

SENATE BILL No. 102

DIGEST OF INTRODUCED BILL

Citations Affected: IC 8-1-2-6.9.

Synopsis: Utility recovery of federally mandated costs. Requires the Indiana utility regulatory commission to allow an energy utility to recover certain federally mandated costs through periodic retail rate adjustment mechanisms.

Effective: Upon passage.

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January 5, 2011, read first time and referred to Committee on Utilities & Technology.

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First Regular Session 117th General Assembly (2011)

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 2010 Regular Session of the General Assembly.

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SENATE BILL No. 102



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 8-1-2-6.9 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: **Sec. 6.9. (a) As used in this section, "energy**
4 **utility" has the meaning set forth in IC 8-1-2.5-2.**

5 **(b) As used in this section, "federally mandated costs" means**
6 **capital, operation, maintenance, depreciation, research and**
7 **development, tax, or carrying costs that an energy utility incurs in**
8 **complying with mandates that are, or with reasonable certainty**
9 **will be, imposed on the energy utility by the federal government**
10 **related to the following:**

11 **(1) Environmental laws, rules, regulations, or consent decrees,**
12 **including clean air standards and costs associated with:**

13 **(A) reducing or offsetting the emission of greenhouse**
14 **gases; or**

15 **(B) the purchase of emission allowances.**

16 **(2) Renewable portfolio or energy efficiency standards,**
17 **including projects at existing generating facilities to allow for**



1 fuel switching, including the use of natural or substitute
 2 natural gas.
 3 (3) Participation in one (1) or more industry reliability
 4 organizations, including a regional transmission organization.
 5 (4) Transmission and distribution pipeline integrity and
 6 safety.
 7 (c) An energy utility may petition the commission to recover
 8 federally mandated costs through a periodic retail rate adjustment
 9 mechanism. If the commission finds, after notice and hearing, that
 10 an energy utility's proposed periodic retail rate adjustment
 11 mechanism reasonably complies with this section, the commission
 12 shall approve the periodic retail rate adjustment mechanism and
 13 authorize the timely recovery of federally mandated costs by the
 14 energy utility.
 15 (d) The commission shall adjust any changes in charges
 16 approved for an energy utility under section 42(d) or 42(g) of this
 17 chapter or IC 8-1-13-30(d), as applicable, to permit the energy
 18 utility to retain revenues resulting from a periodic retail rate
 19 adjustment mechanism approved under this section.
 20 SECTION 2. An emergency is declared for this act.

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