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

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

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

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

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

if the Indiana utility regulatory commission, after public hearing, finds that public convenience and necessity would be best served by, and authorizes, such acquisition, and if the electric distribution line or lines, together with all other facilities proposed to be purchased, have a reproduction cost new, less depreciation, of not more than three hundred thousand dollars (\$300,000) and are not located in whole or in part in any city or town having a population in excess of one thousand five hundred (1,500); however, the dollar and population limitations do not apply if the acquisition is agreed to in all respects by all affected electricity suppliers and is approved by the commission.



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

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.

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