

# HOUSE BILL No. 1531

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 8-1-2-113.5.

**Synopsis:** Monthly service outage caps for electric utilities. Requires the utility regulatory commission (IURC) to adopt rules to establish a procedure for determining for each investor owned electric utility a monthly service outage cap, expressed in hours, that applies to all monthly billing periods for that electric utility in a particular calendar year. Provides that the IURC's rules must include a monthly billing procedure under which an electric utility must provide a refund or billing credit to all customer classes in any part of the electric utility's assigned service area in which the number of actual service outage hours for the particular month exceeds the electric utility's monthly service outage cap. Provides that an electric utility may not recover: (1) through a periodic retail rate adjustment mechanism; or (2) as part of the electric utility's next general rate case; the cost of any refunds or credits provided by the electric utility under this billing procedure. Provides that the rules adopted by the IURC must take effect by a date that enables the IURC to impose the monthly service outage caps for all electric utilities beginning with the calendar year that begins January 1, 2018.

**Effective:** Upon passage.

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January 18, 2017, read first time and referred to Committee on Utilities, Energy and Telecommunications.

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First Regular Session of the 120th General Assembly (2017)

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 2016 Regular Session of the General Assembly.

# HOUSE BILL No. 1531

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 8-1-2-113.5 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE  
3 UPON PASSAGE]: **Sec. 113.5. (a) As used in this section, "assigned  
4 service area", with respect to an electric utility, has the meaning  
5 set forth in IC 8-1-2.3-2(e).**  
6 **(b) As used in this section, "electric utility" refers to an investor  
7 owned electric utility that:**  
8 **(1) provides retail electric service to customers in Indiana;**  
9 **and**  
10 **(2) is subject to the jurisdiction of the commission.**  
11 **(c) As used in this section, "monthly service outage cap" means**  
12 **a specified number of hours that:**  
13 **(1) applies to a specific electric utility during each monthly**  
14 **billing period in a calendar year;**  
15 **(2) represents a maximum number of hours during the month**  
16 **that a service outage may occur in any part of the electric**  
17 **utility's assigned service area before a refund or billing credit**



1 is owed to customers within the affected area; and

2 (3) is determined by the commission in rules adopted under  
3 subsection (e).

4 (d) As used in this section, "service outage" means a period  
5 during which electric service is unavailable to an electric utility's  
6 customers in any part of an electric utility's assigned service area,  
7 regardless of whether the disruption of service is the result of:

8 (1) a weather related event, an act of God, an emergency  
9 situation, or another event or situation beyond the control of  
10 the electric utility, other than a negligent or willful act of a  
11 customer with respect to any equipment or facility used to  
12 provide electric service;

13 (2) a vegetation management issue or a tree related condition  
14 that interferes with any equipment or facility used to provide  
15 electric utility service; or

16 (3) a planned or scheduled outage.

17 (e) The commission shall adopt rules under IC 4-22-2 to do the  
18 following:

19 (1) Establish a procedure for determining for each electric  
20 utility a monthly service outage cap, expressed in hours, that  
21 applies to all monthly billing periods in a particular calendar  
22 year. The procedure established under this subdivision shall  
23 be used by the commission before the start of each calendar  
24 year to determine the monthly service outage cap that will  
25 apply to each electric utility during the ensuing calendar year.

26 (2) Establish a monthly billing procedure under which an  
27 electric utility must provide a refund or billing credit to all  
28 customer classes in any part of the electric utility's assigned  
29 service area in which the number of hours of service outages  
30 experienced by all customer classes in any month exceeds the  
31 electric utility's monthly service outage cap.

32 (f) An electric utility may not recover:

33 (1) through a periodic retail rate adjustment mechanism; or

34 (2) as part of the electric utility's next general rate case before  
35 the commission;

36 the cost of any refunds or credits provided by the electric utility  
37 under the billing procedure described in subsection (e)(2).

38 (g) In adopting the rules required by subsection (e), the  
39 commission may adopt emergency rules in the manner provided by  
40 IC 4-22-2-37.1. Any emergency rules adopted by the commission  
41 under this section must take effect by a date that enables the  
42 commission to impose monthly service outage caps for all electric



1 utilities beginning with the calendar year that begins January 1,  
2 2018. Notwithstanding IC 4-22-2-37.1(g), an emergency rule  
3 adopted by the commission under this section and in the manner  
4 provided by IC 4-22-2-37.1 expires on the date on which a rule that  
5 supersedes the emergency rule is adopted by the commission under  
6 IC 4-22-2-24 through IC 4-22-2-36.

7 SECTION 2. An emergency is declared for this act.

