

# SENATE BILL No. 177

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 8-1-31.

**Synopsis:** Water and wastewater infrastructure costs. For public utilities providing water or wastewater service, provides that the utility regulatory commission (IURC) may not approve a public utility's petition to allow the adjustment of the public utility's basic rates and charges to provide for recovery of infrastructure improvement costs to the extent that approving the petition would produce total adjustment revenues exceeding 10% (versus 5% under current law) of the public utility's base revenue level approved by the IURC in the public utility's most recent general rate proceeding. Specifies the applicability of this amendment to a public utility that has an adjustment amount in effect at the time of enactment of this amendment. Makes a technical change.

**Effective:** Upon passage; July 1, 2015.

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## Merritt

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January 6, 2015, read first time and referred to Committee on Environmental Affairs.

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First Regular Session 119th General Assembly (2015)

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 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

## SENATE BILL No. 177

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 8-1-31-6, AS AMENDED BY P.L.209-2014,  
2 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2015]: Sec. 6. As used in this chapter, "pretax return" means  
4 the revenues necessary to:  
5 (1) produce net operating income equal to the public utility's  
6 weighted cost of capital multiplied by the net original cost of  
7 eligible ~~distribution or collection system infrastructure~~  
8 improvements; and  
9 (2) pay state and federal income taxes applicable to such income.  
10 SECTION 2. IC 8-1-31-13, AS AMENDED BY P.L.209-2014,  
11 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
12 JULY 1, 2015]: Sec. 13. The commission may not approve a petition  
13 filed under section 8 or 10 of this chapter to the extent it would produce  
14 total adjustment revenues exceeding ~~five ten percent (5%)~~ **(10%)** of  
15 the public utility's base revenue level approved by the commission in  
16 the public utility's most recent general rate proceeding.



1 SECTION 3. [EFFECTIVE UPON PASSAGE] (a) This SECTION  
2 applies to a public utility (as defined in IC 8-1-31-7) that has an  
3 adjustment amount (as defined in IC 8-1-31-1.3) in effect at the  
4 time of enactment of the amendments to IC 8-1-31 made by this  
5 act.

6 (b) As used in this SECTION, "commission" refers to the  
7 Indiana utility regulatory commission created by IC 8-1-1-2.

8 (c) IC 8-1-31-13 before its amendment by this act shall continue  
9 to apply to a public utility described in subsection (a) until:

10 (1) the public utility is eligible under IC 8-1-31-10 to file a  
11 petition for a change in the public utility's adjustment amount  
12 and the commission issues an order approving the petition; or

13 (2) the commission issues an order:

14 (A) approving new basic rates and charges for the public  
15 utility; and

16 (B) including infrastructure improvement costs (as defined  
17 in IC 8-1-31-5.5) in the public utility's rate base.

18 An order issued by the commission under this subsection must  
19 incorporate the amendments to IC 8-1-31-13 made by this act.

20 (d) This SECTION expires July 1, 2025.

21 SECTION 4. An emergency is declared for this act.

