

HOUSE BILL No. 1002

DIGEST OF INTRODUCED BILL

Citations Affected: IC 8-1.

Synopsis: Electric utility affordability. Requires an electricity supplier that is under the jurisdiction of the Indiana utility regulatory commission (IURC) to do the following: (1) Beginning with the first monthly billing cycle that begins after June 30, 2026, apply a budget billing plan (plan) to all active residential customer accounts to which a plan does not already apply. (2) Not later than April 1, 2026, offer each customer a mechanism by which the customer may opt out of a plan at any time without penalty. (3) Not later than July 1, 2026, for any plan offered by the electricity supplier and applied to an active customer account, amend or design the plan so that plan's account reconciliation mechanism is applied at least two times during a calendar year. Authorizes the IURC to adopt rules to implement these provisions. Provides that on any day for which an extreme heat warning issued by the National Weather Service is in effect in a county or region within an electric utility's assigned service area, the electric utility may not terminate residential electric service for a customer who: (1) receives residential electric service from the electric utility at a location for which the extreme heat warning is in effect; and (2) has been determined to be eligible for assistance under the state's energy assistance program during the calendar year in which the extreme heat warning is in effect. Provides that if electric service is terminated for such a customer at any time after an extreme heat warning has been issued and remains in effect, the electric utility shall restore the terminated service as soon as practicable after the warning is issued and may not resume the service termination until after the warning is no longer in effect. Provides that an investor owned electricity supplier

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Effective: Upon passage.

Shonkwiler, Soliday, Pressel

January 8, 2026, read first time and referred to Committee on Utilities, Energy and Telecommunications.



that is under the jurisdiction of the IURC for the approval of rates and charges must petition the IURC for approval of any change in its basic rates and charges through the submission of a three year, multi-year rate plan (MYRP). Beginning in 2027, requires each electricity supplier to file its first petition with the IURC for approval of an MYRP according to a prescribed schedule. Provides that the base rates: (1) for the first rate year of an MYRP shall be established by the IURC in the same manner that base rates would be established in a proceeding for a change in basic rates and charges that occurs outside an MYRP; and (2) for the second and third rate years of an MYRP shall be established using current or forward looking data adjusted to reflect an electricity supplier's actual Indiana financial performance results based on the most current available data. Provides that for each rate year in an electricity supplier's MYRP, the following apply: (1) A customer affordability performance metric and an associated customer affordability performance incentive mechanism (PIM) that: (A) is based on the electricity supplier's performance in meeting the customer affordability performance metric; and (B) provides financial rewards or penalties to the electricity supplier based on that performance. (2) Two service restoration performance metrics and two associated PIMs that: (A) are based on the electricity supplier's performance in meeting the service restoration performance metrics; and (B) provide financial rewards or penalties to the electricity supplier based on that performance. Sets forth the methods by which the IURC must calculate the prescribed performance metrics and determine the associated PIMs. Sets forth specified findings the IURC must make in approving an electricity supplier's MYRP. Provides that at any time before the expiration of an electricity supplier's approved MYRP, the IURC may, upon its own motion, or at the request of the electricity supplier, do any of the following: (1) Examine the reasonableness of the electricity supplier's rates under the MYRP. (2) Conduct periodic reviews with opportunities for public hearings and comments. (3) Adjust the base rates or PIMs under the MYRP as necessary to ensure that the MYRP continues to satisfy specified criteria. Beginning in 2029, requires the IURC to include in its annual report certain information about: (1) the status of electricity suppliers' MYRP filings and current MYRPs; (2) electricity suppliers' calculated performance metrics for the current rate year; and (3) the impact of all applicable PIMs on customer rates. Requires the IURC to adopt rules to implement these provisions. Requires an electricity supplier that is under the jurisdiction of the IURC to offer, not later than July 1, 2026, a low income customer assistance program (program) that provides financial assistance to low income residential customers for the payment of monthly bills for utility service. To the extent applicable, requires an electricity supplier to annually allocate to the electricity supplier's program an amount equal to at least 50% of the amount of lost revenues recovered by the electricity supplier during the most recently concluded calendar year as approved program costs associated with an energy efficiency program offered by the electricity supplier. Provides that if a customer who applies for assistance is eligible for assistance under the program, the electricity supplier shall enroll the customer in the program. Provides that an electricity supplier may, but is not required to, petition the IURC for approval to recover eligible program costs. Provides that "eligible program costs" do not include costs recovered through program contributions that are provided at no cost to the electricity supplier by or through any governmental agency or program or other third party. Beginning in 2027, requires the IURC to include each year in its annual report specified information concerning each electricity supplier's program with respect to the most recently concluded state

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Digest Continued

fiscal year. Requires the IURC to adopt rules to implement these provisions.



Introduced

Second Regular Session of the 124th General Assembly (2026)

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 2025 Regular Session of the General Assembly.

HOUSE BILL No. 1002

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 8-1-2-4.7 IS ADDED TO THE INDIANA CODE
2 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: Sec. 4.7. (a) **As used in this section, "budget**
4 **billing plan" means a levelized payment plan, however**
5 **denominated, that:**

6 (1) **applies to a customer's account with an electricity**
7 **supplier;**
8 (2) **provides for the payment of a customer's bill in equal**
9 **monthly installments; and**
10 (3) **involves a reconciliation mechanism in which:**
11 (A) **the amount of utility service actually used by the**
12 **customer during a specified period is compared with the**
13 **amount of utility service for which the customer was billed**
14 **under the plan during the specified period; and**
15 (B) **the customer's account is either billed or credited, as**



appropriate, for any difference identified under clause (A).

(b) As used in this section, "customer" refers to a residential customer who has agreed to pay for utility service from an electricity supplier under the electricity supplier's standard residential tariff.

(c) As used in this section, "electricity supplier" means a person, however organized, that:

(1) provides utility service to customers; and

(2) is under the jurisdiction of the commission for the approval of rates and charges.

(d) As used in this section, "utility service" means electric service that is provided at retail to customers.

(e) An electricity supplier shall do the following:

(1) Beginning with the first monthly billing cycle that begins after June 30, 2026, apply a budget billing plan to all active customer accounts:

(A) for utility service provided under the electricity supplier's standard residential tariff; and

(B) to which a budget billing plan does not already apply.

(2) Not later than April 1, 2026, offer each customer a mechanism, through one (1) or more methods described in subsection (f)(4), by which the customer may opt out of the budget billing plan at any time, without penalty, before or after the budget billing plan is applied to the customer's account, subject to the reconciliation mechanism described in subsection (a)(3).

(3) Not later than July 1, 2026, for any budget billing plan offered by the electricity supplier and applied to an active customer account, regardless of the date the budget billing plan was first offered or applied, amend or design the budget billing plan, as applicable, so that the reconciliation mechanism described in subsection (a)(3) is applied at least two (2) times during a calendar year to reflect, to the extent possible, typical seasonal patterns of electricity usage by residential customers.

(f) Not later than April 1, 2026, an electricity supplier shall provide to each customer having an active account for utility service provided under the electricity supplier's standard residential tariff a written notice that:

(1) informs the customer that a budget billing plan will be applied to the customer's account beginning with the first monthly billing cycle that begins after June 30, 2026, if a



budget billing plan does not already apply to the customer's account;

(2) describes, in clear language that is easily understandable to a lay person, the reconciliation mechanism described in subsection (a)(3), including an explanation of:

(A) the number of times during a calendar year that the reconciliation mechanism will be applied to the customer's account, subject to subsection (e)(3);

(B) for each time during a calendar year that the reconciliation mechanism will be applied, the monthly billing cycle after which the reconciliation mechanism will be applied; and

(C) the method by which the electricity supplier will:

(i) compare the amount of utility service actually used by the customer with the amount of utility service for which the customer was billed under the plan during the billing cycles that are being reconciled; and

(ii) either bill or credit the customer's account, as appropriate, for any difference identified under item (i);

(3) offers the customer a mechanism, through one (1) or more methods described in subdivision (4), by which the customer may opt out of a budget billing plan at any time, without penalty, before or after the budget billing plan is applied to the customer's account, subject to the reconciliation mechanism described in subsection (a)(3); and

(4) is delivered to the customer by one (1) or more of the following methods:

(A) United States mail.

(B) Electronic mail.

(C) A mobile application or another Internet based method.

(g) Not later than April 1, 2026, an electricity supplier shall post on its website the information set forth in subsection (f)(2) and (f)(3) for each budget billing plan offered by the electricity supplier, regardless of the date the budget billing plan was first offered.

(h) The commission may adopt rules under IC 4-22-2 to implement this section.

SECTION 2. IC 8-1-2-42.7, AS ADDED BY P.L.133-2013, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 42.7. **(a) This section does not apply to an electricity supplier (as defined in IC 8-1-46-6) that has filed a**



1 **petition with the commission to change the electricity supplier's**
2 **basic rates and charges through the submission of a multi-year rate**
3 **plan under IC 8-1-46.**

4 **(a) (b)** For purposes of this section, "average prime rate" means the
5 arithmetic mean, to the nearest one-hundredth of one percent (0.01%),
6 of the prime rate values published in the Federal Reserve Bulletin for
7 the three (3) months preceding the first month of a calendar quarter.

8 **(b) (c)** For purposes of this section, "case in chief" includes the
9 following:

- 10 (1) Testimony, exhibits, and supporting work papers.
- 11 (2) Proposed test year and rate base cutoff dates.
- 12 (3) Proposed revenue requirements.
- 13 (4) Jurisdictional operating revenues and expenses, including
14 taxes and depreciation.
- 15 (5) Balance sheet and income statements.
- 16 (6) Jurisdictional rate base.
- 17 (7) Proposed cost of capital and capital structure.
- 18 (8) Jurisdictional class cost of service study.
- 19 (9) Proposed rate design and pro forma tariff sheets.

20 **(c) (d)** For purposes of this section, "utility" refers to the following:

- 21 (1) A public utility.
- 22 (2) A municipally owned utility.
- 23 (3) A cooperative owned utility.

24 **(d) (e)** In a petition filed with the commission to change basic rates
25 and charges, a utility may designate a test period for the commission to
26 use. The utility must include with its petition the utility's complete case
27 in chief. The commission shall approve a test period that is one (1) of
28 the following:

- 29 (1) A forward looking test period determined on the basis of
30 projected data for the twelve (12) month period beginning not
31 later than twenty-four (24) months after the date on which the
32 utility petitions the commission for a change in its basic rates and
33 charges.
- 34 (2) A historic test period based on a twelve (12) month period that
35 ends not more than two hundred seventy (270) days before the
36 date on which the utility petitions the commission for a change in
37 its basic rates and charges. The commission may adjust a historic
38 test period for fixed, known, and measurable changes and
39 appropriate normalizations and annualizations.
- 40 (3) A hybrid test period based on at least twelve (12) consecutive
41 months of combined historic data and projected data. The
42 commission may adjust the historic data as set forth in



1 subdivision (2).

2 (e) (f) This subsection does not apply to a proceeding in which a
 3 utility is seeking an increase in basic rates and charges and requesting
 4 initial relief under IC 8-1-2.5-5 or IC 8-1-2.5-6. If the commission does
 5 not issue an order on a petition filed by a utility under subsection (d)
 6 (e) within three hundred (300) days after the utility files its case in
 7 chief in support of the proposed increase, the utility may temporarily
 8 implement fifty percent (50%) of the utility's proposed permanent
 9 increase in basic rates and charges, subject to the commission's review
 10 and determination under subsection (f)-(g). The utility shall submit the
 11 proposed temporary rates and charges to the commission at least thirty
 12 (30) days before the date on which the utility seeks to implement the
 13 temporary rates and charges. The temporary rates and charges may
 14 reflect proposed or existing approved customer class allocations and
 15 rate designs. However, if the utility uses a forward looking test period
 16 described in subsection (d)(1) (e)(1) or a hybrid test period described
 17 in subsection (d)(3); (e)(3), the utility may not:

18 (1) implement the temporary increase before the date on which
 19 the projected data period begins; or
 20 (2) object during a proceeding before the commission to a
 21 discovery request for historic data as described in subsection
 22 (d)(2) (e)(2) solely on the basis that the utility has designated a
 23 forward looking or hybrid test period.

24 (f)(g) The commission shall review the temporary rates and charges
 25 to determine compliance with this section. The temporary rates and
 26 charges take effect on the latest of the following dates unless the
 27 commission determines that the temporary rates and charges are not
 28 properly designed in compliance with this section:

29 (1) The date proposed by the utility.
 30 (2) Three hundred (300) days after the date on which the utility
 31 files its case in chief.
 32 (3) The termination of any extension of the three hundred (300)
 33 day deadline authorized under subsection (g) (h) or (h). (i).

34 If the commission determines that the temporary rates and charges are
 35 not properly designed in compliance with this section, the utility may
 36 cure the defect and file the corrected temporary rates and charges with
 37 the commission within a reasonable period determined by the
 38 commission.

39 (g) (h) If the commission grants a utility an extension of the
 40 procedural schedule, the commission may extend the three hundred
 41 (300) day deadline set forth in subsection (e) (f) by the length of the
 42 extension.



1 **(f) (i)** The commission may suspend the three hundred (300) day
 2 deadline set forth in subsection **(e) (f)** one (1) time for good cause. The
 3 suspension may not exceed sixty (60) days.

4 **(f) (j)** If a utility implements temporary rates and charges that differ
 5 from the permanent rates and charges approved by the commission in
 6 a final order on the petition filed under subsection **(d); (e)**, the utility
 7 shall perform a reconciliation and implement a refund, in the form of
 8 a credit rider, or a surcharge, as applicable, on customer bills rendered
 9 on or after the date the commission approves the credit or surcharge.
 10 The refund or surcharge shall be credited or added in equal amounts
 11 each month for six (6) months. The amount of the total refund or
 12 surcharge equals the amount by which the temporary rates and charges
 13 differ from the permanent rates and charges, plus, for a refund only,
 14 interest at the applicable average prime rate for each calendar quarter
 15 during which the temporary rates and charges were in effect.

16 SECTION 3. IC 8-1-2-121, AS AMENDED BY P.L.181-2006,
 17 SECTION 48, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 18 UPON PASSAGE]: Sec. 121. **(a) As used in this section, "electric or**
 19 **gas utility" includes a municipally owned, privately owned, or**
 20 **cooperatively owned utility.**

21 **(b) As used in this section, "electric utility" includes a**
 22 **municipally owned, privately owned, or cooperatively owned**
 23 **utility.**

24 **(c) As used in this section, "extreme heat warning" means an**
 25 **alert that:**

26 **(1) is issued by a local weather forecast office of the National**
 27 **Weather Service; and**

28 **(2) is in effect in a county or region within an electric utility's**
 29 **assigned service area under IC 8-1-2.3;**

30 **when extremely dangerous heat conditions are expected or**
 31 **occurring.**

32 **(a) (d) Notwithstanding any other provision of law, but subject to**
 33 **subsection (i), the following apply with respect to the termination**
 34 **of residential electric or gas service:**

35 **(1) An electric or gas utility may not terminate residential**
 36 **electric or gas service from December 1 through March 15 of**
 37 **any year no electric or gas utility, including a municipally owned,**
 38 **privately owned, or cooperatively owned utility, shall terminate**
 39 **residential electric or gas service for persons customers who are**
 40 **eligible for and have applied for assistance from a heating**
 41 **assistance program administered under IC 4-4-33.**

42 **(2) On any day for which an extreme heat warning is in effect**



1 **in a county or region within an electric utility's assigned**
2 **service area under IC 8-1-2.3, the electric utility may not**
3 **terminate residential electric service for customers who:**

4 **(A) receive residential electric service from the electric**
5 **utility at a location for which the extreme heat warning is**
6 **in effect; and**

7 **(B) are eligible for and have applied for assistance under**
8 **a heating assistance program administered under**
9 **IC 4-4-33 during the calendar year in which the extreme**
10 **heat warning is in effect.**

11 **If residential electric service is terminated for a customer**
12 **described in this subdivision at any time after an extreme heat**
13 **warning has been issued and remains in effect, the electric**
14 **utility shall restore the terminated service as soon as**
15 **practicable after the extreme heat warning is issued and may**
16 **not resume the service termination until after the extreme**
17 **heat warning is no longer in effect.**

18 **For purposes of subdivision (1), the commission shall implement**
19 **procedures to ensure that electric or gas utility service is continued**
20 **while eligibility for such persons customers is being determined.**

21 **(e) Not later than June 1, 2026, an electric or gas utility shall**
22 **post on the electric or gas utility's website a notice that:**

23 **(1) informs customers of the relief available to eligible**
24 **customers under:**

25 **(A) subsection (d)(1), in the case of an electric or gas**
26 **utility; and**

27 **(B) subsection (d)(2), in the case of an electric utility; and**

28 **(2) includes:**

29 **(A) a toll free telephone number; or**

30 **(B) a link to a web page;**

31 **that a customer may call or access for information on how to**
32 **apply for assistance from a heating assistance program**
33 **administered under IC 4-4-33.**

34 **(b) (f) Any An electric or gas utility including a municipally owned,**
35 **privately owned, or cooperatively owned utility, shall provide any**
36 **residential customer whose account is delinquent an opportunity to**
37 **enter into a reasonable amortization agreement with such company to**
38 **pay the delinquent account. Such an amortization agreement must**
39 **provide the customer with adequate opportunity to apply for and**
40 **receive the benefits of any available public assistance program. An**
41 **amortization agreement is subject to amendment on the customer's**
42 **request if there is a change in the customer's financial circumstances.**



1 ~~(e)~~ **(g)** The commission may establish a reasonable rate of interest
 2 which a utility may charge on the unpaid balance of a customer's
 3 delinquent bill that may not exceed the rate established by the
 4 commission under section 34.5 of this chapter.

5 ~~(f)~~ **(h)** The commission shall adopt rules under IC 4-22-2 to carry
 6 out the provisions of this section.

7 ~~(e)~~ **(i)** This section does not prohibit an electric or gas utility from
 8 terminating residential utility service upon a request of a customer or
 9 under the following circumstances:

10 (1) If a condition dangerous or hazardous to life, physical safety,
 11 or property exists.

12 (2) Upon order by any court, the commission, or other duly
 13 authorized public authority.

14 (3) If fraudulent or unauthorized use of electricity or gas is
 15 detected and the utility has reasonable grounds to believe the
 16 affected customer is responsible for such use.

17 (4) If the utility's regulating or measuring equipment has been
 18 tampered with and the utility has reasonable grounds to believe
 19 that the affected customer is responsible for such tampering.

20 SECTION 4. IC 8-1-39-9, AS AMENDED BY P.L.89-2019,

21 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 22 UPON PASSAGE]: Sec. 9. (a) Subject to subsection (d), a public
 23 utility that provides electric or gas utility service may file with the
 24 commission rate schedules establishing a TDSIC that will allow the
 25 periodic automatic adjustment of the public utility's basic rates and
 26 charges to provide for timely recovery of eighty percent (80%) of
 27 approved capital expenditures and TDSIC costs. The petition must:

28 (1) use the customer class revenue allocation factor based on firm
 29 load approved in the public utility's most recent retail base rate
 30 case order;

31 (2) include the public utility's TDSIC plan for eligible
 32 transmission, distribution, and storage system improvements; and
 33 (3) identify projected effects of the plan described in subdivision
 34 (2) on retail rates and charges.

35 The public utility shall provide a copy of the petition to the office of the
 36 utility consumer counselor when the petition is filed with the
 37 commission.

38 (b) The public utility shall update the public utility's TDSIC plan
 39 under subsection (a)(2) at least annually. An update may include a
 40 petition for approval of:

41 (1) a targeted economic development project under section 11 of
 42 this chapter; or



(2) transmission, distribution, and storage system improvements not described in the public utility's TDSIC plan most recently approved by the commission under section 10 of this chapter.

4 (c) A public utility that recovers capital expenditures and TDSIC
5 costs under subsection (a) shall defer the remaining twenty percent
6 (20%) of approved capital expenditures and TDSIC costs, including
7 depreciation, allowance for funds used during construction, and post in
8 service carrying costs, and shall recover those capital expenditures and
9 TDSIC costs as part of the next general rate case that the public utility
10 files with the commission.

11 (d) Except as provided in section 15 of this chapter, a public utility
12 may not file a petition under subsection (a) within nine (9) months after
13 the date on which the commission issues an order changing the public
14 utility's basic rates and charges with respect to the same type of utility
15 service.

18 **(1) is subject to a multi-year rate plan under IC 8-1-46; or**
19 **(2) petitions the commission for approval of a multi-year rate**
20 **plan under IC 8-1-46;**

during the term of the electricity supplier's approved TDSIC plan. A public utility that implements a TDSIC under this chapter shall, before the expiration of the public utility's approved TDSIC plan, petition the commission for review and approval of the public utility's basic rates and charges with respect to the same type of utility service.

26 (f) A public utility may file a petition under this section not more
27 than one (1) time every six (6) months.

(g) Actual capital expenditures and TDSIC costs that exceed the approved capital expenditures and TDSIC costs require specific justification by the public utility and specific approval by the commission before being authorized for recovery in customer rates.

32 SECTION 5. IC 8-1-46 IS ADDED TO THE INDIANA CODE AS
33 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON
34 PASSAGE]:

35 Chapter 46. Performance Based Ratemaking for Electricity 36 Suppliers

37 **Sec. 1. (a)** As used in this chapter, "average monthly residential
38 bill", with respect to an electricity supplier, means the average
39 total monthly charges billed, over the course of a calendar year, to
40 all customers receiving retail electric service under the electricity
41 supplier's standard residential tariff.

42 (b) The term includes the following charges:



1 **(1) Fixed service charges.**

2 **(2) Energy charges based on the amount of electricity**

3 **provided to or consumed by the customer during the billing**

4 **cycle.**

5 **(3) Additional charges or credits, including any applicable**

6 **rate adjustment mechanisms approved by the commission.**

7 **(4) Taxes.**

8 **Sec. 2. As used in this chapter, "commission" refers to the**

9 **Indiana utility regulatory commission created by IC 8-1-1-2.**

10 **Sec. 3. (a) As used this chapter, "customer", with respect to an**

11 **electricity supplier, means a metered electrical service point:**

12 **(1) that is located at a specific location in Indiana; and**

13 **(2) for which an active billing account is established by the**

14 **electricity supplier.**

15 **(b) As the context requires, the term includes the person of**

16 **record who has agreed to pay for the retail electric service**

17 **provided by the electricity supplier at the location described in**

18 **subsection (a).**

19 **Sec. 4. As used in this chapter, "customer affordability**

20 **performance metric", with respect to an electricity supplier, means**

21 **a metric that:**

22 **(1) is determined by the commission under section 23 of this**

23 **chapter for a particular rate year included in that electricity**

24 **supplier's multi-year rate plan;**

25 **(2) is based on the most recent customer affordability**

26 **performance report submitted to the commission by the**

27 **electricity supplier under section 18 of this chapter; and**

28 **(3) is used by the commission to establish a customer**

29 **affordability PIM that applies to that rate year and provides**

30 **financial rewards or penalties to the electricity supplier based**

31 **on the electricity supplier's measured customer affordability**

32 **performance.**

33 **Sec. 5. As used in this chapter, "customer average interruption**

34 **duration index", or "CAIDI", means an index that:**

35 **(1) indicates the average time required to restore electric**

36 **service to an electricity supplier's customers affected by**

37 **sustained service interruptions; and**

38 **(2) is calculated by determining the quotient of:**

39 **(A) the sum of sustained service interruption durations in**

40 **minutes for a specified period; divided by**

41 **(B) the total number of customers affected by the sustained**

42 **service interruptions;**



1 **in accordance with IEEE 1336.**

2 **Sec. 6. (a) As used in this chapter, "electricity supplier" means**
 3 **a public utility (as defined in IC 8-1-2-1(a)) that:**

4 **(1) furnishes retail electric service to customers in Indiana;**
 5 **and**

6 **(2) is under the jurisdiction of the commission for the**
 7 **approval of rates and charges.**

8 **(b) The term does not include:**

9 **(1) a municipally owned utility (as defined in IC 8-1-2-1(h));**

10 **(2) a corporation organized under IC 8-1-13; or**

11 **(3) a corporation organized under IC 23-17 that is an electric**
 12 **cooperative and that has at least one (1) member that is a**
 13 **corporation organized under IC 8-1-13.**

14 **Sec. 7. As used in this chapter, "IEEE 1336" refers to:**

15 **(1) the 2022 edition of IEEE 1336, IEEE Guide for Electric**
 16 **Power Distribution Reliability Indices, as adopted by the**
 17 **Institute of Electrical and Electronics Engineers; or**

18 **(2) if the commission adopts a rule under IC 4-22-2 to amend:**

19 **(A) the 2022 edition; or**

20 **(B) any subsequent edition;**

21 **of IEEE 1336, the version of IEEE 1336 as amended by the**
 22 **commission.**

23 **Sec. 8. As used in this chapter, "major event day", or "MED",**
 24 **means a day with respect to which an electricity supplier's daily**
 25 **system SAIDI exceeds a statistical threshold value that is:**

26 **(1) calculated using the 2.5 Beta methodology developed by**
 27 **the Institute of Electrical and Electronics Engineers; and**

28 **(2) based on the most recent five (5) years of relevant data for**
 29 **the electricity supplier;**

30 **as defined in IEEE 1336.**

31 **Sec. 9. As used in this chapter, "multi-year rate plan" means a**
 32 **ratemaking mechanism under which the commission sets an**
 33 **electricity supplier's base rates for a three (3) year period that**
 34 **includes:**

35 **(1) authorized periodic changes in the electricity supplier's**
 36 **base rates; and**

37 **(2) adjustments to the electricity supplier's base rates based**
 38 **on the electricity supplier's performance with respect to each**
 39 **performance incentive mechanism applicable to the electricity**
 40 **supplier;**

41 **during the three (3) year period, without requiring the electricity**
 42 **supplier to file a new base rate case with respect to the changes and**



1 **adjustments.**

2 **Sec. 10.** As used in this chapter, "performance based
3 ratemaking" means an alternative ratemaking approach for
4 electricity suppliers that includes one (1) or more performance
5 incentive mechanisms in the context of a multi-year rate plan.

6 **Sec. 11.** As used in this chapter, "performance incentive
7 mechanism", or "PIM", means a ratemaking mechanism that is
8 approved by the commission and that:

9 (1) links an electricity supplier's earnings to the electricity
10 supplier's performance in targeted areas that are consistent
11 with the provision of electric utility service with the attributes
12 set forth in IC 8-1-2-0.6, including:

13 (A) reliability;
14 (B) affordability;
15 (C) resiliency;
16 (D) stability; and
17 (E) environmental sustainability;

18 as described in IC 8-1-2-0.6; and

19 (2) is based on specific performance metrics against which the
20 electricity supplier's performance is measured.

21 **Sec. 12.** As used in this chapter, "rate year" refers to a
22 particular year in a multi-year rate plan with respect to which:

23 (1) authorized base rates; and
24 (2) adjustments to base rates, including adjustments based on
25 an electricity supplier's performance in meeting performance
26 metrics serving as the basis of all applicable PIMs;

27 are in effect.

28 **Sec. 13.** As used in this chapter, "service interruption" means
29 the loss of electric service to one (1) or more customers connected
30 to the distribution portion of an electricity supplier's system.

31 **Sec. 14.** (a) As used in this chapter, "service restoration
32 performance metric", with respect to an electricity supplier, means
33 a metric that:

34 (1) is determined by the commission under section 24 of this
35 chapter for a particular rate year included in that electricity
36 supplier's multi-year rate plan;

37 (2) is based on the most recent service restoration
38 performance report submitted to the commission by the
39 electricity supplier under section 19 of this chapter; and

40 (3) is used by the commission to establish a service restoration
41 PIM that applies to that rate year and provides financial
42 rewards or penalties to the electricity supplier based on the



1 electricity supplier's measured service restoration
 2 performance.

3 **(b) The term includes the following:**

4 (1) A normalized service restoration performance metric
 5 determined by the commission under section 24(a) of this
 6 chapter.

7 (2) A MED service restoration performance metric
 8 determined by the commission under section 24(d) of this
 9 chapter.

10 Sec. 15. (a) As used in this chapter, "sustained service
 11 interruption" means a service interruption that is at least five (5)
 12 minutes in duration.

13 (b) The term does not include the following, regardless of
 14 duration:

15 (1) A planned service interruption that is:

16 (A) initiated by an electricity supplier to perform
 17 scheduled activities, such as work related to:

18 (i) system or facilities maintenance or upgrades;

19 (ii) infrastructure improvements; or

20 (iii) new construction; and

21 (B) communicated to customers in advance.

22 (2) A curtailment or interruption of service to a customer
 23 receiving service under an interruptible service tariff to the
 24 extent that the curtailment or interruption of service occurs
 25 in accordance with the customer's service agreement.

26 Sec. 16. As used in this chapter, "system average interruption
 27 duration index", or "SAIDI", means an index that:

28 (1) indicates the total duration of sustained service
 29 interruptions for an electricity supplier's average customer
 30 during a specified period; and

31 (2) is calculated by determining the quotient of:

32 (A) the sum of sustained service interruption durations in
 33 minutes for the specified period; divided by

34 (B) the total number of customers;

35 in accordance with IEEE 1336.

36 Sec. 17. As used in this chapter, "system average interruption
 37 frequency index", or "SAIFI", means an index that:

38 (1) indicates the number of sustained service interruptions an
 39 electricity supplier's average customer experiences over a
 40 specified period; and

41 (2) is calculated by determining the quotient of:

42 (A) the total number of customers that experienced



sustained service interruptions over the specified period;

divided by

(B) the total number of customers;

in accordance with IEEE 1336.

Sec. 18. Beginning in 2027, before February 1 of each year, an electricity supplier shall file with the commission, on a form prescribed by the commission, a customer affordability performance report that includes the following information:

(1) The electricity supplier's average monthly residential bill for each of the most recently concluded five (5) calendar years, normalized for weather if not otherwise normalized for weather through a rate adjustment mechanism described in section 1(b)(3) of this chapter.

(2) The average annual percentage change (rounded to the nearest one-tenth percent (0.1%)) in the electricity supplier's average monthly residential bill over the course of the most recently concluded five (5) calendar years, normalized for weather if not otherwise normalized for weather through a rate adjustment mechanism described in section 1(b)(3) of this chapter.

(3) For each of the most recently concluded five (5) calendar years, the annual percentage change in seasonally adjusted electricity prices for the United States as measured by the Consumer Price Index, as published by the United States Bureau of Labor Statistics.

(4) The average annual percentage change (rounded to the nearest one-tenth percent (0.1%)) in seasonally adjusted electricity prices for the United States as measured by the Consumer Price Index, as published by the United States Bureau of Labor Statistics, over the course of the most recently concluded five (5) calendar years.

Sec. 19. Beginning in 2027, before February 1 of each year, an electricity supplier shall file with the commission, on a form prescribed by the commission, a service restoration performance report that includes the following information for each of the most recently concluded six (6) calendar years:

(1) Each of the following indices, reported to exclude major event days, for the electricity supplier's system in Indiana as a whole:

(A) SAIDI.

(B) SAIFI.

(C) CAIDI.



(2) Each of the following indices, reported to include major event days only, for the electricity supplier's system in Indiana as a whole:

(A) SAIDI.

(B) SAIFI.

(C) CAIDI.

(3) The number of customers used by the utility in calculating each index required under subdivisions (1) and (2).

Sec. 20. (a) Except as otherwise provided in subsection (b), and subject to the schedule set forth in this section, an electricity supplier must petition the commission for approval of any change in its basic rates and charges through the submission of a multi-year rate plan in accordance with this chapter. An electricity supplier shall file its first petition with the commission for approval of a multi-year rate plan under this chapter according to the following schedule:

(1) After December 31, 2026, and before February 1, 2027, for the electricity supplier with the greatest number of Indiana customers.

(2) After June 30, 2027, and before August 1, 2027, for an electricity supplier with respect to which the commission has issued an order that:

(A) establishes basic rates and charges for the electricity supplier as part of a base rate case; and

(B) is issued after April 30, 2024, and before February 1, 2025.

(3) After December 31, 2027, and before February 1, 2028, for an electricity supplier with respect to which the commission has issued an order that:

(A) establishes basic rates and charges for the electricity supplier as part of a base rate case; and

(B) is issued after February 1, 2025, and before April 1, 2025.

(4) After June 30, 2028, and before August 1, 2028, for an electricity supplier with respect to which the commission has issued an order that:

(A) establishes basic rates and charges for the electricity supplier as part of a base rate case; and

(B) is issued after June 1, 2025, and before July 1, 2025.

(5) After December 31, 2028, and before February 1, 2029, for an electricity supplier with respect to which the commission has issued an order that:



- (A) establishes basic rates and charges for the electricity supplier as part of a base rate case that is not part of a multi-year rate plan under this chapter; and
- (B) is issued after January 1, 2026.

(b) An electricity supplier may petition the commission for relief under IC 8-1-2-113 for changes to the electricity supplier's basic rates and charges:

(1) after March 14, 2026; and

(2) before the beginning of the electricity supplier's applicable time frame for filing the electricity supplier's first petition for approval of multi-year rate plan under subsection (a).

However, the filing of a petition for relief under this subsection does not exempt an electricity supplier from filing its first petition for a multi-year rate plan under this chapter in accordance with the schedule set forth in subsection (a).

(c) An electricity supplier shall file its second petition and all subsequent petitions with the commission for approval of a multi-year rate plan under this chapter:

(1) not earlier than sixty (60) days before; and

(2) not later than thirty (30) days before;

the expiration of its then current multi-year rate plan.

Sec. 21. (a) The following apply to a multi-year rate plan under this chapter:

(1) An electricity supplier's petition for approval of a multi-year rate plan under this chapter must include the electricity supplier's proposed:

- (A) revenue requirements and base rates, or a method for calculating the electricity supplier's revenue requirements and base rates; and
- (B) test period;

**(B) test period,
for each of the rat**

(2) The base rates for the first rate year of an ele-

(2) The base rates for the first rate year of an electricity supplier's multi-year rate plan shall be established by the commission in the same manner that base rates would be established in a proceeding for a change in the electricity supplier's basic rates and charges that occurs outside of a multi-year rate plan, based on an appropriate test year used to determine the electricity supplier's actual and pro forma operating revenues, expenses, and operating income under current and proposed rates, adjusted for changes that are fixed, known, and measurable for ratemaking purposes and that occur within a reasonable time after the end of the test



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year.

(3) The base rates for the second and third rate years of an electricity supplier's multi-year rate plan shall be established using current or forward looking data that is adjusted to reflect the electricity supplier's actual jurisdictional financial performance results based on the most current available data at the time of the electricity supplier's petition for approval of the multi-year rate plan.

(4) In establishing an electricity supplier's authorized return for the electricity supplier's multi-year rate plan, the commission shall consider any increased or decreased risk to:

(A) the electricity supplier; and

(B) the electricity supplier's ratepayers;

that may result from the implementation of the multi-year rate plan.

(5) For each rate year in an electricity supplier's multi-year rate plan, the following apply:

(A) A customer affordability performance metric that:

(i) is determined by the commission under section 23 of this chapter for that rate year;

(ii) is based on the most recent customer affordability performance report submitted to the commission by the electricity supplier under section 18 of this chapter; and

(iii) is used by the commission to establish a customer affordability PIM that applies to that rate year.

(B) A customer affordability PIM that:

(i) is based on the electricity supplier's performance in meeting the customer affordability performance metric described in clause (A); and

(ii) provides financial rewards or penalties to the electricity supplier based on that performance in accordance with section 23 of this chapter.

(C) Two (2) service restoration performance metrics, consisting of a normalized service restoration performance metric and a MED service restoration performance metric, that:

(i) are determined by the commission under section 24 of this chapter for that rate year;

(ii) are based on the most recent service restoration performance report submitted to the commission by the electricity supplier under section 19 of this chapter; and

(iii) are each used by the commission to establish two (2)



1 **separate service restoration PIMs that apply to that rate**
 2 **year.**

3 **(D) Two (2) service restoration PIMs that:**

4 **(i) are based on the electricity supplier's performance in**
 5 **meeting the service restoration performance metrics**
 6 **described in clause (C); and**
 7 **(ii) provide financial rewards or penalties to the**
 8 **electricity supplier based on that performance in**
 9 **accordance with section 24 of this chapter.**

10 **(b) A multi-year rate plan under this chapter operates**
 11 **independently of, and shall be considered separately by the**
 12 **commission from, all:**

13 **(1) rate adjustment mechanisms, including the fuel**
 14 **adjustment charge under IC 8-1-2-42; and**

15 **(2) other cost recovery mechanisms;**

16 **otherwise allowed by law, unless otherwise incorporated into the**
 17 **multi-year rate plan.**

18 **(c) An electricity supplier may elect to:**

19 **(1) exclude from its proposed multi-year rate plan; and**

20 **(2) defer for consideration by the commission and for future**
 21 **recovery;**

22 **costs incurred or to be incurred in a regulatory asset, to the extent**
 23 **those specific costs are incremental and are not otherwise already**
 24 **included for recovery in the electricity supplier's rates, as**
 25 **authorized by IC 8-1-2-10.**

26 **Sec. 22. (a) The commission shall approve a multi-year rate plan**
 27 **for an electricity supplier under this chapter if, after notice and**
 28 **hearing, the commission finds the following:**

29 **(1) That the electricity supplier's rates under the multi-year**
 30 **rate plan are just and reasonable.**

31 **(2) That the multi-year rate plan reasonably assures the**
 32 **continuation of safe and reliable electric service for the**
 33 **electricity supplier's customers.**

34 **(3) That the multi-year rate plan will not unreasonably**
 35 **prejudice any class of the electricity supplier's customers and**
 36 **will not result in sudden substantial rate increases to the**
 37 **electricity supplier's customers or any class of customers.**

38 **(4) That the multi-year rate plan:**

39 **(A) will result in just and reasonable rates;**

40 **(B) is in the public interest; and**

41 **(C) is consistent with the requirements set forth in this**
 42 **chapter and in the rules adopted by the commission under**



section 27 of this chapter.

(b) At any time before the expiration of an electricity supplier's approved multi-year rate plan under this chapter, the commission may, with good cause and upon its own motion, or at the request of the electricity supplier do any of the following:

(1) Examine the reasonableness of the electricity supplier's rates under the multi-year rate plan.

(2) Conduct periodic reviews with opportunities for public hearings and comments from interested parties.

(3) Initiate a proceeding to adjust the base rates or PIMs under the multi-year rate plan as necessary to ensure that the multi-year rate plan continues to satisfy the criteria set forth in subsection (a).

Sec. 23. (a) For each rate year in an electricity supplier's multi-year rate plan, the commission shall determine a customer affordability performance metric for that electricity supplier by calculating the difference between:

(1) the average annual percentage change (rounded to nearest one-tenth percent (0.1%)) in the electricity supplier's average monthly residential bill over the course of the most recently concluded five (5) calendar years (normalized for weather if not otherwise normalized for weather through a rate adjustment mechanism described in section 1(b)(3) of this chapter); minus

(2) the average annual percentage change (rounded to nearest one-tenth percent (0.1%)) in seasonally adjusted electricity prices for the United States as measured by the Consumer Price Index, as published by the United States Bureau of Labor Statistics, over the course of the most recently concluded five (5) calendar years;

as reported in the most recent customer affordability performance report submitted to the commission by the electricity supplier under section 18 of this chapter. The difference calculated under this subsection is the electricity supplier's customer affordability performance metric for the rate year.

(b) If the electricity supplier's customer affordability performance metric under subsection (a) is a positive number that exceeds two (2) percentage points, the commission shall adjust the electricity supplier's authorized return for the rate year downward by not more than one (1) basis point.

(c) If the electricity supplier's customer affordability performance metric under subsection (a) is a negative number that



1 when multiplied by negative one (-1) exceeds two (2) percentage
 2 points, the commission shall adjust the electricity supplier's
 3 authorized return for the rate year upward by not more than one
 4 (1) basis point.

5 Sec. 24. (a) For each rate year included in an electricity
 6 supplier's multi-year rate plan, the commission shall determine,
 7 using the most recent service restoration performance report
 8 submitted to the commission by the electricity supplier under
 9 section 19 of this chapter, a normalized service restoration
 10 performance metric for that electricity supplier in the following
 11 manner:

12 STEP ONE: Calculate the sum of the electricity supplier's
 13 average:

- 14 (A) SAIDI;
- 15 (B) SAIFI; and
- 16 (C) CAIDI;

17 over the course of the five (5) calendar years immediately
 18 preceding the most recently concluded calendar year,
 19 excluding major event days, for the electricity supplier's
 20 system in Indiana as a whole.

21 STEP TWO: Calculate the sum of the electricity supplier's:

- 22 (A) SAIDI;
- 23 (B) SAIFI; and
- 24 (C) CAIDI;

25 for the most recently concluded calendar year, excluding
 26 major event days, for the electricity supplier's system in
 27 Indiana as a whole.

28 STEP THREE: Calculate the difference between the STEP
 29 ONE result minus the STEP TWO result.

30 STEP FOUR: Calculate the quotient of the STEP THREE
 31 result divided by the STEP ONE result, rounded to the
 32 nearest one-hundredth (0.01).

33 STEP FIVE: Calculate the product of one hundred (100)
 34 multiplied by the STEP FOUR result. This product is the
 35 electricity supplier's normalized service restoration
 36 performance metric for the rate year.

37 (b) If the electricity supplier's normalized service restoration
 38 performance metric under subsection (a) is a positive number that
 39 exceeds five (5), the commission shall adjust the electricity
 40 supplier's authorized return for the rate year upward by not more
 41 than one-half (0.50) basis point.

42 (c) If the electricity supplier's normalized service restoration



1 **performance metric under subsection (a) is a negative number that**
 2 **when multiplied by negative one (-1) exceeds five (5), the**
 3 **commission shall adjust the electricity supplier's authorized return**
 4 **for the rate year downward by not more than one-half (0.50) basis**
 5 **point.**

6 **(d) For each rate year included in an electricity supplier's**
 7 **multi-year rate plan, the commission shall determine, using the**
 8 **most recent service restoration performance report submitted to**
 9 **the commission by the electricity supplier under section 19 of this**
 10 **chapter, a MED service restoration performance metric for that**
 11 **electricity supplier in the following manner:**

12 **STEP ONE: Calculate the sum of the electricity supplier's**
 13 **average:**

14 **(A) SAIDI;**
 15 **(B) SAIFI; and**
 16 **(C) CAIDI;**

17 **over the course of the five (5) calendar years immediately**
 18 **preceding the most recently concluded calendar year,**
 19 **including major event days only, for the electricity supplier's**
 20 **system in Indiana as a whole.**

21 **STEP TWO: Calculate the sum of the electricity supplier's:**

22 **(A) SAIDI;**
 23 **(B) SAIFI; and**
 24 **(C) CAIDI;**

25 **for the most recently concluded calendar year, including**
 26 **major event days only, for the electricity supplier's system in**
 27 **Indiana as a whole.**

28 **STEP THREE: Calculate the difference between the STEP**
 29 **ONE result minus the STEP TWO result.**

30 **STEP FOUR: Calculate the quotient of the STEP THREE**
 31 **result divided by the STEP ONE result, rounded to the**
 32 **nearest one-hundredth (0.01).**

33 **STEP FIVE: Calculate the product of one hundred (100)**
 34 **multiplied by the STEP FOUR result. This product is the**
 35 **electricity supplier's MED service restoration performance**
 36 **metric for the rate year.**

37 **(e) If the electricity supplier's MED service restoration**
 38 **performance metric under subsection (d) is a positive number that**
 39 **exceeds five (5), the commission shall adjust the electricity**
 40 **supplier's authorized return for the rate year upward by not more**
 41 **than one-half (0.50) basis point.**

42 **(f) If the electricity supplier's MED service restoration**



1 **performance metric under subsection (d) is a negative number that**
2 **when multiplied by negative one (-1) exceeds five (5), the**
3 **commission shall adjust the electricity supplier's authorized return**
4 **for the rate year downward by not more than one-half (0.50) basis**
5 **point.**

6 **Sec. 25. (a) Beginning in 2029, the commission shall include in**
7 **the annual report that the commission is required to submit under**
8 **IC 8-1-1-14 before October 1 of each year the following**
9 **information as of the last day of the most recently concluded state**
10 **fiscal year:**

11 **(1) For each electricity supplier that is subject to this chapter,**
12 **the date of the electricity supplier's most recently filed**
13 **petition for approval of a multi-year rate plan under this**
14 **chapter.**

15 **(2) For each petition listed under subdivision (1):**

16 **(A) the date of the commission's final order approving the**

17 **multi-year rate plan; or**

18 **(B) if the petition is pending before the commission, the**
19 **procedural status of the petition.**

20 **(3) For each electricity supplier that is subject to this chapter,**
21 **the beginning and end dates of the electricity supplier's**
22 **current multi-year rate plan under this chapter, to the extent**
23 **applicable in a report submitted under this section before**
24 **2030.**

25 **(4) For each electricity supplier that is subject to this chapter,**
26 **the electricity supplier's calculated:**

27 **(A) customer affordability performance metric;**

28 **(B) normalized service restoration performance metric;**
29 **and**

30 **(C) MED service restoration performance metric;**

31 **for the current rate year in the electricity supplier's**
32 **multi-year rate plan under this chapter, to the extent**
33 **applicable in a report submitted under this section before**
34 **2030.**

35 **(5) For each electricity supplier that is subject to this chapter,**
36 **any available data as to the impact on customer rates of the**
37 **electricity supplier's applicable:**

38 **(A) customer affordability performance metric;**

39 **(B) normalized service restoration performance metric;**
40 **and**

41 **(C) MED service restoration performance metric;**

42 **during the most recently concluded rate year under a**



1 **multi-year rate plan of the electricity supplier under this**
 2 **chapter.**

3 **(6) Any other quantitative or qualitative information that the**
 4 **commission considers relevant for members of:**

5 **(A) the interim study committee on energy, utilities, and**
 6 **telecommunications established by IC 2-5-1.3-4(8); and**

7 **(B) the general assembly;**
 8 **to consider in evaluating multi-year rate plans under this**
 9 **chapter.**

10 **(b) Subject to subsection (c), an electricity supplier shall provide**
 11 **the commission, at the time and in the manner prescribed by the**
 12 **commission, any information or related materials required by the**
 13 **commission to fulfill the commission's reporting obligations under**
 14 **subsection (a).**

15 **(c) Upon request by an electricity supplier, the commission shall**
 16 **determine whether any information or related materials required**
 17 **by the commission under subsection (b):**

18 **(1) are confidential under IC 5-14-3-4;**

19 **(2) are exempt from public access and disclosure by Indiana**
 20 **law; and**

21 **(3) must be treated as confidential and protected from public**
 22 **access and disclosure by the commission.**

23 **Sec. 26. After March 14, 2026, any reference in IC 8-1, or in**
 24 **rules adopted by the commission, to:**

25 **(1) a "base rate case";**

26 **(2) a "general rate case";**

27 **(3) a proceeding for a change or increase in "basic rates and**
 28 **charges"; or**

29 **(4) words of similar import;**

30 **with respect to an electricity supplier subject to this chapter is**
 31 **considered a reference to the establishment of the electricity**
 32 **supplier's basic rates and charges for the first year of the**
 33 **electricity supplier's multi-year rate plan under this chapter.**

34 **Sec. 27. The commission shall adopt rules under IC 4-22-2 to**
 35 **implement this chapter.**

36 SECTION 6. IC 8-1-47 IS ADDED TO THE INDIANA CODE AS
 37 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON
 38 PASSAGE]:

39 **Chapter 47. Low Income Customer Assistance Programs for**
 40 **Electric Utility Service**

41 **Sec. 1. As used in this chapter, "electricity supplier" means a**
 42 **person, however organized, that:**



- (1) provides utility service to customers; and
- (2) is under the jurisdiction of the commission for the approval of rates and charges.

Sec. 2. (a) As used in this chapter, "eligible program costs" means costs that are associated with an electricity supplier's low income customer assistance program and that:

(1) have been incurred, or are reasonably estimated to be incurred, by the electricity supplier in administering the low income customer assistance program, including administrative activities involving:

- (A) customer eligibility verification;
- (B) billing services; and
- (C) contribution management; and

(2) have not been and will not be recovered by the electricity supplier through:

(A) a required allocation under section 6 of this chapter; or
(B) contributions of any money, services, or property that
have been or will be provided at no cost to the electricity
supplier by or through any:

- (i) governmental agency or program; or
- (ii) other third party, including voluntary charitable contributions from nonprofit organizations or from employees, customers, or shareholders of the electricity supplier;

in support of the program.

(b) The term does not include lost revenues associated with an electricity supplier's low income customer assistance program.

Sec. 3. As used in this chapter, "low income customer" refers to a residential customer who is part of a household that:

(1) has agreed to pay for utility service from an electricity supplier; and

(2) is eligible for and has applied for assistance from a home energy assistance program administered under IC 4-4-33.

Sec. 4. As used in this chapter, "utility service" means electric service that is provided at retail to customers.

Sec. 5. (a) Not later than July 1, 2026, an electricity supplier shall offer a low income customer assistance program that provides financial assistance to low income customers for the payment of monthly bills for utility service provided by the electricity supplier.

program that:

(1) is offered by the electricity supplier before July 1, 2026;

(2) provides for a reduction in the amount of electricity supplied to a household by a minimum of 10%;



the payment of monthly bills for utility service provided by the electricity supplier;

(3) remains in effect on July 1, 2026; and

(4) includes eligibility criteria consistent with section 3(2) of this chapter;

qualifies as a low income customer assistance program for purposes of this section.

(b) Subject to subsection (a), an electricity supplier may

(b) Subject to subsection (c), an electricity supplier may establish:

(b) Subject to subsection (c), an electricity supplier may establish:

(1) per customer funding limits;

(2) enrollment limits; or

(3) other limits, caps, or restrictions;

applicable to the low income customer assistance program based on funds available for the program from governmental agencies or programs or from other third parties, including voluntary charitable contributions from nonprofit organizations or from employees, customers, or shareholders of the electricity supplier.

(c) If at any time during a calendar year:

(1) an electricity supplier is no longer able to offer assistance to additional eligible customers under the electricity supplier's low income customer assistance program as a result of any limit, cap, or restriction established under subsection (b); and

(2) the full amount allocated or to be allocated to the program under section 6 of this chapter has not been allocated to low income customers enrolled in the program at the time the limit, cap, or restriction is reached;

the portion of the amount allocated or to be allocated to the program under section 6 of this chapter that has not been allocated to low income customers enrolled in the program at time the limit, cap, or restriction is reached shall be segregated from all other funds of the electricity supplier and held in trust for allocation to low income customers enrolled in the electricity supplier's low income customer assistance program in the following calendar year.

Sec. 6. (a) Beginning in 2027, not later than March 1 of each year, an electricity supplier shall allocate to the electricity supplier's low income customer assistance program an amount equal to at least fifty percent (50%) of the amount of any lost revenues recovered by the electricity supplier during the most recently concluded calendar year under:

(1) IC 8-1-8.5-9(l), in the case of an electricity supplier that is



not a public utility (as defined in IC 8-1-2-1(a)); or
(2) IC 8-1-8.5-10(o)(2), in the case of an electricity supplier
that is a public utility (as defined in IC 8-1-2-1(a));
as approved program costs associated with an energy efficiency
program offered by the electricity supplier.

(b) The commission shall prescribe in the rules adopted by the commission under section 12 of this chapter the procedures by which an electricity supplier shall:

(1) make; and

(2) report to the commission;

a transfer required by this section.

Sec. 7. (a) In each residential customer bill issued by an electricity supplier after June 30, 2026, the electricity supplier must include a notice that:

(1) informs customers that the electricity supplier offers a low income customer assistance program for eligible customers; and

(2) includes:

(A) a toll free telephone number; or

(B) a link to a web page;

that a customer may call or access for information on how to apply for assistance under the program.

(b) Not later than July 1, 2026, the electricity supplier shall post the information described in subsection (a)(1) and (a)(2) on the electricity supplier's website. If at any time during a calendar year, the electricity supplier is no longer able to offer assistance to additional eligible customers under the electricity supplier's low income customer assistance program as a result of any:

(1) per customer funding limits;

(2) enrollment limits; or

(3) other limits, caps, or restrictions;

established by the electricity supplier under section 5(b) of this chapter, the electricity supplier shall include on its website a statement notifying customers of that fact. If the electricity supplier is subsequently able to enroll new eligible customers in the program during that calendar year, the electricity supplier shall remove the previously posted statement from its website and post a new statement indicating that the program is again accepting new applications for assistance.

Sec. 8. If a customer:

(1) applies for assistance under an electricity supplier's low income customer assistance program; and



(2) qualifies as a low income customer under section 3(2) of this chapter;

the electricity supplier shall enroll the customer in the program, to the extent the electricity supplier is able to do so under any per customer funding limits, enrollment limits, or other limits, caps, or restrictions established by the electricity supplier under section 5(b) of this chapter and applicable at the time of the customer's application.

Sec. 9. (a) An electricity supplier may, but is not required to, petition the commission for approval to recover eligible program costs. An electricity supplier may file a petition the commission under this section:

(1) as part of a base rate case; or

(2) at any time as part of an independent proceeding in which the electricity supplier petitions the commission to recover eligible program costs on a timely basis through a periodic rate adjustment mechanism.

(b) A petition under subsection (a)(2) for approval of a rate schedule that periodically adjusts the electricity supplier's rates and charges to provide for the timely recovery of eligible program costs must include the following for a twelve (12) month period set forth in the electricity supplier's petition:

(1) A description of any money, services, or property that has been or will be provided at no cost to the electricity supplier by or through any:

(A) governmental agency or program; or

(B) other third party, including voluntary charitable contributions from nonprofit organizations or from employees, customers, or shareholders of the electricity supplier;

in support of the low income customer assistance program, including the actual or estimated amount or value of the money, services, or property described.

(2) A statement of any amounts that have been or will be allocated to the electricity supplier's low income customer assistance program under section 6 of this chapter.

(3) A breakdown of eligible program costs that have been or will be incurred by the electricity supplier, including the:

(A) amounts; and

(B) purposes;

for which they have been or will be incurred.

A rate schedule proposed by an electricity supplier under this



1 subsection may be based in whole or in part on reasonable cost
 2 forecasts over all or any part of the twelve (12) month period on
 3 which the electricity supplier's petition is based, subject to the
 4 commission's consideration of the electricity supplier's historical
 5 forecasting accuracy. If forecasted data is used, the proposed rate
 6 schedule must provide for a reconciliation mechanism to correct
 7 for any variance between the forecasted eligible program costs and
 8 the actual eligible program costs incurred.

9 (c) Subject to subsection (d), after reviewing an electricity
 10 supplier's petition under subsection (a)(2), the commission
 11 determines that:

- 12 (1) the electricity supplier has incurred or will incur eligible
 13 program costs that are reasonable in amount;
- 14 (2) notwithstanding section 10 of this chapter, the effect or the
 15 potential effect, in both the long and short term, of the
 16 proposed rate schedule on the electric rates of
 17 nonparticipating customers or other customer classes of the
 18 electricity supplier will be minimal; and
- 19 (3) approval of the proposed rate schedule is in the public
 20 interest;

21 the commission shall approve the electricity supplier's proposed
 22 rate schedule under subsection (b).

23 (d) The commission may not approve a rate schedule under
 24 subsection (b) that would result in an average aggregate increase
 25 in an electricity supplier's total retail revenues of more than two
 26 percent (2%) with respect to the twelve (12) month period on
 27 which the electricity supplier's proposed rate schedule is based. If
 28 an electricity supplier incurs eligible program costs in connection
 29 with the electricity supplier's low income customer assistance
 30 program that exceed the limit set forth in this subsection, the
 31 electricity supplier may seek to recover those eligible program
 32 costs for recovery in the electricity supplier's next base rate case.

33 Sec. 10. A low income customer assistance program offered
 34 under this chapter that affects rates and charges for service is not
 35 discriminatory for purposes of this chapter or any other law
 36 regulating rates and charges for service.

37 Sec. 11. (a) Beginning in 2027, the commission shall include in
 38 the annual report that the commission is required to submit under
 39 IC 8-1-1-14 before October 1 of each year the following
 40 information for each electricity supplier with respect to the most
 41 recently concluded state fiscal year:

42 (1) The number of low income customers enrolled in the



electricity supplier's low income customer assistance program at the beginning and end of the state fiscal year.

(2) The total amount of assistance provided to low income customers under the electricity supplier's program.

(3) The median amount of assistance provided to each customer under the electricity supplier's program.

(4) Subject to subsection (c), an identification of the sources and amounts of any money, services, or property contributed to the electricity supplier's program by or through:

- (A) governmental agencies or programs; or
- (B) other third parties, including voluntary charitable contributions from nonprofit organizations or from employees, customers, or shareholders of the electricity supplier.

(5) An identification of the amounts of any:

(A) per customer funding limits;

(B) enrollment limits; or

(C) other limits, caps, or restrictions;

established by the electricity supplier under section 5(b) of this chapter, along with information as to whether and when any such limits, caps, or restrictions were reached or applied during the state fiscal year.

(b) Subject to subsection (c), an electricity supplier shall provide the commission, at the time and in the manner prescribed by the commission, any information required under subsection (a) to be included in the commission's annual report.

(c) Upon request by an electricity supplier, the commission shall determine whether any information and related materials described in subsection (a):

(1) are confidential under IC 5-14-3-4;

(2) are exempt from public access and disclosure by Indiana law; and

(3) must be treated as confidential and protected from public access and disclosure by the commission.

In addition, an electricity supplier is not required to name individual third party donors under subsection (a)(4) and may instead report the types of third party organizations and individuals that contributed to the electricity supplier's program and the amounts contributed by each type.

Sec. 12. The commission shall adopt rules under IC 4-22-2 to implement this chapter.

SECTION 7. [EFFECTIVE UPON PASSAGE] (a) As used in this



1 **SECTION, "commission" refers to the Indiana utility regulatory**
2 **commission created by IC 8-1-1-2.**

3 **(b) Not later than May 1, 2026, the commission shall amend the**
4 **following rules of the commission as necessary to conform the rules**
5 **with IC 8-1-2-121, as amended by this act:**

6 **(1) 170 IAC 4.**

7 **(2) 170 IAC 5.**

8 **(3) Any other rule that:**

9 **(A) has been adopted by the commission; and**

10 **(B) is inconsistent with IC 8-1-2-121, as amended by this**
11 **act.**

12 **(c) This SECTION expires January 1, 2027.**

13 **SECTION 8. [EFFECTIVE UPON PASSAGE]**
14 **(a) Before January**
15 **1, 2027, the commission shall amend 170 IAC 4-1-23 as necessary**
16 **to conform 170 IAC 4-1-23 to the requirements of IC 8-1-46, as**
17 **added by this act.**

18 **(b) This SECTION expires January 2, 2027.**

19 **SECTION 9. An emergency is declared for this act.**

