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HOUSE BILL No. 1002

Proposed Changes to introduced printing by AM100213

DIGEST OF PROPOSED AMENDMENT

Utility rate forecasting and notice. Requires a public utility that provides electric, gas, water, or wastewater utility service to retail customers (public utility) to make available on the public utility's website an online application (rate forecasting tool) that provides a retail customer of the public utility with an estimate of the amount the customer will be billed for the public utility's retail utility service in each of the next 12 calendar months. Requires an investor owned public utility to provide a separate estimate of the amount the customer would be billed under a budget billing plan. Requires an investor owned public utility to notify a residential customer: (1) when the customer's energy consumption for a month equals 50% of the customer's total energy consumption for the immediately preceding month; and (2) when the customer's energy consumption for a month equals 100% of the customer's total energy consumption for the immediately preceding month. Provides that: (1) if a change in a public utility's rates and charges authorized by the Indiana utility regulatory commission will result in an increase in the rates charged for retail utility service by the public utility to the public utility's retail customers, the public utility may not implement the change earlier than 90 days after the date on which the utility mails notice of the increase to the retail customers whose rates will be affected; and (2) the notice must include instructions as to how a retail customer can access and use the public utility's rate forecasting tool.

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 8-1-2-4.3 IS ADDED TO THE INDIANA CODE
2 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: Sec. 4.3. (a) A public utility that provides:
4 (1) electric;
5 (2) gas;
6 (3) water; or

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(b) The forecast for a calendar month provided to a customer by a public utility's online application under subsection (a):

14

(1) must:

15 **(A) be based on the higher of:**

(i) the amount billed to the customer for the public utility's retail utility service; or

(ii) the customer's energy consumption in kilowatt hours;

for that calendar month in each preceding year during which the customer received and was billed for the retail utility service; or

(B) if the customer has not been billed for the public utility's retail utility service for that calendar month in a preceding year, be based on the average amount billed to the public utility's retail customers for the retail utility service for that month in the immediately preceding calendar year;

(2) must account for any change in the public utility's retail rates that will take effect in or before that calendar month; and

(3) must provide a separate estimate that accounts for any prospective change in the public utility's retail rates:

(A) that is pending approval by the commission; and
(B) that, if approved by the commission, would take effect in or before that calendar month.

SECTION 2. IC 8-1-2-4.4 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4.4. An investor owned public utility described in section 4.3 of this chapter shall notify a residential customer of the public utility:

(1) when the amount, in kilowatt hours, of the customer's



1 energy consumption for a month equals fifty percent (50%)
 2 of the amount, in kilowatt hours, of the customer's total
 3 energy consumption for the immediately preceding month;
 4 and

5 (2) when the amount, in kilowatt hours, of the customer's
 6 energy consumption for a month equals one hundred percent
 7 (100%) of the amount, in kilowatt hours, of the customer's
 8 total energy consumption for the immediately preceding
 9 month.

10 A notice provided under this section must include the amount owed
 11 by the customer, at the time of the notice, for the customer's utility
 12 service for the month.

13 1 SECTION ~~↔~~[3] IC 8-1-2-4.7 IS ADDED TO THE INDIANA
 14 CODE AS A NEW SECTION TO READ AS FOLLOWS
 15 [EFFECTIVE UPON PASSAGE]: Sec. 4.7. (a) As used in this section,
 16 "budget billing plan" means a levelized payment plan, however
 17 denominated, that:

18 (1) applies to a customer's account with an electricity
 19 supplier;

20 (2) provides for the payment of a customer's bill in equal
 21 monthly installments; and

22 (3) involves a reconciliation mechanism in which:

23 (A) the amount of utility service actually used by the
 24 customer during a specified period is compared with the
 25 amount of utility service for which the customer was
 26 billed under the plan during the specified period; and
 27 (B) the customer's account is either billed or credited, as
 28 appropriate, for any difference identified under clause
 29 (A).

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

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

36 (1) provides utility service to customers; and

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

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

41 (e) An electricity supplier shall do the following:

42 (1) Beginning with the first monthly billing cycle that begins



1 after June 30, 2026, apply a budget billing plan to all active
2 customer accounts:

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

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

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

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

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

27 (1) informs the customer that a budget billing plan will be
28 applied to the customer's account beginning with the first
29 monthly billing cycle that begins after June 30, 2026, if a
30 budget billing plan does not already apply to the customer's
31 account;

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

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

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

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

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- (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);

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

- (A) United States mail.
- (B) Electronic mail.
- (C) A mobile application or another Internet based method.

SECTION ~~4. IC 8-1-2-42~~, AS AMENDED BY P.L.93-2024,
SECTION 63, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 42. (a) No change shall be made in any schedule, including schedules of joint rates, except upon ~~thirty (30) ninety (90)~~ days notice to the commission, and approval by the commission, and all such changes shall be plainly indicated upon existing schedules or by filing new schedules in lieu thereof ~~thirty (30) ninety (90)~~ days prior to the time the same are to take effect. The commission may prescribe a shorter time within which a change may be made. A public, municipally owned, or cooperatively owned utility may not file a request for a general increase in its basic rates and charges within fifteen (15) months after the filing date of its most recent request for a general increase in its basic rates and charges, except that the commission may order a more timely increase if:

(1) the requested increase relates to a different type of utility



1 service;

(2) the commission finds that the utility's financial integrity or service reliability is threatened; or

(3) the increase is based on:

(A) a rate structure previously approved by the commission;

or

(B) orders of federal courts or federal regulatory agencies having jurisdiction over the utility.

The phrase "general increase in basic rates and charges" does not include changes in rates related solely to the cost of fuel or to the cost of purchased gas or purchased electricity or adjustments in accordance with tracking provisions approved by the commission. In addition to other tracking provisions the commission finds appropriate, the commission may approve periodic tracking mechanisms for water utilities and wastewater utilities to permit recovery of changes in property taxes. The commission may also approve periodic tracking mechanisms calculated to recover from customers located within the geographic boundaries of local units of government the incremental costs of operation and maintenance of water utilities and wastewater utilities resulting from policies or ordinances that are adopted by those local units and that the commission determines to be unusual but not necessarily unreasonable under section 101 of this chapter. The commission shall adopt rules under IC 4-22-2 to define what is unreasonable with respect to road cut permits and other specifications or policies established by a local unit that imposes costs on water or wastewater utilities.



1 hearing and issue its order within twenty (20) days after it receives the
 2 utility consumer counselor's report. The provisions of this section and
 3 sections 39, 43, 54, 55, 56, 59, 60, and 61 of this chapter concerning
 4 the filing, printing, and changing of rate schedules and the time
 5 required for giving notice of hearing and requiring publication of notice
 6 do not apply to such a fuel cost charge or such a summary hearing.

7 (c) Regardless of the pendency of any request for a fuel cost
 8 charge by any electric utility, the books and records pertaining to the
 9 cost of fuel of all public, municipally owned, or cooperatively owned
 10 utilities that generate electricity shall be examined by the utility
 11 consumer counselor not less often than quarterly, and the books and
 12 records of all electric nongenerating public, municipally owned, or
 13 cooperatively owned utilities shall be examined by the utility consumer
 14 counselor not less often than annually. The utility consumer counselor
 15 shall provide the commission with a report as to the examination of
 16 said books and records within a reasonable time following said
 17 examination. The utility consumer counselor may, if appropriate,
 18 request of the commission a reduction or elimination of the fuel cost
 19 charge. Upon such request, the commission shall hold a hearing
 20 forthwith in the manner provided in sections 58, 59, and 60 of this
 21 chapter.

22 (d) An electric generating utility may apply for a change in its fuel
 23 charge not more often than each three (3) months. When such
 24 application is filed the petitioning utility shall show to the commission
 25 its cost of fuel to generate electricity and the cost of fuel included in the
 26 cost of purchased electricity, for the period between its last order from
 27 the commission approving fuel costs in its basic rates and the latest
 28 month for which actual fuel costs are available. The petitioning utility
 29 shall also estimate its average fuel costs for the three (3) calendar
 30 months subsequent to the expiration of the twenty (20) day period
 31 allowed the commission in subsection (b). The commission shall
 32 conduct a formal hearing solely on the fuel cost charge requested in the
 33 petition subject to the notice requirements of IC 8-1-1-8 and shall grant
 34 the electric utility the requested fuel cost charge if it finds that:

- 35 (1) the electric utility has made every reasonable effort to
 36 acquire fuel and generate or purchase power or both so as to
 37 provide electricity to its retail customers at the lowest fuel cost
 38 reasonably possible;
- 39 (2) the actual increases in fuel cost through the latest month for
 40 which actual fuel costs are available since the last order of the
 41 commission approving basic rates and charges of the electric
 42 utility have not been offset by actual decreases in other operating



1 expenses;

2 (3) the fuel adjustment charge applied for will not result in the

3 electric utility earning a return in excess of the return authorized

4 by the commission in the last proceeding in which the basic rates

5 and charges of the electric utility were approved. However,

6 subject to section 42.3 of this chapter, if the fuel charge applied

7 for will result in the electric utility earning a return in excess of

8 the return authorized by the commission, in the last proceeding

9 in which basic rates and charges of the electric utility were

10 approved, the fuel charge applied for will be reduced to the point

11 where no such excess of return will be earned; and

12 (4) the utility's estimate of its prospective average fuel costs for

13 each such three (3) calendar months are reasonable after taking

14 into consideration:

15 (A) the actual fuel costs experienced by the utility during

16 the latest three (3) calendar months for which actual fuel

17 costs are available; and

18 (B) the estimated fuel costs for the same latest three (3)

19 calendar months for which actual fuel costs are available.

20 (e) Should the commission at any time determine that an

21 emergency exists that could result in an abnormal change in fuel costs,

22 it may, in order to protect the public from the adverse effects of such

23 change suspend the provisions of subsection (d) as to the utility or

24 utilities affected by such an emergency and initiate such procedures as

25 may be necessary to protect both the public and the utility from harm.

26 The commission shall lift the suspension when it is satisfied the

27 emergency no longer exists.

28 (f) Any change in the fuel cost charge granted by the commission

29 under the provisions of this section shall be reflected in the rates

30 charged by the utility in the same manner as any other changes in rates

31 granted by the commission in a case approving the basic rates and

32 charges of the utility. However, the utility may file the change as a

33 separate amendment to its rate schedules with a reasonable reference

34 in the amendment that such charge is applicable to all of its filed rate

35 schedules.

36 (g) No schedule of rates, tolls, and charges of a public, municipally

37 owned, or cooperatively owned gas utility that includes or authorizes

38 any changes in charges based upon gas costs is effective without the

39 approval of the commission except those rates, tolls, and charges

40 contained in schedules that contain specific provisions for changes in

41 gas costs or the cost of gas that have previously been approved by the

42 commission. Gas costs or cost of gas may include the gas utility's costs



1 for gas purchased by it from pipeline suppliers, costs incurred for
 2 leased gas storage and related transportation, costs for supplemental
 3 and substitute gas supplies, costs incurred for exploration and
 4 development of its own sources of gas supplies and other expenses
 5 relating to gas costs as shall be approved by the commission. Changes
 6 in a gas utility's rates, tolls, and charges based upon changes in its gas
 7 costs shall be made in accordance with the following:

8 (1) Before the commission approves any changes in the schedule
 9 of rates, tolls, and charges of a gas utility based upon the cost of
 10 the gas, the utility consumer counselor may examine the books
 11 and records of the public, municipally owned, or cooperatively
 12 owned gas utility to determine the cost of gas upon which the
 13 proposed changes are based. In addition, before such an
 14 adjustment to the gas cost charge becomes effective, the
 15 commission shall hold a summary hearing on the sole issue of
 16 the gas cost adjustment. The utility consumer counselor shall
 17 conduct the utility consumer counselor's review and make a
 18 report to the commission within thirty (30) days after the utility's
 19 request for the gas cost adjustment is filed. The commission
 20 shall hold the summary hearing and issue its order within thirty
 21 (30) days after it receives the utility consumer counselor's report.
 22 The provisions of this section and sections 39, 43, 54, 55, 56, 59,
 23 60, and 61 of this chapter concerning the filing, printing, and
 24 changing of rate schedules and the time required for giving
 25 notice of hearing and requiring publication of notice do not
 26 apply to such a gas cost adjustment or such a summary hearing.
 27 (2) Regardless of the pendency of any request for a gas cost
 28 adjustment by any gas utility, the books and records pertaining
 29 to cost of gas of all public, municipally owned, or cooperatively
 30 owned gas utilities shall be examined by the utility consumer
 31 counselor not less often than annually. The utility consumer
 32 counselor shall provide the commission with a report as to the
 33 examination of said books and records within a reasonable time
 34 following said examination. The utility consumer counselor may,
 35 if appropriate, request of the commission a reduction or
 36 elimination of the gas cost adjustment. Upon such request, the
 37 commission shall hold a hearing forthwith in the manner
 38 provided in sections 58, 59, and 60 of this chapter.
 39 (3) A gas utility may apply for a change in its gas cost charge not
 40 more often than each three (3) months. When such application
 41 is filed, the petitioning utility shall show to the commission its
 42 cost of gas for the period between its last order from the



1 commission approving gas costs in its basic rates and the latest
2 month for which actual gas costs are available. The petitioning
3 utility shall also estimate its average gas costs for a recovery
4 period of not less than the three (3) calendar months subsequent
5 to the expiration of the thirty (30) day period allowed the
6 commission in subdivision (1). The commission shall conduct a
7 summary hearing solely on the gas cost adjustment requested in
8 the petition subject to the notice requirements of IC 8-1-1-8 and
9 may grant the gas utility the requested gas cost charge if it finds
10 that:

- (A) the gas utility has made every reasonable effort to acquire long term gas supplies so as to provide gas to its retail customers at the lowest gas cost reasonably possible;
- (B) the pipeline supplier or suppliers of the gas utility has requested or has filed for a change in the costs of gas pursuant to the jurisdiction and procedures of a duly constituted regulatory authority;

(C) the gas cost adjustment applied for will not result, in the case of a public utility, in its earning a return in excess of the return authorized by the commission in the last proceeding in which the basic rates and charges of the public utility were approved; however, subject to section 42.3 of this chapter, if the gas cost adjustment applied for will result in the public utility earning a return in excess of the return authorized by the commission in the last proceeding in which basic rates and charges of the gas utility were approved, the gas cost adjustment applied for will be reduced to the point where no such excess of return will be earned; and

(D) the utility's estimate of its prospective average gas costs for each such future recovery period is reasonable and gives effect to:

(i) the actual gas costs experienced by the utility during the latest recovery period for which actual gas costs are available; and

(ii) the actual gas costs recovered by the adjustment of the same recovery period.

(4) Should the commission at any time determine that an emergency exists that could result in an abnormal change in gas costs, it may, in order to protect the public or the utility from the adverse effects of such change suspend the provisions of subdivision (3) as to the utility or utilities affected by such an



1 emergency and initiate such procedures as may be necessary to
 2 protect both the public and the utility from harm. The
 3 commission shall lift the suspension when it is satisfied the
 4 emergency no longer exists.

5 (5) Any change in the gas cost charge granted by the commission
 6 under the provisions of this section shall be reflected in the rates
 7 charged by the utility in the same manner as any other changes
 8 in rates granted by the commission in a case approving the basic
 9 rates and charges of the utility. However, the utility may file the
 10 change as a separate amendment to its rate schedules with a
 11 reasonable reference in the amendment that such charge is
 12 applicable to all of its filed rate schedules.

13 **SECTION 5**. IC 8-1-2-42.7, AS ADDED BY P.L.133-2013,
 14 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 15 UPON PASSAGE]: Sec. 42.7. **(a)** This section does not apply to an
 16 electricity supplier (as defined in IC 8-1-46-6) that has filed a
 17 petition with the commission to change the electricity supplier's
 18 basic rates and charges through the submission of a multi-year rate
 19 plan under IC 8-1-46.

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

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

- 26 (1) Testimony, exhibits, and supporting work papers.
- 27 (2) Proposed test year and rate base cutoff dates.
- 28 (3) Proposed revenue requirements.
- 29 (4) Jurisdictional operating revenues and expenses, including
 30 taxes and depreciation.
- 31 (5) Balance sheet and income statements.
- 32 (6) Jurisdictional rate base.
- 33 (7) Proposed cost of capital and capital structure.
- 34 (8) Jurisdictional class cost of service study.
- 35 (9) Proposed rate design and pro forma tariff sheets.

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

- 38 (1) A public utility.
- 39 (2) A municipally owned utility.
- 40 (3) A cooperative owned utility.

41 **(d)(e)** In a petition filed with the commission to change basic rates
 42 and charges, a utility may designate a test period for the commission to



1 use. The utility must include with its petition the utility's complete case
 2 in chief. The commission shall approve a test period that is one (1) of
 3 the following:

4 (1) A forward looking test period determined on the basis of
 5 projected data for the twelve (12) month period beginning not
 6 later than twenty-four (24) months after the date on which the
 7 utility petitions the commission for a change in its basic rates
 8 and charges.

9 (2) A historic test period based on a twelve (12) month period
 10 that ends not more than two hundred seventy (270) days before
 11 the date on which the utility petitions the commission for a
 12 change in its basic rates and charges. The commission may
 13 adjust a historic test period for fixed, known, and measurable
 14 changes and appropriate normalizations and annualizations.

15 (3) A hybrid test period based on at least twelve (12) consecutive
 16 months of combined historic data and projected data. The
 17 commission may adjust the historic data as set forth in
 18 subdivision (2).

19 (e) (f) This subsection does not apply to a proceeding in which a
 20 utility is seeking an increase in basic rates and charges and requesting
 21 initial relief under IC 8-1-2.5-5 or IC 8-1-2.5-6. If the commission does
 22 not issue an order on a petition filed by a utility under subsection (d)
 23 (e) within three hundred (300) days after the utility files its case in
 24 chief in support of the proposed increase, the utility may temporarily
 25 implement fifty percent (50%) of the utility's proposed permanent
 26 increase in basic rates and charges, subject to the commission's review
 27 and determination under subsection (f). (g). The utility shall submit the
 28 proposed temporary rates and charges to the commission at least thirty
 29 (30) days before the date on which the utility seeks to implement the
 30 temporary rates and charges. The temporary rates and charges may
 31 reflect proposed or existing approved customer class allocations and
 32 rate designs. However, if the utility uses a forward looking test period
 33 described in subsection (d)(1) (e)(1) or a hybrid test period described
 34 in subsection (d)(3); (e)(3), the utility may not:

35 (1) implement the temporary increase before the date on which
 36 the projected data period begins; or
 37 (2) object during a proceeding before the commission to a
 38 discovery request for historic data as described in subsection
 39 (d)(2) (e)(2) solely on the basis that the utility has designated a
 40 forward looking or hybrid test period.

41 (f) (g) The commission shall review the temporary rates and
 42 charges to determine compliance with this section. The temporary rates



1 and charges take effect on the latest of the following dates unless the
2 commission determines that the temporary rates and charges are not
3 properly designed in compliance with this section:

4 (1) The date proposed by the utility.
5 (2) Three hundred (300) days after the date on which the utility
6 files its case in chief.
7 (3) The termination of any extension of the three hundred (300)
8 day deadline authorized under subsection (g) (h) or (i).

9 If the commission determines that the temporary rates and charges are
10 not properly designed in compliance with this section, the utility may
11 cure the defect and file the corrected temporary rates and charges with
12 the commission within a reasonable period determined by the
13 commission.

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

21 (f) (j) If a utility implements temporary rates and charges that
22 differ from the permanent rates and charges approved by the
23 commission in a final order on the petition filed under subsection (d),
24 (e), the utility shall perform a reconciliation and implement a refund,
25 in the form of a credit rider, or a surcharge, as applicable, on customer
26 bills rendered on or after the date the commission approves the credit
27 or surcharge. The refund or surcharge shall be credited or added in
28 equal amounts each month for six (6) months. The amount of the total
29 refund or surcharge equals the amount by which the temporary rates
30 and charges differ from the permanent rates and charges, plus, for a
31 refund only, interest at the applicable average prime rate for each
32 calendar quarter during which the temporary rates and charges were in
33 effect.

[SECTION 6. IC 8-1-2-42.8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 42.8. (a) This section applies to a public utility described in section 4.3 of this chapter.

(b) If a change in a public utility's rates and charges authorized by the commission, including:

(1) a change in the utility's rates and charges related solely to the cost of fuel or to the cost of purchased gas or purchased electricity; or



(2) an adjustment to the utility's retail rates and charges made in accordance with a tracking provision approved by the commission;

will result in an increase in the rates charged for retail utility service by the public utility to the public utility's retail customers, the public utility may not implement the change in the public utility's rates and charges earlier than ninety (90) days after the date on which the utility mails notice of the increase to the retail customers of the utility whose rates will be affected.

(c) A notice of a rate increase mailed to a customer under subsection (b) must include instructions as to how the customer can access and use the public utility's online application under section 4.3 of this chapter to obtain an estimate of the amount that will be billed to the customer in the first twelve (12) months during which the rate increase is in effect.

1 SECTION ~~7~~7. IC 8-1-2-121, AS AMENDED BY
P.L.181-2006, SECTION 48, IS AMENDED TO READ AS
FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 121. **(a) As used**
in this section, "electric or gas utility" includes a municipally
owned, privately owned, or cooperatively owned utility.

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

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

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

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

when extremely dangerous heat conditions are expected or occurring.

occurring.

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

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

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



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

- (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.

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

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

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

- (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;

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

(b) (f) Any An electric or gas utility including a municipally owned, privately owned, or cooperatively owned utility, shall provide any residential customer whose account is delinquent an opportunity to enter into a reasonable amortization agreement with such company to pay the delinquent account. Such an amortization agreement must provide the customer with adequate opportunity to apply for and receive the benefits of any available public assistance program. An

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1 amortization agreement is subject to amendment on the customer's
 2 request if there is a change in the customer's financial circumstances.

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

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

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

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

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

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

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

22 SECTION ~~44~~⁴⁴[8], IC 8-1-39-9, AS AMENDED BY P.L.89-2019,
 23 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 24 UPON PASSAGE]: Sec. 9. (a) Subject to subsection (d), a public
 25 utility that provides electric or gas utility service may file with the
 26 commission rate schedules establishing a TDSIC that will allow the
 27 periodic automatic adjustment of the public utility's basic rates and
 28 charges to provide for timely recovery of eighty percent (80%) of
 29 approved capital expenditures and TDSIC costs. The petition must:

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

33 (2) include the public utility's TDSIC plan for eligible
 34 transmission, distribution, and storage system improvements;
 35 and

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

38 The public utility shall provide a copy of the petition to the office of the
 39 utility consumer counselor when the petition is filed with the
 40 commission.

41 (b) The public utility shall update the public utility's TDSIC plan
 42 under subsection (a)(2) at least annually. An update may include a



1 petition for approval of:

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

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

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

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

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

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

24 **during the term of the electricity supplier's approved TDSIC plan.**¹

25 ¹A public utility that implements a TDSIC under this chapter shall,
 26 before the expiration of the public utility's approved TDSIC plan,
 27 petition the commission for review and approval of the public utility's
 28 basic rates and charges with respect to the same type of utility service.

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

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

35 SECTION ~~↔~~[↔][9]. IC 8-1-46 IS ADDED TO THE INDIANA
 36 CODE AS A NEW CHAPTER TO READ AS FOLLOWS
 37 [EFFECTIVE UPON PASSAGE]:

38 **Chapter 46. Performance Based Ratemaking for Electricity
 39 Suppliers**

40 **Sec. 1. (a) As used in this chapter, "average monthly
 41 residential bill", with respect to an electricity supplier, means the
 42 average total monthly charges billed, over the course of a calendar**



1 year, to all customers receiving retail electric service under the
 2 electricity supplier's standard residential tariff.

3 (b) The term includes the following charges:

4 (1) Fixed service charges.

5 (2) Energy charges based on the amount of electricity
 6 provided to or consumed by the customer during the billing
 7 cycle.

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

10 (4) Taxes.

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

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

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

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

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

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

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

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

31 (3) is used by the commission to establish a customer
 32 affordability PIM that applies to that rate year and provides
 33 financial rewards or penalties to the electricity supplier
 34 based on the electricity supplier's measured customer
 35 affordability performance.

36 Sec. 5. As used in this chapter, "customer average interruption
 37 duration index", or "CAIDI", means an index that:

38 (1) indicates the average time required to restore electric
 39 service to an electricity supplier's customers affected by
 40 sustained service interruptions; and

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

42 (A) the sum of sustained service interruption durations



in minutes for a specified period; divided by
(B) the total number of customers affected by the
sustained service interruptions;

in accordance with IEEE 1336.

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

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

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

(b) The term does not include:

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

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

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

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

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

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

(A) the 2022 edition; or

(B) any subsequent edition;

of IEEE 1336, the version of IEEE 1336 as amended by the commission.

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

- (1) calculated using the 2.5 Beta methodology developed by the Institute of Electrical and Electronics Engineers; and
- (2) based on the most recent five (5) years of relevant data for the electricity supplier;

as defined in IEEE 1336.

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

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

(2) adjustments to the electricity supplier's base rates based on the electricity supplier's performance with respect to each



1 **performance incentive mechanism applicable to the**
 2 **electricity supplier;**

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

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

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

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

17 **(A) reliability;**
 18 **(B) affordability;**
 19 **(C) resiliency;**
 20 **(D) stability; and**
 21 **(E) environmental sustainability;**

22 **as described in IC 8-1-2-0.6; and**

23 **(2) is based on specific performance metrics against which**
 24 **the electricity supplier's performance is measured.**

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

27 **(1) authorized base rates; and**
 28 **(2) adjustments to base rates, including adjustments based**
 29 **on an electricity supplier's performance in meeting**
 30 **performance metrics serving as the basis of all applicable**
 31 **PIMs;**

32 **are in effect.**

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

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

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

42 **(2) is based on the most recent service restoration**



1 **performance report submitted to the commission by the**
 2 **electricity supplier under section 19 of this chapter; and**
 3 **(3) is used by the commission to establish a service**
 4 **restoration PIM that applies to that rate year and provides**
 5 **financial rewards or penalties to the electricity supplier**
 6 **based on the electricity supplier's measured service**
 7 **restoration performance.**

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

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

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

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

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

20 **(1) A planned service interruption that is:**

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

23 **(i) system or facilities maintenance or upgrades;**
 24 **(ii) infrastructure improvements; or**
 25 **(iii) new construction; and**

26 **(B) communicated to customers in advance.**

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

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

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

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

37 **(A) the sum of sustained service interruption durations**
 38 **in minutes for the specified period; divided by**
 39 **(B) the total number of customers;**

40 **in accordance with IEEE 1336.**

41 **Sec. 17. As used in this chapter, "system average interruption**
 42 **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;

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

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1 event days, for the electricity supplier's system in Indiana as
 2 a whole:

3 (A) SAIDI.
 4 (B) SAIFI.
 5 (C) CAIDI.

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

9 (A) SAIDI.
 10 (B) SAIFI.
 11 (C) CAIDI.

12 (3) The number of customers used by the utility in
 13 calculating each index required under subdivisions (1) and
 14 (2).

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

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

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

29 (A) establishes basic rates and charges for the electricity
 30 supplier as part of a base rate case; and
 31 (B) is issued after April 30, 2024, and before February
 32 1, 2025.

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

36 (A) establishes basic rates and charges for the electricity
 37 supplier as part of a base rate case; and
 38 (B) is issued after February 1, 2025, and before April 1,
 39 2025.

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

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(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

Requirements and (B) test period:

(B) test period, for each of the rate years in the multi-year rate plan.

(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

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1 supplier's basic rates and charges that occurs outside of a
 2 multi-year rate plan, based on an appropriate test year used
 3 to determine the electricity supplier's actual and pro forma
 4 operating revenues, expenses, and operating income under
 5 current and proposed rates, adjusted for changes that are
 6 fixed, known, and measurable for ratemaking purposes and
 7 that occur within a reasonable time after the end of the test
 8 year.

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

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

20 (A) the electricity supplier; and

21 (B) the electricity supplier's ratepayers;

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

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

26 (A) A customer affordability performance metric that:

27 (i) is determined by the commission under section
 28 23 of this chapter for that rate year;

29 (ii) is based on the most recent customer
 30 affordability performance report submitted to the
 31 commission by the electricity supplier under section
 32 18 of this chapter; and

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

36 (B) A customer affordability PIM that:

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

40 (ii) provides financial rewards or penalties to the
 41 electricity supplier based on that performance in
 42 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) 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

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1 continuation of safe and reliable electric service for the
 2 electricity supplier's customers.

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

7 (4) That the multi-year rate plan:

8 (A) will result in just and reasonable rates;

9 (B) is in the public interest; and

10 (C) is consistent with the requirements set forth in this
 11 chapter and in the rules adopted by the commission
 12 under section 27 of this chapter.

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

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

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

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

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

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

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

42 as reported in the most recent customer affordability performance



1 report submitted to the commission by the electricity supplier
 2 under section 18 of this chapter. The difference calculated under
 3 this subsection is the electricity supplier's customer affordability
 4 performance metric for the rate year.

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

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

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

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

25 (A) SAIDI;
 26 (B) SAIFI; and
 27 (C) CAIDI;

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

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

33 (A) SAIDI;
 34 (B) SAIFI; and
 35 (C) CAIDI;

36 for the most recently concluded calendar year, excluding
 37 major event days, for the electricity supplier's system in
 38 Indiana as a whole.

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

41 STEP FOUR: Calculate the quotient of the STEP THREE
 42 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 normalized service restoration 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

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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.

(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



1 **multi-year rate plan under this chapter, to the extent
2 applicable in a report submitted under this section before
3 2030.**

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

7 **(A) customer affordability performance metric;
8 (B) normalized service restoration performance metric;
9 and**

10 **(C) MED service restoration performance metric;
11 during the most recently concluded rate year under a
12 multi-year rate plan of the electricity supplier under this
13 chapter.**

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

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

18 **(B) the general assembly;**

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

21 **(b) Subject to subsection (c), an electricity supplier shall
22 provide the commission, at the time and in the manner prescribed
23 by the commission, any information or related materials required
24 by the commission to fulfill the commission's reporting obligations
25 under subsection (a).**

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

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

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

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

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

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

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

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

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

41 **with respect to an electricity supplier subject to this chapter is
42 considered a reference to the establishment of the electricity**



1 supplier's basic rates and charges for the first year of the
 2 electricity supplier's multi-year rate plan under this chapter.

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

5 SECTION ~~←→~~^[10] IC 8-1-47 IS ADDED TO THE INDIANA
 6 CODE AS A NEW CHAPTER TO READ AS FOLLOWS
 7 [EFFECTIVE UPON PASSAGE]:

8 **Chapter 47. Low Income Customer Assistance Programs for**
 9 **Electric Utility Service**

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

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

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

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

- 22 **(A) customer eligibility verification;**
- 23 **(B) billing services; and**
- 24 **(C) contribution management; and**

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

- 27 **(A) a required allocation under section 6 of this chapter;**
 28 **or**

29 **(B) contributions of any money, services, or property**
 30 **that have been or will be provided at no cost to the**
 31 **electricity supplier by or through any:**

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

37 **in support of the program.**

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

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

- 42 **(1) has agreed to pay for utility service from an electricity**



1 **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.

A program that:

- (1) is offered by the electricity supplier before July 1, 2026;**
- (2) provides financial assistance to low income customers for 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 (c), an electricity supplier may establish:

(1) per customer funding limits:

- (1) per customer funding
- (2) enrollment limits: or

(2) enrollment limits, or
(3) other limits, caps, or restrictions:

(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;

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,

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1 cap, or restriction is reached shall be segregated from all other
 2 funds of the electricity supplier and held in trust for allocation to
 3 low income customers enrolled in the electricity supplier's low
 4 income customer assistance program in the following calendar
 5 year.

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

12 (1) IC 8-1-8.5-9(l), in the case of an electricity supplier that
 13 is not a public utility (as defined in IC 8-1-2-1(a)); or
 14 (2) IC 8-1-8.5-10(o)(2), in the case of an electricity supplier
 15 that is a public utility (as defined in IC 8-1-2-1(a));
 16 as approved program costs associated with an energy efficiency
 17 program offered by the electricity supplier.

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

21 (1) make; and
 22 (2) report to the commission;
 23 a transfer required by this section.

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

27 (1) informs customers that the electricity supplier offers a
 28 low income customer assistance program for eligible
 29 customers; and
 30 (2) includes:
 31 (A) a toll free telephone number; or
 32 (B) a link to a web page;

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

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

41 (1) per customer funding limits;
 42 (2) enrollment limits; or



10 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;

15 the electricity supplier shall enroll the customer in the program, to
16 the extent the electricity supplier is able to do so under any per
17 customer funding limits, enrollment limits, or other limits, caps, or
18 restrictions established by the electricity supplier under section
19 5(b) of this chapter and applicable at the time of the customer's
20 application.

11 Sec. 9. (a) An electricity supplier may, but is not required to,
12 petition the commission for approval to recover eligible program
13 costs. An electricity supplier may file a petition the commission
14 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.

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

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

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

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

(3) approval of the proposed rate schedule is in the public interest:

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

(d) The commission may not approve a rate schedule under subsection (b) that would result in an average aggregate increase in an electricity supplier's total retail revenues of more than two percent (2%) with respect to the twelve (12) month period on which the electricity supplier's proposed rate schedule is based. If an electricity supplier incurs eligible program costs in connection with the electricity supplier's low income customer assistance program that exceed the limit set forth in this subsection, the

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1 electricity supplier may seek to recover those eligible program
 2 costs for recovery in the electricity supplier's next base rate case.

3 **Sec. 10. A low income customer assistance program offered**
 4 **under this chapter that affects rates and charges for service is not**
 5 **discriminatory for purposes of this chapter or any other law**
 6 **regulating rates and charges for service.**

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

12 **(1) The number of low income customers enrolled in the**
 13 **electricity supplier's low income customer assistance**
 14 **program at the beginning and end of the state fiscal year.**

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

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

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

22 **(A) governmental agencies or programs; or**

23 **(B) other third parties, including voluntary charitable**
 24 **contributions from nonprofit organizations or from**
 25 **employees, customers, or shareholders of the electricity**
 26 **supplier.**

27 **(5) An identification of the amounts of any:**

28 **(A) per customer funding limits;**

29 **(B) enrollment limits; or**

30 **(C) other limits, caps, or restrictions;**

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

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

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

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



