

Adopted	Rejected
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COMMITTEE REPORT

YES:	6
NO:	3

MR. SPEAKER:

*Your Committee on Local Government, to which was referred Senate Bill 349, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:*

- 1 Delete the title and insert the following:
- 2 A BILL FOR AN ACT to amend the Indiana Code concerning local
- 3 government and utilities.
- 4 Page 1, between the enacting clause and line 1, begin a new
- 5 paragraph and insert:
- 6 "SECTION 1. IC 8-1-31-2 IS REPEALED [EFFECTIVE UPON
- 7 PASSAGE]. Sec. 2: As used in this chapter, "DSIC" refers to
- 8 distribution system improvement charge.
- 9 SECTION 2. IC 8-1-31-3 IS REPEALED [EFFECTIVE UPON
- 10 PASSAGE]. Sec. 3: As used in this chapter, "DSIC costs" means
- 11 depreciation expenses and pretax return associated with eligible
- 12 distribution system improvements.
- 13 SECTION 3. IC 8-1-31-4 IS REPEALED [EFFECTIVE UPON
- 14 PASSAGE]. Sec. 4: As used in this chapter, "DSIC revenues" means
- 15 revenues produced through a DSIC exclusive of revenues from all other
- 16 rates and charges.

1 SECTION 4. IC 8-1-31-5 IS AMENDED TO READ AS FOLLOWS
 2 [EFFECTIVE UPON PASSAGE]: Sec. 5. As used in this chapter,
 3 "eligible ~~distribution utility~~ system improvements" means new used
 4 and useful water ~~utility~~ **distribution or wastewater collection** plant
 5 projects that:

- 6 (1) do not increase revenues by connecting the ~~distribution utility~~
 7 system to new customers;
 8 (2) are in service; and
 9 (3) were not included in the public utility's rate base in its most
 10 recent general rate case.

11 SECTION 5. IC 8-1-31-6 IS AMENDED TO READ AS FOLLOWS
 12 [EFFECTIVE UPON PASSAGE]: Sec. 6. As used in this chapter,
 13 "pretax return" means the revenues necessary to:

- 14 (1) produce net operating income equal to the public utility's
 15 weighted cost of capital multiplied by the net original cost of
 16 eligible ~~distribution utility~~ system improvements; and
 17 (2) pay state and federal income taxes applicable to such income.

18 SECTION 6. IC 8-1-31-7.5 IS ADDED TO THE INDIANA CODE
 19 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE
 20 UPON PASSAGE]: **Sec. 7.5. As used in this chapter, "USIC" refers**
 21 **to a utility system improvement charge.**

22 SECTION 7. IC 8-1-31-7.6 IS ADDED TO THE INDIANA CODE
 23 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE
 24 UPON PASSAGE]: **Sec. 7.6. As used in this chapter, "USIC costs"**
 25 **means depreciation expenses and pretax return associated with**
 26 **eligible utility system improvements.**

27 SECTION 8. IC 8-1-31-7.7 IS ADDED TO THE INDIANA CODE
 28 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE
 29 UPON PASSAGE]: **Sec. 7.7. As used in this chapter, "USIC**
 30 **revenues" means revenues produced through a USIC exclusive of**
 31 **revenues from all other rates and charges.**

32 SECTION 9. IC 8-1-31-8 IS AMENDED TO READ AS FOLLOWS
 33 [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) Except as provided in
 34 subsection (d), a public utility providing water **or wastewater utility**
 35 service may file with the commission rate schedules establishing a
 36 ~~DSIC~~ **USIC** that will allow the automatic adjustment of the public
 37 utility's basic rates and charges to provide for recovery of ~~DSIC~~ **USIC**
 38 costs.

1 (b) The public utility shall serve the office of the utility consumer
2 counselor a copy of its filing at the time of its filing with the
3 commission.

4 (c) Publication of notice of the filing is not required.

5 (d) A public utility may not file a petition under this section in the
6 same calendar year in which the public utility has filed a request for a
7 general increase in the basic rates and charges of the public utility.

8 SECTION 10. IC 8-1-31-9 IS AMENDED TO READ AS
9 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) When a
10 petition is filed under section 8 of this chapter, the commission shall
11 conduct a hearing.

12 (b) The office of the utility consumer counselor may examine
13 information of the public utility to confirm that the **utility** system
14 improvements are in accordance with section 5 of this chapter, to
15 confirm proper calculation of the proposed charge, and submit a report
16 to the commission not later than thirty (30) days after the petition is
17 filed.

18 (c) The commission shall hold the hearing and issue its order not
19 later than sixty (60) days after the petition is filed.

20 (d) If the commission finds that a ~~DSIC~~ **USIC** petition complies
21 with the requirements of this chapter, the commission shall enter an
22 order approving the petition.

23 SECTION 11. IC 8-1-31-10 IS AMENDED TO READ AS
24 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) Except as
25 provided in subsection (b), a public utility may, but is not required to,
26 file a petition for a change in its ~~DSIC~~ **USIC** not more often than one
27 (1) time every twelve (12) months.

28 (b) Except as provided in section 15 of this chapter, a public utility
29 may not file a petition for a change in its ~~DSIC~~ **USIC** in the same
30 calendar year in which the public utility has filed a request for a
31 general increase in the basic rates and charges of the public utility.

32 SECTION 12. IC 8-1-31-13 IS AMENDED TO READ AS
33 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. The
34 commission may not approve a ~~DSIC~~ **USIC** to the extent it would
35 produce total ~~DSIC~~ **USIC** revenues exceeding five percent (5%) of the
36 public utility's base revenue level approved by the commission in the
37 public utility's most recent general rate proceeding.

38 SECTION 13. IC 8-1-31-14 IS AMENDED TO READ AS

1 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. The ~~DSIC~~
 2 **USIC** may be calculated based on a reasonable estimate of sales in the
 3 period in which the charge will be in effect. At the end of each twelve
 4 (12) month period ~~the charge is in effect, following the date on which~~
 5 **the commission initially approves a USIC for a public utility**
 6 **following the public utility's most recent general rate case**, and
 7 using procedures approved by the commission, the public utility shall
 8 reconcile the difference between ~~DSIC~~ **USIC** revenues and ~~DSIC~~
 9 **USIC** costs during ~~that the twelve (12) month~~ period and recover or
 10 refund the difference, as appropriate, through adjustment of the charge.

11 SECTION 14. IC 8-1-31-15 IS AMENDED TO READ AS
 12 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15. A public utility
 13 that has implemented a ~~DSIC~~ **USIC** under this chapter shall file revised
 14 rate schedules resetting the charge if new basic rates and charges
 15 become effective for the public utility following a commission order
 16 authorizing a general increase in rates and charges that includes in the
 17 utility's rate base eligible ~~distribution utility~~ system improvements
 18 reflected in the ~~DSIC~~ **USIC**.

19 SECTION 15. IC 8-1-31-15.5 IS ADDED TO THE INDIANA
 20 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 21 [EFFECTIVE JULY 1, 2013]: **Sec. 15.5. A public utility shall:**

- 22 **(1) indicate separately and conspicuously on each customer's**
 23 **bill the total charge attributable to any USIC; and**
 24 **(2) identify the charge described under subdivision (1) as a**
 25 **"utility system improvement charge".**

26 SECTION 16. IC 8-1-31-16 IS AMENDED TO READ AS
 27 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 16. For purposes
 28 of IC 8-1-2-42(a), the filing of a ~~DSIC~~ **USIC** and a change in a ~~DSIC~~
 29 **USIC** is not a general increase in basic rates and charges.

30 SECTION 17. IC 8-1-31-17 IS AMENDED TO READ AS
 31 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 17. The
 32 commission may adopt by rule under IC 4-22-2 or by order other
 33 procedures not inconsistent with this chapter that the commission finds
 34 reasonable or necessary to administer a ~~DSIC~~ **USIC**."

- 1 Page 2, after line 14, begin a new paragraph and insert:
- 2 "SECTION 19. **An emergency is declared for this act.**".
- 3 Renumber all SECTIONS consecutively.
(Reference is to SB 349 as printed January 25, 2013.)

and when so amended that said bill do pass.

Representative Neese