

PROPOSED AMENDMENT

SB 241 # 2

DIGEST

Alternative regulatory procedures for water or sewer utilities. Adds language to amend the existing statute authorizing alternative regulatory procedures for water or sewer utilities with customer bases not exceeding specified numbers to include within the scope of the statute a procedure that promotes economic development opportunities in rural areas while providing just and reasonable protections to a utility's existing ratepayers.

1 Page 1, between the enacting clause and line 1, begin a new
2 paragraph and insert:

3 "SECTION 1. IC 8-1-2-61.5, AS AMENDED BY P.L.229-2019,
4 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 JULY 1, 2026]: Sec. 61.5. (a) An order affecting rates of service may
6 be entered by the commission without a formal public hearing in the
7 case of any public or municipally owned utility that:

8 (1) either:

9 (A) serves less than eight thousand (8,000) customers; or
10 (B) has initiated a rate case on behalf of a single division of
11 the utility and that division:

12 (i) serves less than five thousand (5,000) customers;
13 (ii) has a commission-approved schedule of rates and
14 charges that is separate and independent from that of any
15 other division of the utility; and
16 (iii) itself satisfies subdivisions (2) and (3);

17 (2) primarily provides retail service to customers; and
18 (3) does not serve extensively another utility.

19 (b) The commission may require a formal public hearing on any
20 petition or complaint filed under this section concerning a rate change
21 request by a utility upon the commission's own motion or upon motion
22 of any of the following:

23 (1) The utility consumer counselor.
24 (2) A public or municipal corporation.
25 (3) Ten (10) individuals, firms, limited liability companies,

corporations, or associations.

4 (c) A not-for-profit water utility or a not-for-profit sewer utility must
5 include in its petition a statement as to whether it has an outstanding
6 indebtedness to the federal government. When an indebtedness is
7 shown to exist, the commission shall require a formal hearing, unless
8 the utility also has included in its filing written consent from the agency
9 of the federal government with which the utility has outstanding
10 indebtedness for the utility to obtain an order affecting its rates from
11 the commission without a formal hearing.

14 (1) on the commission's own motion; or

15 (2) at the request of:

16 (A) the utility consumer counselor;

17 (B) a water or sewer utility described in subsection (a);

18 (C) ten (10) individuals, firms,
19 corporations, or associations; or

20 (D) ten (10) complainants of any class described in this
21 subsection;

22 adopt a rule under IC 4-22-2, or issue an order in a specific proceeding,
23 providing for the development, investigation, testing, and use of
24 regulatory procedures or generic standards with respect to water or
25 sewer utilities described in subsection (a) or their services.

26 (e) The commission may adopt a rule or enter an order under
27 subsection (d) only if it finds, after notice and hearing, that the
28 proposed regulatory procedures or standards are in the public interest
29 and promote at least one (1) of the following:

30 (1) Utility cost minimization to the extent that a utility's quality
31 of service or facilities are not diminished.

32 (2) A more accurate evaluation by the commission of a utility's
33 physical or financial conditions or needs.

34 (3) A less costly regulatory procedure for a utility, its consumers,
35 or the commission.

(4) Increased utility management efficiency that is beneficial to consumers.

1 Renumber all SECTIONS consecutively.

(Reference is to SB 241 as introduced.)