



# COMMITTEE REPORT

**MR. PRESIDENT:**

**The Senate Committee on Utilities, to which was referred Senate Bill No. 241, 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:**

- 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

petition or complaint filed under this section concerning a rate change request by a utility upon the commission's own motion or upon motion of any of the following:

- (1) The utility consumer counselor.
- (2) A public or municipal corporation.
- (3) Ten (10) individuals, firms, limited liability companies, corporations, or associations.
- (4) Ten (10) complainants of any class described in this subsection.

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

(d) Notwithstanding any other provision of this chapter, the commission may:

- (1) on the commission's own motion; or
- (2) at the request of:
  - (A) the utility consumer counselor;
  - (B) a water or sewer utility described in subsection (a);
  - (C) ten (10) individuals, firms, limited liability companies, corporations, or associations; or
  - (D) ten (10) complainants of any class described in this subsection;

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

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

- (1) Utility cost minimalization to the extent that a utility's quality of service or facilities are not diminished.
- (2) A more accurate evaluation by the commission of a utility's

physical or financial conditions or needs.

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

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

**(5) Economic development opportunities in rural areas (as defined in section 89(a)(3) of this chapter) while providing just and reasonable protections to a utility's existing ratepayers.**

SECTION 2. IC 8-1-2.7-1.3, AS AMENDED BY P.L.78-2007, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 1.3. (a) This chapter applies to the following:

(1) A public utility established to provide water service that is:

(A) privately owned and serves less than three hundred (300) customers;

(B) a not-for-profit utility (as defined by IC 8-1-2-125(a));

(C) a cooperative corporation exempt from state and federal income taxation; or

(D) a conservancy district established under IC 14-33-2 that:

(i) has as a purpose of the district the provision of a water supply, including the treatment and distribution of water, for domestic, industrial, and public use; and

(ii) provides water service to less than ~~two~~ **three** thousand ~~(2,000)~~ **(3,000)** customers.

(2) A public utility established to provide sewage disposal service (as defined in IC 8-1-2-89(a)(1)) that holds a certificate of territorial authority as required by IC 8-1-2-89, and that is:

(A) privately owned and serves less than three hundred (300) customers;

(B) a not-for-profit utility (as defined in IC 8-1-2-125(a)); or

(C) a cooperative corporation exempt from state and federal income taxation.

(3) Except as provided in subsection (b), a legal entity providing only sewage treatment service to a not-for-profit sewage disposal company.

(b) Subsection (a)(3) does not include a sewage treatment provider that is otherwise subject to the commission's jurisdiction."

Page 5, line 2, delete "basis." and insert "**basis, as authorized in the commission's most recent base rate order for the eligible utility,**

and adjusted to reflect the change in volume from the volume level authorized in the commission's most recent base rate order. The authorized chemical costs in the commission's most recent base rate order shall be divided by the number of gallons projected to be sold in the commission's most recent base rate order to impute an original cost of chemicals per gallon of water sold per unit cost. This per unit cost shall be multiplied by the projected number of gallons of water to be sold by the eligible utility over the twelve (12) month period of the adjustment rider under section 12 of this chapter to impute an adjusted cost of chemicals from the most recent base rate case."

Page 6, line 13, delete "basis." and insert "basis, as authorized in the commission's most recent base rate order for the eligible utility, and adjusted to reflect the change in volume from the volume level authorized in the commission's most recent base rate order. The authorized power costs in the commission's most recent base rate order shall be divided by the number of gallons projected to be sold in the commission's most recent base rate order to impute an original cost of power per gallon of water sold per unit cost. This per unit cost shall be multiplied by the projected number of gallons of water to be sold by the eligible utility over the twelve (12) month period of the adjustment rider under section 12 of this chapter to impute an adjusted cost of power from the most recent base rate case."

Page 6, between lines 22 and 23, begin a new paragraph and insert:

"SECTION 6. IC 8-1-31.7-9.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 9.2. (a) This section applies to an eligible utility for which the commission has issued an order under section 12 of this chapter to approve an adjustment rider for the recovery of costs described in section 7(2)(B) or 7(2)(C) of this chapter, as calculated under section 9.1 of this chapter.

(b) An eligible utility to which this section applies shall file a petition for a change in its adjustment amount:

- (1) not later than thirty (30) days after the end of each twelve (12) month period after the date on which the commission issued the order under section 12 of this chapter approving the adjustment rider; and

1           **(2) until the commission issues an order in the eligible utility's**  
 2           **next general rate case.**

3           **(c) Upon filing a petition with the commission under subsection**  
 4           **(b), an eligible utility shall serve a copy of the petition on the office**  
 5           **of utility consumer counselor.**

6           **(d) The commission shall hold a hearing and issue an order on**  
 7           **the petition not later than sixty (60) days after the date the petition**  
 8           **is filed."**

9           Page 8, after line 4, begin a new paragraph and insert:

10          "SECTION 8. IC 8-1-31.7-18, AS ADDED BY P.L.137-2020,  
 11          SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 12          JULY 1, 2026]: Sec. 18. **Except as provided in section 9.2 of this**  
 13          **chapter**, an eligible utility may, but is not required to, file a petition for  
 14          a change in its initial adjustment amount not more than one (1) time in  
 15          every twelve (12) months. Section 12 of this chapter applies to a  
 16          petition to change an adjustment rider."

17          Renumber all SECTIONS consecutively.  
             (Reference is to SB 241 as introduced.)

**and when so amended that said bill do pass.**

Committee Vote: Yeas 10, Nays 0.

**Koch**

**Chairperson**