



PREVAILED

Roll Call No. _____

FAILED

Ayes _____

WITHDRAWN

Noes _____

RULED OUT OF ORDER

HOUSE MOTION _____

MR. SPEAKER:

I move that House Bill 1002 be amended to read as follows:

- 1 Page 4, between lines 16 and 17, begin a new paragraph and insert:
- 2 "SECTION 2. IC 8-1-2-42, AS AMENDED BY P.L.93-2024,
- 3 SECTION 63, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 4 UPON PASSAGE]: Sec. 42. (a) No change shall be made in any
- 5 schedule, including schedules of joint rates, except upon thirty (30)
- 6 days notice to the commission, and approval by the commission, and
- 7 all such changes shall be plainly indicated upon existing schedules or
- 8 by filing new schedules in lieu thereof thirty (30) days prior to the time
- 9 the same are to take effect. The commission may prescribe a shorter
- 10 time within which a change may be made. A public, municipally
- 11 owned, or cooperatively owned utility may not file a request for a
- 12 general increase in its basic rates and charges within fifteen (15)
- 13 months after the filing date of its most recent request for a general
- 14 increase in its basic rates and charges, except that the commission may
- 15 order a more timely increase if:
- 16 (1) the requested increase relates to a different type of utility
- 17 service;
- 18 (2) the commission finds that the utility's financial integrity or
- 19 service reliability is threatened; or
- 20 (3) the increase is based on:
- 21 (A) a rate structure previously approved by the commission; or

1 (B) orders of federal courts or federal regulatory agencies
2 having jurisdiction over the utility.

3 The phrase "general increase in basic rates and charges" does not
4 include changes in rates related solely to the cost of fuel or to the cost
5 of purchased gas or purchased electricity or adjustments in accordance
6 with tracking provisions approved by the commission. In addition to
7 other tracking provisions the commission finds appropriate, the
8 commission may approve periodic tracking mechanisms for water
9 utilities and wastewater utilities to permit recovery of changes in
10 property taxes. The commission may also approve periodic tracking
11 mechanisms calculated to recover from customers located within the
12 geographic boundaries of local units of government the incremental
13 costs of operation and maintenance of water utilities and wastewater
14 utilities resulting from policies or ordinances that are adopted by those
15 local units and that the commission determines to be unusual but not
16 necessarily unreasonable under section 101 of this chapter. The
17 commission shall adopt rules under IC 4-22-2 to define what is
18 unreasonable with respect to road cut permits and other specifications
19 or policies established by a local unit that imposes costs on water or
20 wastewater utilities.

21 (b) No schedule of rates, tolls, and charges of a public, municipally
22 owned, or cooperatively owned utility which includes or authorizes any
23 changes in charges based upon costs is effective without the approval
24 of the commission. Before the commission approves any changes in the
25 schedule of rates, tolls, and charges of an electric utility, which
26 generates and sells electricity, based upon the cost of fuel to generate
27 electricity or upon the cost of fuel included in the cost of purchased
28 electricity, the utility consumer counselor shall examine the books and
29 records of the public, municipally owned, or cooperatively owned
30 generating utility to determine the cost of fuel upon which the proposed
31 charges are based. In addition, before such a fuel cost charge becomes
32 effective, the commission shall hold a summary hearing on the sole
33 issue of the fuel charge. The utility consumer counselor shall conduct
34 the utility consumer counselor's review and make a report to the
35 commission within twenty (20) days after the utility's request for the
36 fuel cost charge is filed. The commission shall hold the summary
37 hearing and issue its order within twenty (20) days after it receives the
38 utility consumer counselor's report. The provisions of this section and
39 sections 39, 43, 54, 55, 56, 59, 60, and 61 of this chapter concerning
40 the filing, printing, and changing of rate schedules and the time
41 required for giving notice of hearing and requiring publication of notice
42 do not apply to such a fuel cost charge or such a summary hearing.

43 (c) Regardless of the pendency of any request for a fuel cost charge
44 by any electric utility, the books and records pertaining to the cost of
45 fuel of all public, municipally owned, or cooperatively owned utilities
46 that generate electricity shall be examined by the utility consumer

counselor not less often than quarterly, and the books and records of all electric nongenerating public, municipally owned, or cooperatively owned utilities shall be examined by the utility consumer counselor not less often than annually. The utility consumer counselor shall provide the commission with a report as to the examination of said books and records within a reasonable time following said examination. The utility consumer counselor may, if appropriate, request of the commission a reduction or elimination of the fuel cost charge. Upon such request, the commission shall hold a hearing forthwith in the manner provided in sections 58, 59, and 60 of this chapter.

(d) An electric generating utility may apply for a change in its fuel charge not more often than each three (3) months. When such application is filed the petitioning utility shall show to the commission its cost of fuel to generate electricity and the cost of fuel included in the cost of purchased electricity, for the period between its last order from the commission approving fuel costs in its basic rates and the latest month for which actual fuel costs are available. The petitioning utility shall also estimate its average fuel costs for the three (3) calendar months subsequent to the expiration of the twenty (20) day period allowed the commission in subsection (b). The commission shall conduct a formal hearing solely on the fuel cost charge requested in the petition subject to the notice requirements of IC 8-1-1-8 and shall grant the electric utility the requested fuel cost charge if it finds that:

(1) the electric utility has made every reasonable effort to acquire fuel and generate or purchase power or both so as to provide electricity to its retail customers at the lowest fuel cost reasonably possible;

(2) the actual increases in fuel cost through the latest month for which actual fuel costs are available since the last order of the commission approving basic rates and charges of the electric utility have not been offset by actual decreases in other operating expenses;

(3) the fuel adjustment charge applied for will not result in the electric utility earning a return in excess of the return authorized by the commission in the last proceeding in which the basic rates and charges of the electric utility were approved. However, subject to section 42.3 of this chapter, if the fuel charge applied for will result in the electric utility earning a return in excess of the return authorized by the commission, in the last proceeding in which basic rates and charges of the electric utility were approved, the fuel charge applied for will be reduced to the point where no such excess of return will be earned; and

(4) the utility's estimate of its prospective average fuel costs for each such three (3) calendar months are reasonable after taking into consideration:

(A) the actual fuel costs experienced by the utility during the

1 latest three (3) calendar months for which actual fuel costs are
2 available; and

3 (B) the estimated fuel costs for the same latest three (3)
4 calendar months for which actual fuel costs are available.

5 (e) Should the commission at any time determine that an emergency
6 exists that could result in an abnormal change in fuel costs, it may, in
7 order to protect the public from the adverse effects of such change
8 suspend the provisions of subsection (d) as to the utility or utilities
9 affected by such an emergency and initiate such procedures as may be
10 necessary to protect both the public and the utility from harm. The
11 commission shall lift the suspension when it is satisfied the emergency
12 no longer exists.

13 (f) Any change in the fuel cost charge granted by the commission
14 under the provisions of this section shall be reflected in the rates
15 charged by the utility in the same manner as any other changes in rates
16 granted by the commission in a case approving the basic rates and
17 charges of the utility. However, the utility may file the change as a
18 separate amendment to its rate schedules with a reasonable reference
19 in the amendment that such charge is applicable to all of its filed rate
20 schedules.

21 (g) No schedule of rates, tolls, and charges of a public, municipally
22 owned, or cooperatively owned gas utility that includes or authorizes
23 any changes in charges based upon gas costs is effective without the
24 approval of the commission except those rates, tolls, and charges
25 contained in schedules that contain specific provisions for changes in
26 gas costs or the cost of gas that have previously been approved by the
27 commission. Gas costs or cost of gas may include the gas utility's costs
28 for gas purchased by it from pipeline suppliers, costs incurred for
29 leased gas storage and related transportation, costs for supplemental
30 and substitute gas supplies, costs incurred for exploration and
31 development of its own sources of gas supplies and other expenses
32 relating to gas costs as shall be approved by the commission. Changes
33 in a gas utility's rates, tolls, and charges based upon changes in its gas
34 costs shall be made in accordance with the following:

35 (1) Before the commission approves any changes in the schedule
36 of rates, tolls, and charges of a gas utility based upon the cost of
37 the gas, the utility consumer counselor may examine the books
38 and records of the public, municipally owned, or cooperatively
39 owned gas utility to determine the cost of gas upon which the
40 proposed changes are based. In addition, before such an
41 adjustment to the gas cost charge becomes effective, the
42 commission shall hold a summary hearing on the sole issue of the
43 gas cost adjustment. The utility consumer counselor shall conduct
44 the utility consumer counselor's review and make a report to the
45 commission within thirty (30) days after the utility's request for
46 the gas cost adjustment is filed. The commission shall hold the

1 summary hearing and issue its order within thirty (30) days after
2 it receives the utility consumer counselor's report. The provisions
3 of this section and sections 39, 43, 54, 55, 56, 59, 60, and 61 of
4 this chapter concerning the filing, printing, and changing of rate
5 schedules and the time required for giving notice of hearing and
6 requiring publication of notice do not apply to such a gas cost
7 adjustment or such a summary hearing.

8 (2) Regardless of the pendency of any request for a gas cost
9 adjustment by any gas utility, the books and records pertaining to
10 cost of gas of all public, municipally owned, or cooperatively
11 owned gas utilities shall be examined by the utility consumer
12 counselor not less often than annually. The utility consumer
13 counselor shall provide the commission with a report as to the
14 examination of said books and records within a reasonable time
15 following said examination. The utility consumer counselor may,
16 if appropriate, request of the commission a reduction or
17 elimination of the gas cost adjustment. Upon such request, the
18 commission shall hold a hearing forthwith in the manner provided
19 in sections 58, 59, and 60 of this chapter.

20 (3) A gas utility may apply for a change in its gas cost charge not
21 more often than each three (3) months. When such application is
22 filed, the petitioning utility shall show to the commission its cost
23 of gas for the period between its last order from the commission
24 approving gas costs in its basic rates and the latest month for
25 which actual gas costs are available. The petitioning utility shall
26 also estimate its average gas costs for a recovery period of not less
27 than the three (3) calendar months subsequent to the expiration of
28 the thirty (30) day period allowed the commission in subdivision
29 (1). The commission shall conduct a summary hearing solely on
30 the gas cost adjustment requested in the petition subject to the
31 notice requirements of IC 8-1-1-8 and may grant the gas utility the
32 requested gas cost charge if it finds that:

33 (A) the gas utility has made every reasonable effort to acquire
34 long term gas supplies so as to provide gas to its retail
35 customers at the lowest gas cost reasonably possible;

36 (B) the pipeline supplier or suppliers of the gas utility has
37 requested or has filed for a change in the costs of gas pursuant
38 to the jurisdiction and procedures of a duly constituted
39 regulatory authority;

40 (C) the gas cost adjustment applied for will not result, in the
41 case of a public utility, in its earning a return in excess of the
42 return authorized by the commission in the last proceeding in
43 which the basic rates and charges of the public utility were
44 approved; however, subject to section 42.3 of this chapter, if
45 the gas cost adjustment applied for will result in the public
46 utility earning a return in excess of the return authorized by the

commission in the last proceeding in which basic rates and charges of the gas utility were approved, the gas cost adjustment applied for will be reduced to the point where no such excess of return will be earned; and

(D) the utility's estimate of its prospective average gas costs for each such future recovery period is reasonable and gives effect to:

(i) the actual gas costs experienced by the utility during the latest recovery period for which actual gas costs are available; and

(ii) the actual gas costs recovered by the adjustment of the same recovery period.

(4) Should the commission at any time determine that an emergency exists that could result in an abnormal change in gas costs, it may, in order to protect the public or the utility from the adverse effects of such change suspend the provisions of subdivision (3) as to the utility or utilities affected by such an emergency and initiate such procedures as may be necessary to protect both the public and the utility from harm. The commission shall lift the suspension when it is satisfied the emergency no longer exists.

(5) Any change in the gas cost charge granted by the commission under the provisions of this section shall be reflected in the rates charged by the utility in the same manner as any other changes in rates granted by the commission in a case approving the basic rates and charges of the utility. However, the utility may file the change as a separate amendment to its rate schedules with a reasonable reference in the amendment that such charge is applicable to all of its filed rate schedules.

(h) If:

(1) the commission approves a change in the schedule of rates, tolls, and charges of a public, municipally owned, or cooperatively owned utility; and

(2) the change in the schedule will result in an increase of more than three percent (3%) in the rates, tolls, or charges charged by the utility to the utility's customers for the utility's retail utility service;

the utility shall hold not less than three (3) public hearings, in geographically dispersed locations within the utility's service area, at which the utility shall communicate the reason for the rate change and shall accept and respond to written and oral testimony from the public. The utility shall publish notice of the date, time, and location of each hearing on the commission's website not less

- 1 **than thirty (30) days before the date of the hearing."**
- 2 Renumber all SECTIONS consecutively.
(Reference is to HB 1002 as printed January 22, 2026.)

Representative Andrade