

# HOUSE BILL No. 1151

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 8-1-2.

**Synopsis:** Utility business practices. Provides that certain public utilities may not provide certain subsidies to affiliates or unregulated activities. Provides remedies if a public utility violates the prohibition on subsidies. Requires certain public utilities to provide the donee of a charitable contribution or other gift a statement regarding the funding of the contribution or gift. Requires those public utilities to make an annual report of charitable contributions and gifts.

**Effective:** July 1, 2002.

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January 9, 2002, read first time and referred to Committee on Commerce, Economic Development and Technology.

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Second Regular Session 112th General Assembly (2002)

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 2001 General Assembly.

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# HOUSE BILL No. 1151



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

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

- 1 SECTION 1. IC 8-1-2-48.5 IS ADDED TO THE INDIANA CODE
- 2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
- 3 1, 2002]: **Sec. 48.5. (a) This section applies to the following:**
- 4 (1) **A public utility engaged in producing, transmitting,**
- 5 **delivering, or furnishing heat, light, or power.**
- 6 (2) **A utility governed and managed by the department of**
- 7 **public utilities for a consolidated city under IC 8-1-11.1.**
- 8 (b) **This section does not apply to a telephone company (as**
- 9 **defined in section 88 of this chapter).**
- 10 (c) **As used in this section, "assigned service area" has the**
- 11 **meaning set forth in IC 8-1-2.3-2.**
- 12 (d) **As used in this section, "subsidy" means the giving by a**
- 13 **public utility company to an affiliate or an unregulated activity of**
- 14 **the public utility company of an advantage or preference with**
- 15 **respect to the public utility company's resources, including any of**
- 16 **the following:**
- 17 (1) **Advertising.**



1           **(2) Billing and mailing systems.**

2           **(3) Customer and marketing information.**

3           **(4) Use of the public utility's name.**

4           **(e) A public utility subject to the commission's jurisdiction may**  
 5 **not provide a subsidy to an affiliate or unregulated activity for a**  
 6 **product or service offered or provided to the public by the public**  
 7 **utility if the product or service is:**

8           **(1) offered or provided in the public utility's assigned service**  
 9 **area; and**

10          **(2) not subject to the commission's jurisdiction.**

11          **(f) A public utility company subject to the commission's**  
 12 **jurisdiction may not lease real property from any person that is an**  
 13 **affiliated interest of the public utility company (as defined in**  
 14 **section 49 of this chapter).**

15          **(g) A person that suffers a pecuniary loss from a violation of this**  
 16 **section may file a complaint with the commission. The commission**  
 17 **shall investigate the complaint as the commission considers**  
 18 **appropriate. After notice and hearing, the commission may use any**  
 19 **powers it has under this title to remedy a violation of this section,**  
 20 **including ordering the public utility immediately to cease any**  
 21 **activity the commission finds violates this section.**

22          **(h) Notwithstanding subsection (g), a person that suffers a**  
 23 **pecuniary loss from a violation of this section may file a civil action**  
 24 **in an Indiana court having jurisdiction. If the court finds that the**  
 25 **person has suffered a pecuniary loss, the court may do the**  
 26 **following:**

27           **(1) Grant appropriate injunctive relief.**

28           **(2) Award appropriate damages.**

29 **A person that files a civil action under this subsection is not**  
 30 **required to exhaust administrative remedies.**

31          **SECTION 2. IC 8-1-2-48.7 IS ADDED TO THE INDIANA CODE**  
 32 **AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY**  
 33 **1, 2002]: Sec. 48.7. (a) This section applies to the following:**

34           **(1) A public utility engaged in producing, transmitting,**  
 35 **delivering, or furnishing heat, light, or power.**

36           **(2) A utility governed and managed by the department of**  
 37 **public utilities for a consolidated city under IC 8-1-11.1.**

38          **(b) This section does not apply to a telephone company (as**  
 39 **defined in section 88 of this chapter).**

40          **(c) Whenever a public utility company subject to the**  
 41 **commission's jurisdiction makes a gift or charitable contribution**  
 42 **to a person, the public utility company shall give a written notice**

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- 1 to the person that states one (1) of the following:
- 2 (1) "This gift is paid for by the (name of the public utility
- 3 company) ratepayers."
- 4 (2) "This gift is offered in partnership with the (name of the
- 5 public utility company) ratepayers."
- 6 (3) "This gift is financed by the business and residential
- 7 ratepayers of (name of the public utility company)."
- 8 (4) "This gift is donated from ratepayer dollars."
- 9 (d) Not later than April 30 of each year, a public utility company
- 10 subject to the commission's jurisdiction shall report to the
- 11 commission the following information relating to all gifts and
- 12 charitable contributions made by the public utility company during
- 13 the previous calendar year:
- 14 (1) The amount and date of each contribution of more than
- 15 one hundred dollars (\$100).
- 16 (2) The name of each person to whom a contribution
- 17 described in subdivision (1) was given.

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