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HOUSE BILL No. 1002

Proposed Changes to introduced printing by AM100212

DIGEST OF PROPOSED AMENDMENT

Exemption from state gross retail tax for residential utility service. Adds language providing that the total monthly residential bill amount for the retail sale of: (1) electric; (2) natural gas; or (3) water; service by a public utility to a residential customer is exempt from the state gross retail tax with respect to any monthly residential bill issued to a customer after June 30, 2026.

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 6-2.5-4-5, AS AMENDED BY P.L.137-2022,
2 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: Sec. 5. (a) As used in this section, "total monthly
4 residential bill amount", with respect to a public utility, means the
5 total charges billed for a particular monthly billing cycle to a
6 residential customer receiving retail electric, natural gas, or water
7 service. The term includes the following charges and fees:
8 (1) Fixed service charges.
9 (2) Distribution and delivery charges.
10 (3) Charges based on the amount of the commodity provided
11 to or consumed by the customer during the billing cycle.
12 (4) Additional charges, including any applicable rate
13 adjustment mechanisms approved by the commission.
14 (5) Individual program charges, separately stated for each
15 program for which the customer is enrolled.
16 (6) Account management and billing fees.
17 (7) Any other applicable charges or fees.
18 (b) Except as provided in subsection (c), a power subsidiary or

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1 a person engaged as a public utility is a retail merchant making a retail
 2 transaction when the subsidiary or person furnishes or sells electrical
 3 energy, natural or artificial gas, water, steam, or steam heating service
 4 to a person for commercial or domestic consumption.

5 **(c) This subsection applies to the retail sale of:**

6 **(1) electric;**
 7 **(2) natural gas; or**
 8 **(3) water;**

9 **service by a public utility to a residential customer of the public**
 10 **utility. A public utility is not a retail merchant making a retail**
 11 **transaction with respect to a sale described in this subsection that**
 12 **is reflected in a monthly residential bill issued to a residential**
 13 **customer after June 30, 2026. The total monthly residential bill**
 14 **amount is exempt from the state gross retail tax for any monthly**
 15 **residential bill issued by a public utility to a residential customer**
 16 **after June 30, 2026.**

17 1] SECTION ~~↔~~^{2]} IC 8-1-2-4.7 IS ADDED TO THE INDIANA
 18 CODE AS A NEW SECTION TO READ AS FOLLOWS
 19 [EFFECTIVE UPON PASSAGE]: Sec. 4.7. (a) As used in this section,
 20 "budget billing plan" means a leveled payment plan, however
 21 denominated, that:

22 **(1) applies to a customer's account with an electricity**
 23 **supplier;**
 24 **(2) provides for the payment of a customer's bill in equal**
 25 **monthly installments; and**
 26 **(3) involves a reconciliation mechanism in which:**
 (A) the amount of utility service actually used by the
 customer during a specified period is compared with the
 amount of utility service for which the customer was
 billed under the plan during the specified period; and
 (B) the customer's account is either billed or credited, as
 appropriate, for any difference identified under clause
 (A).

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

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

40 **(1) provides utility service to customers; and**
 41 **(2) is under the jurisdiction of the commission for the**
 42 **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

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1 **reconciliation mechanism will be applied, the monthly**
 2 **billing cycle after which the reconciliation mechanism**
 3 **will be applied; and**

4 **(C) the method by which the electricity supplier will:**
 5 **(i) compare the amount of utility service actually**
 6 **used by the customer with the amount of utility**
 7 **service for which the customer was billed under the**
 8 **plan during the billing cycles that are being**
 9 **reconciled; and**
 10 **(ii) either bill or credit the customer's account, as**
 11 **appropriate, for any difference identified under**
 12 **item (i);**

13 **(3) offers the customer a mechanism, through one (1) or**
 14 **more methods described in subdivision (4), by which the**
 15 **customer may opt out of a budget billing plan at any time,**
 16 **without penalty, before or after the budget billing plan is**
 17 **applied to the customer's account, subject to the**
 18 **reconciliation mechanism described in subsection (a)(3); and**
 19 **(4) is delivered to the customer by one (1) or more of the**
 20 **following methods:**

21 **(A) United States mail.**
 22 **(B) Electronic mail.**
 23 **(C) A mobile application or another Internet based**
 24 **method.**

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

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

32 SECTION ~~☞~~[3]. IC 8-1-2-42.7, AS ADDED BY P.L.133-2013,
 33 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 34 UPON PASSAGE]: Sec. 42.7. **(a) This section does not apply to an**
 35 **electricity supplier (as defined in IC 8-1-46-6) that has filed a**
 36 **petition with the commission to change the electricity supplier's**
 37 **basic rates and charges through the submission of a multi-year rate**
 38 **plan under IC 8-1-46.**

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



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

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

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

15 (1) A public utility.
 16 (2) A municipally owned utility.
 17 (3) A cooperative owned utility.

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

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

38 **(e) (f)** This subsection does not apply to a proceeding in which a
 39 utility is seeking an increase in basic rates and charges and requesting
 40 initial relief under IC 8-1-2.5-5 or IC 8-1-2.5-6. If the commission does
 41 not issue an order on a petition filed by a utility under subsection (d)
 42 (e) within three hundred (300) days after the utility files its case in



1 chief in support of the proposed increase, the utility may temporarily
 2 implement fifty percent (50%) of the utility's proposed permanent
 3 increase in basic rates and charges, subject to the commission's review
 4 and determination under subsection ~~(f)~~ **(g)**. The utility shall submit the
 5 proposed temporary rates and charges to the commission at least thirty
 6 (30) days before the date on which the utility seeks to implement the
 7 temporary rates and charges. The temporary rates and charges may
 8 reflect proposed or existing approved customer class allocations and
 9 rate designs. However, if the utility uses a forward looking test period
 10 described in subsection ~~(d)(1)~~ **(e)(1)** or a hybrid test period described
 11 in subsection ~~(d)(3)~~ **(e)(3)**, the utility may not:

- 12 (1) implement the temporary increase before the date on which
 13 the projected data period begins; or
- 14 (2) object during a proceeding before the commission to a
 15 discovery request for historic data as described in subsection ~~l~~
 16 ~~l(d)(2)~~ **(e)(2)** solely on the basis that the utility has designated a
 17 forward looking or hybrid test period.

18 **(f) (g)** The commission shall review the temporary rates and
 19 charges to determine compliance with this section. The temporary rates
 20 and charges take effect on the latest of the following dates unless the
 21 commission determines that the temporary rates and charges are not
 22 properly designed in compliance with this section:

- 23 (1) The date proposed by the utility.
- 24 (2) Three hundred (300) days after the date on which the utility
 25 files its case in chief.
- 26 (3) The termination of any extension of the three hundred (300)
 27 day deadline authorized under subsection ~~(g)~~ **(h)** or ~~(h)~~ **(i)**.

28 If the commission determines that the temporary rates and charges are
 29 not properly designed in compliance with this section, the utility may
 30 cure the defect and file the corrected temporary rates and charges with
 31 the commission within a reasonable period determined by the
 32 commission.

33 **(g) (h)** If the commission grants a utility an extension of the
 34 procedural schedule, the commission may extend the three hundred
 35 (300) day deadline set forth in subsection ~~(e)~~ **(f)** by the length of the
 36 extension.

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

40 **(h) (j)** If a utility implements temporary rates and charges that
 41 differ from the permanent rates and charges approved by the
 42 commission in a final order on the petition filed under subsection ~~(d)~~,



1 (e), the utility shall perform a reconciliation and implement a refund,
 2 in the form of a credit rider, or a surcharge, as applicable, on customer
 3 bills rendered on or after the date the commission approves the credit
 4 or surcharge. The refund or surcharge shall be credited or added in
 5 equal amounts each month for six (6) months. The amount of the total
 6 refund or surcharge equals the amount by which the temporary rates
 7 and charges differ from the permanent rates and charges, plus, for a
 8 refund only, interest at the applicable average prime rate for each
 9 calendar quarter during which the temporary rates and charges were in
 10 effect.

11 SECTION ~~4~~⁴. IC 8-1-2-121, AS AMENDED BY
 12 P.L.181-2006, SECTION 48, IS AMENDED TO READ AS
 13 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 121. **(a) As used**
 14 **in this section, "electric or gas utility" includes a municipally**
 15 **owned, privately owned, or cooperatively owned utility.**

16 **(b) As used in this section, "electric utility" includes a**
 17 **municipally owned, privately owned, or cooperatively owned**
 18 **utility.**

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

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

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

25 **when extremely dangerous heat conditions are expected or**
 26 **occurring.**

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

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

37 **(2) On any day for which an extreme heat warning is in**
 38 **effect in a county or region within an electric utility's**
 39 **assigned service area under IC 8-1-2.3, the electric utility**
 40 **may not terminate residential electric service for customers**
 41 **who:**

42 **(A) receive residential electric service from the electric**



utility at a location for which the extreme heat warning is in effect; and

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

If residential electric service is terminated for a customer described in this subdivision 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 extreme heat warning is issued and may not resume the service termination until after the extreme heat warning is no longer in effect.

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

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

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

(2) includes:

(A) a toll free telephone number; or

(B) a link to a web page;

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

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1 commission under section 34.5 of this chapter.

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

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

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

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

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

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

17 SECTION ~~44~~⁴⁴ [5], IC 8-1-39-9, AS AMENDED BY P.L.89-2019,

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

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

28 (2) include the public utility's TDSIC plan for eligible
29 transmission, distribution, and storage system improvements;
30 and

31 (3) identify projected effects of the plan described in subdivision
32 (2) on retail rates and charges.

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

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

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

41 (2) transmission, distribution, and storage system improvements
42 not described in the public utility's TDSIC plan most recently



approved by the commission under section 10 of this chapter.

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

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

(e) This subsection does not apply to an electricity supplier (as defined in IC 8-1-46-6) that:

(1) is subject to a multi-year rate plan under IC 8-1-46; or

(2) petitions the commission for approval of a multi-year rate

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.

(f) A public utility may file a petition under this section not more 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.

SECTION ~~6~~⁶ [6]. IC 8-1-46 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 46. Performance Based Ratemaking for Electricity Suppliers

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

(b) The term includes the following charges:

(1) Fixed service charges.

(2) Energy charges based on the amount of electricity

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provided to or consumed by the customer during the billing cycle.

(3) Additional charges or credits, including any applicable rate adjustment mechanisms approved by the commission.

(4) Taxes.

Sec. 2. As used in this chapter, "commission" refers to the Indiana utility regulatory commission created by IC 8-1-1-2.

Sec. 3. (a) As used this chapter, "customer", with respect to an electricity supplier, means a metered electrical service point:

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

(2) for which an active billing account is established by the electricity supplier.

(b) As the context requires, the term includes the person of record who has agreed to pay for the retail electric service provided by the electricity supplier at the location described in subsection (a).

Sec. 4. As used in this chapter, "customer affordability performance metric", with respect to an electricity supplier, means a metric that:

(1) is determined by the commission under section 23 of this chapter for a particular rate year included in that electricity supplier's multi-year rate plan;

(2) 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

(3) is used by the commission to establish a customer affordability PIM that applies to that rate year and provides financial rewards or penalties to the electricity supplier

based on the electricity supplier's measured customer affordability performance.

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

tion index", or "CAIDI", means an index that:

- (1) indicates the average time required to restore electric service to an electricity supplier's customers affected by a power outage.

sustained service interruptions; and

(A) the sum of sustained service interruption durations
is greater than a specified limit, divided by

in minutes for a specified period; divided by
(B) the total number of customers affected by
the breakdown.

sustained service interrupt

in accordance with IEEE 1336.

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1 **a public utility (as defined in IC 8-1-2-1(a)) that:**

2 **(1) furnishes retail electric service to customers in Indiana;**

3 **and**

4 **(2) is under the jurisdiction of the commission for the**

5 **approval of rates and charges.**

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

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

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

9 **(3) a corporation organized under IC 23-17 that is an electric**

10 **cooperative and that has at least one (1) member that is a**

11 **corporation organized under IC 8-1-13.**

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

13 **(1) the 2022 edition of IEEE 1336, IEEE Guide for Electric**

14 **Power Distribution Reliability Indices, as adopted by the**

15 **Institute of Electrical and Electronics Engineers; or**

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

17 **amend:**

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

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

20 **of IEEE 1336, the version of IEEE 1336 as amended by the**

21 **commission.**

22 **Sec. 8. As used in this chapter, "major event day", or "MED",**

23 **means a day with respect to which an electricity supplier's daily**

24 **system SAIDI exceeds a statistical threshold value that is:**

25 **(1) calculated using the 2.5 Beta methodology developed by**

26 **the Institute of Electrical and Electronics Engineers; and**

27 **(2) based on the most recent five (5) years of relevant data**

28 **for the electricity supplier;**

29 **as defined in IEEE 1336.**

30 **Sec. 9. As used in this chapter, "multi-year rate plan" means**

31 **a ratemaking mechanism under which the commission sets an**

32 **electricity supplier's base rates for a three (3) year period that**

33 **includes:**

34 **(1) authorized periodic changes in the electricity supplier's**

35 **base rates; and**

36 **(2) adjustments to the electricity supplier's base rates based**

37 **on the electricity supplier's performance with respect to each**

38 **performance incentive mechanism applicable to the**

39 **electricity supplier;**

40 **during the three (3) year period, without requiring the electricity**

41 **supplier to file a new base rate case with respect to the changes and**

42 **adjustments.**



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

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

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

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

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

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

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

22 (1) authorized base rates; and
23 (2) adjustments to base rates, including adjustments based
24 on an electricity supplier's performance in meeting
25 performance metrics serving as the basis of all applicable
26 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
41 restoration PIM that applies to that rate year and provides
42 financial rewards or penalties to the electricity supplier



based on the electricity supplier's measured service restoration performance.

(b) The term includes the following:

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

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

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

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

(1) A planned service interruption that is:

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

(i) system or facilities maintenance or upgrades;

(ii) infrastructure improvements; or

(iii) new construction; and

(B) communicated to customers in advance.

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

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

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

(2) is calculated by determining the quotient of:

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

(B) the total number of customers:

(c) the total number of customers,
in accordance with IEEE 1336.

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

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

(2) is calculated by determining the quotient of:

(A) the total number of customers that experienced



sustained service interruptions over the specified period;
divided by
(B) the total number of customers;
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.

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(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).

10 Sec. 20. (a) Except as otherwise provided in subsection (b), and
11 subject to the schedule set forth in this section, an electricity
12 supplier must petition the commission for approval of any change
13 in its basic rates and charges through the submission of a
14 multi-year rate plan in accordance with this chapter. An electricity
15 supplier shall file its first petition with the commission for approval
16 of a multi-year rate plan under this chapter according to the
17 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



1 commission has issued an order that:

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

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

9 (1) after March 14, 2026; and
 10 (2) before the beginning of the electricity supplier's
 11 applicable time frame for filing the electricity supplier's first
 12 petition for approval of multi-year rate plan under
 13 subsection (a).

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

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

21 (1) not earlier than sixty (60) days before; and
 22 (2) not later than thirty (30) days before;

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

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

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

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

33 for each of the rate years in the multi-year rate plan.

34 (2) The base rates for the first rate year of an electricity
 35 supplier's multi-year rate plan shall be established by the
 36 commission in the same manner that base rates would be
 37 established in a proceeding for a change in the electricity
 38 supplier's basic rates and charges that occurs outside of a
 39 multi-year rate plan, based on an appropriate test year used
 40 to determine the electricity supplier's actual and pro forma
 41 operating revenues, expenses, and operating income under
 42 current and proposed rates, adjusted for changes that are

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1 **fixed, known, and measurable for ratemaking purposes and**
2 **that occur within a reasonable time after the end of the test**
3 **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.

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

21 (A) A customer affordability performance metric that:
22 (i) is determined by the commission under section
23 of this chapter for that rate year;
24 (ii) is based on the most recent customer
25 affordability performance report submitted to the
26 commission by the electricity supplier under section
27 18 of this chapter; and
28 (iii) is used by the commission to establish a
29 customer affordability PIM that applies to that rate
30 year.

31 **(B) A customer affordability PIM that:**

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

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

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

(i) are determined by the commission under section

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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) separate service restoration PIMs that apply to that rate year.

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

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

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

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

(2) other cost recovery mechanisms;

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

(c) An electricity supplier may elect to:

- (1) exclude from its proposed multi-year rate plan; and
- (2) defer for consideration by the commission and for future recovery;

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

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

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

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

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



electricity supplier's customers or any class of customers.

(4) That the multi-year rate plan:

(A) will result in just and reasonable rates;

(B) is in the public interest; and

(C) is consistent with the requirements set forth in this 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

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

5 (c) If the electricity supplier's customer affordability
 6 performance metric under subsection (a) is a negative number that
 7 when multiplied by negative one (-1) exceeds two (2) percentage
 8 points, the commission shall adjust the electricity supplier's
 9 authorized return for the rate year upward by not more than one
 10 (1) basis point.

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

18 **STEP ONE:** Calculate the sum of the electricity supplier's
 19 average:

20 (A) SAIDI;
 21 (B) SAIFI; and
 22 (C) CAIDI;

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

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

28 (A) SAIDI;
 29 (B) SAIFI; and
 30 (C) CAIDI;

31 for the most recently concluded calendar year, excluding
 32 major event days, for the electricity supplier's system in
 33 Indiana as a whole.

34 **STEP THREE:** Calculate the difference between the STEP
 35 ONE result minus the STEP TWO result.

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

39 **STEP FIVE:** Calculate the product of one hundred (100)
 40 multiplied by the STEP FOUR result. This product is the
 41 electricity supplier's normalized service restoration
 42 performance metric for the rate year.



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

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

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

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

- (A) SAIDI;
- (B) SAIFI; and
- (C) CAIDI;

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

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

- (A) SAIDI;
- (B) SAIFI; and
- (C) CAIDI;

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

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

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

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

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

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

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

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

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

(A) the date of the commission's final order approving the multi-year rate plan; or

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

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

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

(A) customer affordability performance metric;

(B) normalized service restoration performance metric; and

(C) MED service restoration performance metric;

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

(5) For each electricity supplier that is subject to this chapter, any available data as to the impact on customer

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rates of the electricity supplier's applicable:

(A) customer affordability performance metric;

(B) normalized service restoration performance metric;

and

(C) MED service restoration performance metric;

during the most recently concluded rate year under a multi-year rate plan of the electricity supplier under this chapter.

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

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

(B) the general assembly;

to consider in evaluating multi-year rate plans under this chapter.

(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 or related materials required by the commission to fulfill the commission's reporting obligations under subsection (a).

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

(1) are confidential under JC 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 access and disclosure by the commission.

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

(1) a "base rate case":

(1) a "base rate case",
 (2) a "general rate case":

(2) a "general rate case";
(3) a proceeding for a change or increase in "basic rates and charges"; or

(4) words of similar import:

(1) words of similar import, with respect to an electricity supplier subject to this chapter is considered a reference to the establishment of the electricity supplier's basic rates and charges for the first year of the electricity supplier's multi-year rate plan under this chapter.

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

SECTION ~~4~~[7]. IC 8-1-47 IS ADDED TO THE INDIANA

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1 CODE AS A NEW CHAPTER TO READ AS FOLLOWS
 2 [EFFECTIVE UPON PASSAGE]:

3 **Chapter 47. Low Income Customer Assistance Programs for**
 4 **Electric Utility Service**

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

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

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

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

- 17 **(A) customer eligibility verification;**
- 18 **(B) billing services; and**
- 19 **(C) contribution management; and**

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

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

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

32 **in support of the program.**

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

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

- 37 **(1) has agreed to pay for utility service from an electricity**
 38 **supplier; and**
- 39 **(2) is eligible for and has applied for assistance from a home**
 40 **energy assistance program administered under IC 4-4-33.**

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



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

5 **A program that:**

- 6 **(1) is offered by the electricity supplier before July 1, 2026;**
- 7 **(2) provides financial assistance to low income customers for**
 8 **the payment of monthly bills for utility service provided by**
 9 **the electricity supplier;**
- 10 **(3) remains in effect on July 1, 2026; and**
- 11 **(4) includes eligibility criteria consistent with section 3(2) of**
 12 **this chapter;**

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

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

- 17 **(1) per customer funding limits;**
- 18 **(2) enrollment limits; or**
- 19 **(3) other limits, caps, or restrictions;**

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

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

- 26 **(1) an electricity supplier is no longer able to offer assistance**
 27 **to additional eligible customers under the electricity**
 28 **supplier's low income customer assistance program as a**
 29 **result of any limit, cap, or restriction established under**
 30 **subsection (b); and**
- 31 **(2) the full amount allocated or to be allocated to the**
 32 **program under section 6 of this chapter has not been**
 33 **allocated to low income customers enrolled in the program**
 34 **at the time the limit, cap, or restriction is reached;**

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



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

7 **(1) IC 8-1-8.5-9(l), in the case of an electricity supplier that**
 8 **is not a public utility (as defined in IC 8-1-2-1(a)); or**

9 **(2) IC 8-1-8.5-10(o)(2), in the case of an electricity supplier**
 10 **that is a public utility (as defined in IC 8-1-2-1(a));**

11 **as approved program costs associated with an energy efficiency**
 12 **program offered by the electricity supplier.**

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

16 **(1) make; and**

17 **(2) report to the commission;**

18 **a transfer required by this section.**

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

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

25 **(2) includes:**

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

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

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

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

36 **(1) per customer funding limits;**

37 **(2) enrollment limits; or**

38 **(3) other limits, caps, or restrictions;**

39 **established by the electricity supplier under section 5(b) of this**
 40 **chapter, the electricity supplier shall include on its website a**
 41 **statement notifying customers of that fact. If the electricity**
 42 **supplier is subsequently able to enroll new eligible customers in the**



1 program during that calendar year, the electricity supplier shall
 2 remove the previously posted statement from its website and post
 3 a new statement indicating that the program is again accepting
 4 new applications for assistance.

5 **Sec. 8. If a customer:**

6 (1) applies for assistance under an electricity supplier's low
 7 income customer assistance program; and
 8 (2) qualifies as a low income customer under section 3(2) of
 9 this chapter;

10 the electricity supplier shall enroll the customer in the program, to
 11 the extent the electricity supplier is able to do so under any per
 12 customer funding limits, enrollment limits, or other limits, caps, or
 13 restrictions established by the electricity supplier under section
 14 5(b) of this chapter and applicable at the time of the customer's
 15 application.

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

20 (1) as part of a base rate case; or
 21 (2) at any time as part of an independent proceeding in
 22 which the electricity supplier petitions the commission to
 23 recover eligible program costs on a timely basis through a
 24 periodic rate adjustment mechanism.

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

30 (1) **A description of any money, services, or property that has**
 31 **been or will be provided at no cost to the electricity supplier**
 32 **by or through any:**
 33 (A) governmental agency or program; or
 34 (B) other third party, including voluntary charitable
 35 contributions from nonprofit organizations or from
 36 employees, customers, or shareholders of the electricity
 37 supplier;

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

41 (2) **A statement of any amounts that have been or will be**
 42 **allocated to the electricity supplier's low income customer**



1 assistance program under section 6 of this chapter.

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

4 (A) amounts; and

5 (B) purposes;

6 for which they have been or will be incurred.

7 A rate schedule proposed by an electricity supplier under this
8 subsection may be based in whole or in part on reasonable cost
9 forecasts over all or any part of the twelve (12) month period on
10 which the electricity supplier's petition is based, subject to the
11 commission's consideration of the electricity supplier's historical
12 forecasting accuracy. If forecasted data is used, the proposed rate
13 schedule must provide for a reconciliation mechanism to correct
14 for any variance between the forecasted eligible program costs and
15 the actual eligible program costs incurred.

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

19 (1) the electricity supplier has incurred or will incur eligible
20 program costs that are reasonable in amount;

21 (2) notwithstanding section 10 of this chapter, the effect or
22 the potential effect, in both the long and short term, of the
23 proposed rate schedule on the electric rates of
24 nonparticipating customers or other customer classes of the
25 electricity supplier will be minimal; and

26 (3) approval of the proposed rate schedule is in the public
27 interest;

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

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

40 Sec. 10. A low income customer assistance program offered
41 under this chapter that affects rates and charges for service is not
42 discriminatory for purposes of this chapter or any other law



1 regulating rates and charges for service.

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

7 (1) The number of low income customers enrolled in the
 8 electricity supplier's low income customer assistance
 9 program at the beginning and end of the state fiscal year.

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

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

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

17 (A) governmental agencies or programs; or

18 (B) other third parties, including voluntary charitable
 19 contributions from nonprofit organizations or from
 20 employees, customers, or shareholders of the electricity
 21 supplier.

22 (5) An identification of the amounts of any:

23 (A) per customer funding limits;

24 (B) enrollment limits; or

25 (C) other limits, caps, or restrictions;

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

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

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

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

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

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

42 In addition, an electricity supplier is not required to name



1 individual third party donors under subsection (a)(4) and may
 2 instead report the types of third party organizations and
 3 individuals that contributed to the electricity supplier's program
 4 and the amounts contributed by each type.

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

7 SECTION ~~8~~⁹. [EFFECTIVE UPON PASSAGE] (a) As used
 8 in this SECTION, "commission" refers to the Indiana utility
 9 regulatory commission created by IC 8-1-1-2.

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

13 (1) 170 IAC 4.

14 (2) 170 IAC 5.

15 (3) Any other rule that:

16 (A) has been adopted by the commission; and

17 (B) is inconsistent with IC 8-1-2-121, as amended by this
 18 act.

19 (c) This SECTION expires January 1, 2027.

20 SECTION ~~8~~⁹. [EFFECTIVE UPON PASSAGE] (a) Before
 21 January 1, 2027, the commission shall amend 170 IAC 4-1-23 as
 22 necessary to conform 170 IAC 4-1-23 to the requirements of
 23 IC 8-1-46, as added by this act.

24 (b) This SECTION expires January 2, 2027.

25 SECTION ~~9~~¹⁰. An emergency is declared for this act.
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