

SENATE BILL No. 431

DIGEST OF SB 431 (Updated February 2, 1998 9:12 pm - DI 75)

Citations Affected: IC 8-1.

Synopsis: Independent transmission system operators. Provides that an independent transmission system operator ("ISO") may own, operate, manage, or control transmission plant or property in Indiana to provide electric transmission service without the ISO, its operations, or services being subject to Indiana utility law if both of the following apply: (1) The ISO has been approved by the Federal Energy Regulatory Commission and remains subject to the FERC under federal law. (2) The transmission plant or property subject to the ownership, operation, management, or control of the ISO is not used to violate the right of an electricity supplier to be the sole provider of retail electric service. Provides that a person who owns, operates, manages, or controls plant or property in Indiana for transmission of electricity may participate in an ISO that is permitted to operate in Indiana subject to the approval of the Indiana utility regulatory commission. Provides that the
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Effective: May 1, 1998; July 1, 1998; October 1, 1998; July 1, 1999; October 1, 1999.

Mills

January 13, 1998, read first time and referred to Committee on Commerce and Consumer Affairs.
January 27, 1998, reported out without recommendation.
February 2, 1998, read second time, amended, ordered engrossed.

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commission may not require a person to participate in an ISO. Provides that commission approval of a person's participation in an ISO does not constitute prior approval of any expenditure for ratemaking purposes.

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Reprinted
February 3, 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 a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1997 General Assembly.

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SENATE BILL No. 431

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

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

- 1 SECTION 1. IC 8-1-2-128 IS ADDED TO THE INDIANA CODE
2 AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JULY
3 1, 1998]: **Sec. 128. (a) An independent transmission system**
4 **operator organization or similar multi-state transmission**
5 **organization (referred to in this section as an "ISO") may own,**
6 **operate, manage, or control transmission plant or property within**
7 **Indiana for the provision of electric transmission services without**
8 **the ISO, its operations or services being subject to the**
9 **requirements of this title so long as:**
- 10 (1) **the ISO has been approved by the Federal Energy**
11 **Regulatory Commission and remains subject to regulation by**
12 **the Federal Energy Regulatory Commission under the**
13 **Federal Power Act; and**
- 14 (2) **the transmission plant or property subject to ownership,**
15 **operation, management, or control by the ISO is not used,**

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1 **directly or indirectly, in whole or in part, to violate the**
2 **exclusive right of an electricity supplier to be the sole provider**
3 **of retail electric service under IC 8-1-2.3-4.**
4 **(b) Notwithstanding any other provision of this title, a person**
5 **or entity that owns, operates, manages, or controls plant or**
6 **property within Indiana for the transmission of electricity may**
7 **take any action necessary to participate in an ISO that meets the**
8 **requirements of this section, subject to the commission's approval**
9 **of that action as being in the public interest if the person or entity**
10 **is subject to the provisions of this chapter.**
11 **(c) Participation by a person or entity in an ISO that meets the**
12 **requirements of this section shall be voluntary, within the sole**
13 **discretion of the person or entity, and the commission may not**
14 **require any person or entity to so participate.**
15 **(d) Commission approval to participate in an ISO does not**
16 **represent prior approval for ratemaking for purposes of any**
17 **expenditure made by the participating person or entity.**

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COMMITTEE REPORT

Mr. President: The Senate Committee on Commerce and Consumer Affairs, to which was referred Senate Bill 431, has had the same under consideration and begs leave to report the same back to the Senate WITHOUT RECOMMENDATION.

(Reference is made to Senate Bill 431 as introduced.)

MILLS, Chairperson

Committee Vote: Yeas 6, Nays 2.

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SENATE MOTION

Mr. President: I move that Senate Bill 431 be amended to read as follows:

Delete everything after the enacting clause and insert the following:

(SEE TEXT OF BILL)

(Reference is to Senate Bill 431 as printed January 28, 1998.)

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