



January 25, 2011

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## SENATE BILL No. 102

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DIGEST OF SB 102 (Updated January 20, 2011 12:38 pm - DI 103)

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

**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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**Gard, Merritt, Hume**

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January 5, 2011, read first time and referred to Committee on Utilities & Technology.  
January 24, 2011, amended, reported favorably — Do Pass.

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SB 102—LS 6571/DI 103+



January 25, 2011

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 the commission finds are, or with**
- 9 **reasonable certainty will be, imposed on the energy utility by the**
- 10 **federal government 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**

SB 102—LS 6571/DI 103+



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**fuel switching, including the use of natural or substitute natural gas.**

**(3) Participation in one (1) or more industry reliability organizations, including a regional transmission organization.**

**(4) Transmission and distribution pipeline integrity and safety.**

**The term does not include fines or penalties assessed against or imposed on an energy utility for violating environmental laws, regulations, or consent decrees.**

**(c) An energy utility may petition the commission to recover federally mandated costs through a periodic retail rate adjustment mechanism. The petition must include the following:**

**(1) A description of the mandate that is imposed on the energy utility by the federal government.**

**(2) A description and estimate of the federally mandated costs associated with the mandate described in subdivision (1).**

**(3) The energy utility's plans to comply with the mandate described in subdivision (1).**

**If the commission finds, after notice and hearing, that an energy utility's proposed compliance plan described in subdivision (3) is reasonable and necessary to comply with the mandate described in subdivision (1), the commission shall approve the periodic retail rate adjustment mechanism and authorize the timely recovery of federally mandated costs by the energy utility.**

**(d) The commission shall adjust any changes in charges approved for an energy utility under section 42(d) or 42(g) of this chapter or IC 8-1-13-30(d), as applicable, to permit the energy utility to retain revenues resulting from a periodic retail rate adjustment mechanism approved under this section.**

**SECTION 2. An emergency is declared for this act.**

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## COMMITTEE REPORT

Madam President: The Senate Committee on Utilities and Technology, to which was referred Senate Bill No. 102, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, line 8, after "that" insert "**the commission finds**".

Page 2, between lines 6 and 7, begin a new line blocked left and insert: "**The term does not include fines or penalties assessed against or imposed on an energy utility for violating environmental laws, regulations, or consent decrees.**".

Page 2, line 9, after "mechanism." insert "**The petition must include the following:**

**(1) A description of the mandate that is imposed on the energy utility by the federal government.**

**(2) A description and estimate of the federally mandated costs associated with the mandate described in subdivision (1).**

**(3) The energy utility's plans to comply with the mandate described in subdivision (1)."**

Page 2, line 10, delete "periodic retail rate adjustment" and insert "**compliance plan described in subdivision (3) is reasonable and necessary to comply with the mandate described in subdivision (1),"**

Page 2, line 11, delete "mechanism reasonably complies with this section,".

and when so amended that said bill do pass.

(Reference is to SB 102 as introduced.)

MERRITT, Chairperson

Committee Vote: Yeas 6, Nays 3.

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