

HOUSE BILL No. 1002

AM100228 has been incorporated into January 28, 2026 printing.

Synopsis: Electric utility affordability.

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

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2025 Regular Session of the General Assembly.

HOUSE BILL No. 1002

A BILL FOR AN ACT to amend the Indiana Code concerning utilities.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 4-22-2.3-7, AS ADDED BY P.L.249-2023,
2 SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: Sec. 7. The Indiana utility regulatory commission
4 may adopt interim rules under the interim rule procedures in
5 IC 4-22-2-37.2 pursuant to its authority under IC 8-1-1-3(g). ~~or~~
6 ~~IC 8-1-2-113.~~ A rule described in this section expires not later than two
7 (2) years after the rule is accepted for filing by the publisher of the
8 Indiana Register and may not be continued in another interim rule.

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

14 (1) **applies to a customer's account with an electricity**
15 **supplier;**

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3 (3) involves a reconciliation mechanism in which:

4 (A) the amount of utility service actually used by the
5 customer during a specified period is compared with the
6 amount of utility service for which the customer was
7 billed under the plan during the specified period; and
8 (B) the customer's account is either billed or credited, as
9 appropriate, for any difference identified under clause
10 (A).

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

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

30 (A) for utility service provided under the electricity
31 supplier's standard residential tariff; and
32 (B) to which a levelized billing plan does not already
33 apply.

33 apply.

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

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customer account, regardless of the date the levelized billing plan was first offered or applied, amend or design the levelized billing plan, as applicable, so that the reconciliation mechanism described in subsection (a)(3) is applied at such times during a calendar year to reflect, to the extent possible, typical seasonal patterns of electricity usage by residential customers, but not more than two (2) times during a calendar year.

(1) informs the customer that a leveled 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 leveled billing plan does not already apply to the customer's account;

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

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

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

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

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

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

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

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3 (A) United States mail.

4 (B) Electronic mail.

15 (1) the information required to be posted on the electricity
16 supplier's website under subsection (g);
17 (2) any customer bill that is issued after June 30, 2026; or
18 (3) any customer or external communications made after
19 June 30, 2026.

23 (1) pay current or past due amounts for utility service in
24 lower amounts, over an extended period of time, or
25 according to another schedule agreed upon by the electricity
26 supplier and the customer;

27 (2) defer the payment of current or past due amounts for
28 utility service to some future date; or

29 (3) receive a forbearance with respect to the payment of
30 certain amounts owed.

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

40 (a) (b) For purposes of this section, "average prime rate" means the
41 arithmetic mean, to the nearest one-hundredth of one percent (0.01%),
42 of the prime rate values published in the Federal Reserve Bulletin for

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1 the three (3) months preceding the first month of a calendar quarter.

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

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

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

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

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

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

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

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

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

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1 (e) within three hundred (300) days after the utility files its case in
 2 chief in support of the proposed increase, the utility may temporarily
 3 implement fifty percent (50%) of the utility's proposed permanent
 4 increase in basic rates and charges, subject to the commission's review
 5 and determination under subsection (f)-(g). The utility shall submit the
 6 proposed temporary rates and charges to the commission at least thirty
 7 (30) days before the date on which the utility seeks to implement the
 8 temporary rates and charges. The temporary rates and charges may
 9 reflect proposed or existing approved customer class allocations and
 10 rate designs. However, if the utility uses a forward looking test period
 11 described in subsection (d)(1) (e)(1) or a hybrid test period described
 12 in subsection (d)(3), (e)(3), the utility may not:

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

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

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

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

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

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

41 (h) (j) If a utility implements temporary rates and charges that
 42 differ from the permanent rates and charges approved by the

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

12 SECTION 4. IC 8-1-2-113, AS AMENDED BY P.L.93-2024,
 13 SECTION 65, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 14 UPON PASSAGE]: Sec. 113. (a) **Subject to subsections (b) and (c)**,
 15 the commission may, when it considers it necessary to prevent injury
 16 to the business or interests of the people of, or any public utility of this
 17 state **operating in, Indiana in case the event** of any emergency to be
 18 **judged by the commission, that results from:**

- 19 (1) **a national economic depression;**
- 20 (2) **an act of war; or**
- 21 (3) **a disaster of unprecedented size and destructiveness**
 resulting from manmade or natural causes;

22 **recommend that the governor declare a disaster emergency under**
 23 **IC 10-14-3-12 or proclaim a state of energy emergency under**
 24 **IC 10-14-3-13, as applicable, during which the commission may**
 25 **temporarily alter, amend, or with the consent of the public utility**
 26 **concerned, suspend any existing rates, service, practices, schedules,**
 27 **and order or orders relating to or affecting any public utility or part of**
 28 **any public utility operating in this state: Indiana.** The alterations,
 29 **amendments, or suspensions of the rates, service, schedules, or**
 30 **practices made by the commission shall may apply to one (1) or more**
 31 **of the public utilities operating in this state or to any portion thereof,**
 32 **Indiana, as directed by the commission, and shall take effect at the**
 33 **time and remain in force only for the length of time prescribed by the**
 34 **commission: duration of the disaster emergency or the energy**
 35 **emergency, as applicable.**

36 (b) **The commission may adopt rules under IC 4-22-2 to carry out**
 37 **this section:**

38 (b) **The declaration of a disaster emergency by the governor**
 39 **upon the recommendation of the commission under subsection (a)**
 40 **is subject to:**

- 41 (1) **the time limitations set forth in IC 10-14-3-12(b); and**

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(2) termination by the general assembly under
IC 10-14-3-12(c).

(c) The proclamation of a state of energy emergency by the governor upon the recommendation of the commission under subsection (a) is subject to:

**(1) the time limitation set forth in IC 10-14-3-13(c); and
(2) approval by the general assembly under IC 10-14-3-13(d)
with respect to a second or subsequent renewal of the
proclamation.**

10 SECTION 5. IC 8-1-2-121, AS AMENDED BY P.L.181-2006,
11 SECTION 48, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
12 UPON PASSAGE]: Sec. 121. (a) **As used in this section, "electric or**
13 **gas utility" includes a municipally owned, privately owned, or**
14 **cooperatively owned utility.**

forecast, not earlier than forty-eight (48) hours in advance, a heat index of at least ninety-five (95) degrees Fahrenheit for a county or part of a county 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 to which the forecasted heat index applies; 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 forecast is made.

42 For purposes of subdivision (1), the commission shall implement

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1 procedures to ensure that electric or gas utility service is continued
 2 while eligibility for such ~~persons~~ **customers** is being determined.

3 **(d) If:**

4 **(1) an electric utility has provided a notice of disconnection**
 5 **to a customer described in subsection (c)(2) before the local**
 6 **weather forecast office of the National Weather Service**
 7 **forecasts a heat index described in subsection (c)(2) for the**
 8 **customer's service location; and**

9 **(2) the fourteen (14) day period following the issuance of the**
 10 **disconnection notice during which the electric utility is**
 11 **prohibited from terminating the customer's electric service**
 12 **under 170 IAC 4-1-16 would have elapsed on the forecasted**
 13 **date for the heat index to reach the level described in**
 14 **subsection (c)(2);**

15 **the fourteen (14) day period described in subdivision (2) is tolled**
 16 **until the first day that follows the day with respect to which the**
 17 **forecast was made and during which the forecasted heat index is**
 18 **not reached.**

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

21 **(1) informs customers of the relief available to eligible**
 22 **customers under subsection (c); and**

23 **(2) includes:**

24 **(A) a toll free telephone number; or**
 25 **(B) a link to a web page;**

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

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

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

42 **(d) (h) The commission shall adopt rules under IC 4-22-2 to carry**



1 out the provisions of this section.

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

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

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

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

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

15 SECTION 6. IC 8-1-2.6-2, AS AMENDED BY P.L.107-2014,
 16 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 17 UPON PASSAGE]: Sec. 2. (a) This section applies to rules and orders
 18 that:

19 (1) concern telecommunications service or providers of
 20 telecommunications service; and

21 (2) may be adopted or issued by the commission under the
 22 authority of state or federal law.

23 (b) Rules and orders described in this section:

24 (1) may be adopted or issued only after notice and hearing,
 25 unless:

26 (A) the commission ~~determines acts~~ in accordance with
 27 IC 8-1-2-113 that ~~an~~ **during a disaster** emergency ~~exists~~
 28 **that is declared by the governor and** that requires the
 29 commission or a provider to take immediate action to:

30 (i) prevent injury to the business or interests of the
 31 citizens of Indiana; or

32 (ii) maintain a provider's financial integrity and ability
 33 to provide adequate basic telecommunications service;

34 (B) the commission is authorized under IC 8-1-2 to adopt a
 35 particular rule or issue a particular order without the
 36 necessity of a hearing; or

37 (C) after receiving notice of the commission's proposed
 38 action, all parties to a proceeding consent to the commission
 39 taking action without a hearing; and

40 (2) must be:

41 (A) consistent with this chapter; and

42 (B) in the public interest, as determined by the commission



under subsection (d).

(c) Rules and orders described in this section must promote one

(1) or more of the following:

(1) Cost minimization for providers to the extent that a provider's quality of service and facilities are not diminished.

(2) A more accurate evaluation by the commission of a provider's physical or financial conditions or needs as well as a less costly regulatory procedure for either the provider, the provider's customers, or the commission.

(3) Consumer access to affordable basic telecommunications service.

(4) Development of depreciation guidelines and procedures that recognize technological obsolescence.

(5) Increased provider management efficiency beneficial to customers.

(6) Regulation consistent with a competitive environment.

(d) In determining whether the public interest will be served, as required under subsection (b), the commission shall consider:

(1) whether technological change, competitive forces, or regulation by other state and federal regulatory bodies render the exercise of jurisdiction by the commission unnecessary or wasteful;

(2) whether the exercise of commission jurisdiction produces tangible benefits to the customers of providers; and

(3) whether the exercise of commission jurisdiction inhibits a regulated entity from competing with unregulated providers of functionally similar telecommunications services or equipment

SECTION 7. IC 8-1-6.1 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]:

Chapter 6.1. Quarterly Residential Customer Reports by Electricity Suppliers

Sec. 1. As used in this chapter, "levelized billing plan" has the meaning set forth in IC 8-1-2-4.7.

Sec. 2. As used in this chapter, "customer" refers to a residential customer who has agreed to pay for utility service from an electricity supplier.

Sec. 3. As used in this chapter, "electricity supplier" means a person, other than a municipally owned utility (as defined in IC 8-1-2-1(h)), that:

(1) provides utility service to customers in Indiana; and

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

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1 **approval of rates and charges.**

2 **Sec. 4. As used in this chapter, "office" refers to the office of**

3 **utility consumer counselor created by IC 8-1-1.1-2.**

4 **Sec. 5. As used in this chapter, "payment plan" means a**

5 **payment arrangement that:**

6 **(1) is entered into by an electricity supplier and a customer**

7 **of the electricity supplier; and**

8 **(2) allows the customer to:**

9 **(A) pay current or past due amounts for utility service**

10 **in lower amounts or over an extended period of time, or**

11 **according to another agreed upon schedule;**

12 **(B) defer the payment of current or past due amounts**

13 **for utility service to some future date; or**

14 **(C) receive a forbearance with respect to the payment of**

15 **certain amounts owed.**

16 **Sec. 6. As used in this chapter, "protected account" means an**

17 **account that is for utility service that is provided to a customer**

18 **who is eligible for and has applied for assistance from a home**

19 **energy assistance program administered under IC 4-4-33.**

20 **Sec. 7. As used in this chapter, "utility service" means**

21 **residential electric service that is provided at retail.**

22 **Sec. 8. (a) An electricity supplier shall submit to the office**

23 **quarterly reports containing the information set forth in this**

24 **subsection with respect to the calendar quarter covered by the**

25 **report. A report under this subsection shall be submitted to the**

26 **office in the manner and form prescribed by the office and not**

27 **later than thirty (30) days after the last day of the calendar quarter**

28 **covered by the report. The first report submitted to the office**

29 **under this subsection must cover the third calendar quarter of**

30 **2026. A report under this subsection must include the following**

31 **information for each month in the calendar quarter covered by the**

32 **report, including, to the extent available, a comparison of the same**

33 **information for the same month of the immediately preceding**

34 **calendar year:**

35 **(1) The total number of open customer accounts.**

36 **(2) The total number of customers who received assistance**

37 **from a home energy assistance program administered under**

38 **IC 4-4-33.**

39 **(3) The total number of open protected accounts for**

40 **customers.**

41 **(4) The total number of open customer accounts that were**

42 **delinquent for more than sixty (60) days.**



(5) The total dollar amount owed with respect to the accounts identified under subdivision (4).

(6) The total number of payment plans entered into between the electricity supplier and customers of the electricity supplier.

(7) The total number of levelized billing plans applied to customer accounts.

(8) The total number of customer accounts sent a notice of disconnection for nonpayment.

(9) The total number of utility service disconnections performed for nonpayment.

(10) The total dollar value of customer accounts written off as uncollectible.

(b) An electricity supplier shall report all information and data required under subsection (a) in the aggregate and in a manner that does not identify individual customers of the electricity supplier.

(c) This section does not empower the office to require electricity suppliers to disclose confidential and proprietary business information without adequate protection of the information. The office shall exercise all necessary caution to avoid disclosure of any confidential information reported by electricity suppliers under this section.

Sec. 9. The office shall adopt guidelines to implement this chapter.

Sec. 10. Beginning in 2027, the office shall annually compile and summarize the information received from electricity suppliers under section 8 of this chapter for the previous calendar year and include the office's summary of the information in the office's annual report to the interim study committee on energy, utilities, and telecommunications.

SECTION 8. IC 8-1-32.4-15, AS AMENDED BY P.L.8-2012, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15. (a) The commission may declare **act** in accordance with IC 8-1-2-113 that **an** **during** **a** **disaster** emergency exists in **that** **is** **declared** **by** **the** **governor** and **that** **includes** an area in Indiana that is not served by any communications service provider offering voice service through any technology or medium. If the commission declares **an** **acts** **in** **accordance** **with** **IC** **8-1-2-113** **during** **a** **declared** **disaster** emergency, **under** **this** **section**, the commission may issue any order necessary to protect the health, safety, and welfare of affected residents or businesses and may expedite the availability of

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1 voice service to the affected residents or businesses.

2 (b) If the commission authorizes a communications service
 3 provider to offer voice service under this section, the commission shall
 4 permit the communications service provider to offer the voice service
 5 through any available technology or medium determined by the
 6 communications service provider.

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

- 15 (1) use the customer class revenue allocation factor based on
 16 firm load approved in the public utility's most recent retail base
 17 rate case order;
- 18 (2) include the public utility's TDSIC plan for eligible
 19 transmission, distribution, and storage system improvements;
 20 and
- 21 (3) identify projected effects of the plan described in subdivision
 22 (2) on retail rates and charges.

23 The public utility shall provide a copy of the petition to the office of the
 24 utility consumer counselor when the petition is filed with the
 25 commission.

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

- 29 (1) a targeted economic development project under section 11 of
 30 this chapter; or
- 31 (2) transmission, distribution, and storage system improvements
 32 not described in the public utility's TDSIC plan most recently
 33 approved by the commission under section 10 of this chapter.

34 (c) A public utility that recovers capital expenditures and TDSIC
 35 costs under subsection (a) shall defer the remaining twenty percent
 36 (20%) of approved capital expenditures and TDSIC costs, including
 37 depreciation, allowance for funds used during construction, and post in
 38 service carrying costs, and shall recover those capital expenditures and
 39 TDSIC costs as part of the next general rate case that the public utility
 40 files with the commission.

41 (d) Except as provided in section 15 of this chapter, a public utility
 42 may not file a petition under subsection (a) within nine (9) months after

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1 the date on which the commission issues an order changing the public
 2 utility's basic rates and charges with respect to the same type of utility
 3 service.

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

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

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

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

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

20 SECTION 10. IC 8-1-46 IS ADDED TO THE INDIANA CODE
 21 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 22 UPON PASSAGE]:

23 **Chapter 46. Performance Based Ratemaking for Electricity**
 24 **Suppliers**

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

30 (b) **The term includes the following charges:**

- 31 (1) **Fixed service charges.**
- 32 (2) **Energy charges based on the amount of electricity**
 33 **provided to or consumed by the customer during the billing**
 34 **cycle.**
- 35 (3) **Additional charges or credits, including any applicable**
 36 **rate adjustment mechanisms approved by the commission.**
- 37 (4) **Taxes.**

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

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

- 42 (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 duration 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 sustained service interruptions; and

(2) is calculated by determining the quotient of:

- (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 1366.

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
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

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corporation organized under IC 8-1-13.

Sec. 7. As used in this chapter, "IEEE 1366" refers to:

- (1) the 2022 edition of IEEE 1366, 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 1366, the version of IEEE 1366 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 1366.

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 performance incentive mechanism applicable to the electricity supplier;

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

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

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

(1) links an electricity supplier's earnings to the electricity supplier's performance in targeted areas that are consistent with the provision of electric utility service with the

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1 **attributes set forth in IC 8-1-2-0.6, including:**

2 (A) reliability;
 3 (B) affordability;
 4 (C) resiliency;
 5 (D) stability; and
 6 (E) environmental sustainability;

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

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

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

12 **(1) authorized base rates; and**
 13 **(2) adjustments to base rates, including adjustments based**
 14 **on an electricity supplier's performance in meeting**
 15 **performance metrics serving as the basis of all applicable**
 16 **PIMs;**

17 **are in effect.**

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

21 **Sec. 14. As used in this chapter, "service restoration**
 22 **performance metric", with respect to an electricity supplier, means**
 23 **a metric that:**

24 **(1) is determined by the commission under section 24 of this**
 25 **chapter for a particular rate year included in that electricity**
 26 **supplier's multi-year rate plan;**
 27 **(2) is based on the most recent service restoration**
 28 **performance report submitted to the commission by the**
 29 **electricity supplier under section 19 of this chapter; and**
 30 **(3) is used by the commission to establish a service**
 31 **restoration PIM that applies to that rate year and provides**
 32 **financial rewards or penalties to the electricity supplier**
 33 **based on the electricity supplier's measured service**
 34 **restoration performance.**

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

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

40 **(1) A planned service interruption that is:**
 41 **(A) initiated by an electricity supplier to perform**
 42 **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;

in accordance with IEEE 1366.

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:

(B) the total number of cases in accordance with IEEE 1366

Sec. 18. Beginning in 2027, before March 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 March 1 of each year, an electricity supplier shall file with the commission, on a form prescribed by the commission, a service restoration performance report that includes the following information for each of the most recently concluded six (6) calendar years:

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

- (A) SAIDI.
- (B) SAIFI.
- (C) CAIDI.

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

- (A) SAIDI.
- (B) SAIFI.
- (C) CAIDI.

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

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

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7 (A) establishes basic rates and charges for the electricity
8 supplier as part of a base rate case; and
9 (B) is issued after April 30, 2024, and before February
10 1, 2025.

21 (A) establishes basic rates and charges for the electricity
22 supplier as part of a base rate case; and
23 (B) is issued after June 1, 2025, and before July 1, 2025.

36 (1) requests approval of a reduction in the electricity
37 supplier's overall revenue requirement for the first rate year
38 of the multi-year rate plan;

39 (2) meets all requirements for a multi-year rate plan under
40 this chapter; and

40 this chapter, and
41 (3) is filed with the commission not later than September 1,

42 2026.

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(c) An electricity supplier may petition the commission for relief 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).

(d) 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:

(A) case in chief (as defined in IC 8-1-2-42.7(c), including the electricity supplier's proposed:

(i) revenue requirement; and

(ii) base rates for each customer class; and

(B) proposed test period using forward looking periods the close of which correspond with the end of the second and third rate years in the electricity supplier's multi-year rate plan;

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 supplier's basic rates and charges that occurs outside of a multi-year rate plan, based on an appropriate test year under IC 8-1-2-42.7(e) used to determine the electricity supplier's actual and pro forma operating revenues, expenses, and operating income under current and proposed rates, adjusted for changes that are fixed, known, and

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

3 **(3) The base rates for the second and third rate years of an**
 4 **electricity supplier's multi-year rate plan shall be established**
 5 **using:**

6 **(A) changes in the electricity supplier's net plant in**
 7 **service from the end of the immediately preceding rate**
 8 **year, including any difference between:**

9 **(i) actual net plant in service at the end of the rate**
 10 **year; and**

11 **(ii) the projected net plant in service used in the**
 12 **electricity supplier's test period for that rate year;**
 13 **and**

14 **(B) changes in the net balance of any regulatory asset or**
 15 **liability from the end of the immediately preceding rate**
 16 **year.**

17 **As used in this subdivision, "net plant in service" refers to**
 18 **both utility plant in service and accumulated depreciation.**

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

23 **(A) the electricity supplier; and**

24 **(B) the electricity supplier's ratepayers;**

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

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

29 **(A) A customer affordability performance metric that:**

30 **(i) is determined by the commission under section**
 31 **23 of this chapter for that rate year;**

32 **(ii) is based on the most recent customer**
 33 **affordability performance report submitted to the**
 34 **commission by the electricity supplier under section**
 35 **18 of this chapter; and**

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

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

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



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

(C) A service performance restoration metric that:

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

(ii) is 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) is used by the commission to establish a service restoration PIM that applies to that rate year.

(D) A service restoration PIM that:

(i) is based on the electricity supplier's performance in meeting the service restoration performance metric described in clause (C); and

(ii) provides financial rewards or penalties to the electricity supplier based on that performance in accordance with section 24 of this chapter.

(b) An electricity supplier's petition for approval of a multi-year rate plan under this chapter may include alternative regulatory practices, procedures, accounting treatments, and mechanisms that are consistent with this chapter.

(c) A multi-year rate plan under this chapter 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. In an electricity supplier's first petition for a multi-year rate plan under this chapter, the electricity supplier shall include a plan to incorporate planned capital expenditures, subject to preapproval by the commission, into the electricity supplier's subsequent multi-year rate plans under this chapter.

(d) 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.

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

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

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

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

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

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

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

16 **(C) is consistent with the requirements set forth in this**
17 **chapter and in the rules adopted by the commission**
18 **under section 27 of this chapter.**

19 **(5) That the multi-year rate plan meets any other legal**
20 **requirement.**

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

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

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

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

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

38 **(1) the average annual percentage change (rounded to**
39 **nearest one-tenth percent (0.1%)) in the electricity supplier's**
40 **average monthly residential bill over the course of the most**
41 **recently concluded five (5) calendar years (normalized for**
42 **weather if not otherwise normalized for weather through a**



rate adjustment mechanism described in section 1(b)(3) of this chapter); minus

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

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

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

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

Sec. 24. (a) 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 service restoration performance metric for that electricity supplier in the following manner:

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

STEP TWO: Determine the electricity supplier's SAIDI for the most recently concluded calendar year, including major event days, 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

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1 **result divided by the STEP ONE result, rounded to the**
 2 **nearest one-hundredth (0.01).**

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

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

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

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

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

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

27 **(A) the date of the commission's final order approving**
 28 **the multi-year rate plan; or**
 29 **(B) if the petition is pending before the commission, the**
 30 **procedural status of the petition.**

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

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

38 **(A) customer affordability performance metric; and**
 39 **(B) service restoration performance metric;**

40 **for the current rate year in the electricity supplier's**
 41 **multi-year rate plan under this chapter, to the extent**
 42 **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 rates of the electricity supplier's applicable:

(A) customer affordability performance metric; and

(B) 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 IC 5-14-3-4;

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

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

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";

(2) a "general rate case";

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

(4) words of similar import:

(4) 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.

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1 SECTION 11. IC 8-1-47 IS ADDED TO THE INDIANA CODE
 2 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 3 UPON PASSAGE]:

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

6 **Sec. 1. As used in this chapter, "electricity supplier" means a**
 7 **person, other than a municipally owned utility (as defined in**
 8 **IC 8-1-2-1(h)), that:**

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

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

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

- 19 **(A) customer eligibility verification;**
- 20 **(B) billing services; and**
- 21 **(C) contribution management; and**
- 22 **(2) have not been and will not be recovered by the electricity**
 23 **supplier through contributions of any money, services, or**
 24 **property that have been or will be provided at no cost to the**
 25 **electricity supplier by or through any:**

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

31 **in support of the program.**

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

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

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

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

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

42 **Sec. 5. (a) Not later than July 1, 2026, an electricity supplier**



1 **shall offer a low income customer assistance program that provides**
 2 **financial assistance to low income customers for the payment of**
 3 **monthly bills for utility service provided by the electricity supplier.**
 4 **A program that:**

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

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

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

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

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

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

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

34 **the portion of the amount allocated or to be allocated to the**
 35 **program under section 6(1) of this chapter that has not been**
 36 **allocated to low income customers enrolled in the program at the**
 37 **time the limit, cap, or restriction is reached shall be segregated**
 38 **from all other funds of the electricity supplier and held in trust for**
 39 **allocation to low income customers enrolled in the electricity**
 40 **supplier's low income customer assistance program in the**
 41 **following calendar year.**

42 **Sec. 6. Beginning in 2027, not later than March 1 of each year,**

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1 **an electricity supplier shall fund the electricity supplier's low
2 income customer assistance program in an amount equal to:**

3 **(1) at least two-tenths percent (0.2%) of the electricity
4 supplier's jurisdictional revenues for residential customers;
5 plus**

6 **(2) any contributions from:**

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

8 **(B) other third parties, including voluntary charitable
9 contributions from nonprofit organizations or from
10 employees, customers, or shareholders of the electricity
11 supplier.**

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

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

18 **(2) includes:**

19 **(A) a toll free telephone number; or
20 (B) a link to a web page;**

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

(A) governmental agency or program; or

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

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

(2) A statement of any amounts that have been or will be allocated or contributed 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.

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

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

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

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

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

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

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



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1 SECTION 12. [EFFECTIVE UPON PASSAGE] (a) As used in
2 this SECTION, "commission" refers to the Indiana utility
3 regulatory commission created by IC 8-1-1-2.

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

7 (1) 170 IAC 4.

8 (2) Any other rule that:

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

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

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

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

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

18 SECTION 14. An emergency is declared for this act.

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