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# HOUSE BILL No. 1002

Proposed Changes to January 28, 2026 printing by AM100229

## DIGEST OF PROPOSED AMENDMENT

Levelized billing plans. Excludes municipally owned utilities from the bill's requirements concerning levelized billing plans. Specifies that the bill's provisions concerning levelized billing plans do not apply to residential customers who have agreed to pay for utility service under an alternative billing tariff approved by the IURC. Amends the language requiring an electricity supplier to apply a levelized billing plan to all active customer accounts for utility service provided under the electricity supplier's standard residential tariff, so that the requirement applies to only those active accounts for service provided to a customer who is part of a household that is eligible for and has applied for assistance from the state's home energy assistance program.

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

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

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

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

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**(B) the customer's account is either billed or credited, as appropriate, for any difference identified under clause (A).**

4 (b) As used in this section, "customer" refers to a residential  
5 customer who has agreed to pay for utility service from an  
6 electricity supplier under the electricity supplier's standard  
7 residential tariff.The term does not include a residential customer  
8 who has agreed to pay for utility service from an electricity  
9 supplier under an alternative billing tariff approved by the  
10 commission.

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

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

customer accounts.

(A) for utility service provided under the electricity supplier's standard residential tariffto a customer who is part of a household that is eligible for and has applied for assistance from a home energy assistance program administered under IC 4-4-33; and

28 (B) to which a levelized billing plan does not already  
29 apply.

30 (2) Not later than April 1, 2026, offer each customer of the  
31 electricity supplier la mechanism, through one (1) or more  
32 methods described in subsection (f)(4), by which the  
33 customer may opt out of ~~the~~ la levelized billing plan at  
34 any time, without penalty, before or after the levelized billing  
35 plan is applied to the customer's account, subject to the  
36 reconciliation mechanism described in subsection (a)(3).

36 reconciliation mechanism described in subsection (a)(3).  
37 (3) Not later than July 1, 2026, for any levelized billing plan  
38 offered by the electricity supplier and applied to an active  
39 customer account, regardless of the date the levelized billing  
40 plan was first offered or applied, amend or design the  
41 levelized billing plan, as applicable, so that the reconciliation  
42 mechanism described in subsection (a)(3) is applied at such



1 times during a calendar year to reflect, to the extent possible,  
 2 typical seasonal patterns of electricity usage by residential  
 3 customers, but not more than two (2) times during a  
 4 calendar year.

5 (f) Not later than April 1, 2026, an electricity supplier shall  
 6 provide to each customer ~~having an active account for utility~~  
 7 ~~service provided under the electricity supplier's standard~~  
 8 ~~residential tariff~~[described in subsection (e)(1)] a written notice  
 9 that:

10 (1) informs the customer that a leveled billing plan will be  
 11 applied to the customer's account beginning with the first  
 12 monthly billing cycle that begins after June 30, 2026, if a  
 13 leveled billing plan does not already apply to the  
 14 customer's account;

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

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

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

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

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

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

34 (3) offers the customer a mechanism, through one (1) or  
 35 more methods described in subdivision (4), by which the  
 36 customer may opt out of a leveled billing plan at any time,  
 37 without penalty, before or after the leveled billing plan is  
 38 applied to the customer's account, subject to the  
 39 reconciliation mechanism described in subsection (a)(3); and  
 40 (4) is delivered to the customer by one (1) or more of the  
 41 following methods:

42 (A) United States mail.

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**(B) Electronic mail.**

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

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

(h) Except as provided in subsection (i), an electricity supplier may not refer to or promote a leveled billing plan required under this section as a "budget billing plan" in:

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

(i) The prohibition set forth in subsection (h) does not apply with respect to a billing plan that provides for levelized payments if the plan also allows a customer to:

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

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

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

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

SECTION 2. IC 8-1-2-42.7, AS ADDED BY P.L.133-2013, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 42.7. **(a) 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.**

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

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

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

11 (e) (d) For purposes of this section, "utility" refers to the  
12 following:  
13 (1) A public utility.  
14 (2) A municipally owned utility.  
15 (3) A cooperative owned utility.

16 (d) (e) In a petition filed with the commission to change basic rates  
17 and charges, a utility may designate a test period for the commission to  
18 use. The utility must include with its petition the utility's complete case  
19 in chief. The commission shall approve a test period that is one (1) of  
20 the following:  
21 (1) A forward looking test period determined on the basis of  
22 projected data for the twelve (12) month period beginning not  
23 later than twenty-four (24) months after the date on which the  
24 utility petitions the commission for a change in its basic rates  
25 and charges.  
26 (2) A historic test period based on a twelve (12) month period  
27 that ends not more than two hundred seventy (270) days before  
28 the date on which the utility petitions the commission for a  
29 change in its basic rates and charges. The commission may  
30 adjust a historic test period for fixed, known, and measurable  
31 changes and appropriate normalizations and annualizations.  
32 (3) A hybrid test period based on at least twelve (12) consecutive  
33 months of combined historic data and projected data. The  
34 commission may adjust the historic data as set forth in  
35 subdivision (2).

36 (e) (f) This subsection does not apply to a proceeding in which a  
37 utility is seeking an increase in basic rates and charges and requesting  
38 initial relief under IC 8-1-2.5-5 or IC 8-1-2.5-6. If the commission does  
39 not issue an order on a petition filed by a utility under subsection (d)  
40 (e) within three hundred (300) days after the utility files its case in  
41 chief in support of the proposed increase, the utility may temporarily  
42 implement fifty percent (50%) of the utility's proposed permanent

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

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

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

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

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

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

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

38 (f) (j) If a utility implements temporary rates and charges that  
 39 differ from the permanent rates and charges approved by the  
 40 commission in a final order on the petition filed under subsection (d),  
 41 (e), the utility shall perform a reconciliation and implement a refund,  
 42 in the form of a credit rider, or a surcharge, as applicable, on customer

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

9 SECTION 3. IC 8-1-2-113, AS AMENDED BY P.L.93-2024,  
 10 SECTION 65, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 11 UPON PASSAGE]: Sec. 113. (a) **Subject to subsections (b) and (c)**,  
 12 the commission may, when it considers **it** necessary to prevent injury  
 13 to the business or interests of the people **of**, or any public utility **of this**  
 14 **state operating in, Indiana in case the event** of any emergency **to be**  
 15 **judged by the commission, that results from:**

16 (1) **a national economic depression;**  
 17 (2) **an act of war; or**  
 18 (3) **a disaster of unprecedented size and destructiveness**  
 19 **resulting from manmade or natural causes;**  
 20 **recommend that the governor declare a disaster emergency under**  
 21 **IC 10-14-3-12 or proclaim a state of energy emergency under**  
 22 **IC 10-14-3-13, as applicable, during which the commission may****I**  
 23 **temporarily alter, amend, or with the consent of the public utility**  
 24 **concerned, suspend any existing rates, service, practices, schedules,****I**  
 25 **and order or orders** relating to or affecting any public utility or part  
 26 of any public utility **operating in this state: Indiana.** The alterations,  
 27 amendments, or suspensions of the rates, service, schedules, or  
 28 practices made by the commission **shall may** apply to one (1) or more  
 29 of the public utilities **operating in this state or to any portion thereof,**  
 30 **Indiana,** as directed by the commission, and **shall** take effect at the  
 31 time and remain in force **only** for the length of time prescribed by the  
 32 **commission: duration of the disaster emergency or the energy**  
 33 **emergency, as applicable.**

34 (b) The commission **may** adopt rules under IC 4-22-2 to carry out  
 35 this section.

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

39 (1) **the time limitations set forth in IC 10-14-3-12(b); and**  
 40 (2) **termination by the general assembly under**  
 41 **IC 10-14-3-12(c).**

42 (c) **The proclamation of a state of energy emergency by the**

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1       governor upon the recommendation of the commission under  
 2       subsection (a) is subject to:

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

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

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

15       (e) (c) Notwithstanding any other provision of law, **but subject to**  
 16      subsection (i), the following apply with respect to the termination  
 17      of residential electric or gas service:

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

25               (2) Subject to subsection (d), on any day for which a local  
 26      weather forecast office of the National Weather Service has  
 27      forecast, not earlier than forty-eight (48) hours in advance,  
 28      a heat index of at least ninety-five (95) degrees Fahrenheit  
 29      for a county or region within an electric utility's assigned  
 30      service area under IC 8-1-2.3, the electric utility may not  
 31      terminate residential electric service for customers who:

32                       (A) receive residential electric service from the electric  
 33      utility at a location to which the forecasted heat index  
 34      applies; and

35                       (B) are eligible for and have applied for assistance under  
 36      a heating assistance program administered under  
 37      IC 4-4-33 during the calendar year in which the forecast  
 38      is made.

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

42       (d) If:

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11 the fourteen (14) day period described in subdivision (2) is tolled  
12 for a period beginning on the date on which the forecasted heat  
13 index described in subsection (c)(2) is made by the local weather  
14 forecast office of the National Weather service and ending at 11:59  
15 p.m. on the first day that follows the day with respect to which the  
16 forecast was made and during which the forecasted heat index is  
17 not reached.

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

22 (2) includes:

23 (A) a toll free telephone number; or

24 (B) a link to a web page;

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

41            (d) The commission shall adopt rules under IC 4-22-2 to carry  
42            out the provisions of this section.

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

4                   (1) If a condition dangerous or hazardous to life, physical safety,  
 5 or property exists.  
 6                   (2) Upon order by any court, the commission, or other duly  
 7 authorized public authority.  
 8                   (3) If fraudulent or unauthorized use of electricity or gas is  
 9 detected and the utility has reasonable grounds to believe the  
 10 affected customer is responsible for such use.  
 11                   (4) If the utility's regulating or measuring equipment has been  
 12 tampered with and the utility has reasonable grounds to believe  
 13 that the affected customer is responsible for such tampering.

14                   SECTION 5. IC 8-1-6.1 IS ADDED TO THE INDIANA CODE  
 15 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
 16 JULY 1, 2026]:

17                   **Chapter 6.1. Quarterly Residential Customer Reports by  
 18 Electricity Suppliers**

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

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

24                   **Sec. 3. As used in this chapter, "electricity supplier" means a  
 25 person, however organized, that:**

26                   (1) provides utility service to customers in Indiana; and  
 27                   (2) is under the jurisdiction of the commission for the  
 28 approval of rates and charges.

29                   **Sec. 4. As used in this chapter, "office" refers to the office of  
 30 utility consumer counselor created by IC 8-1-1.1-2.**

31                   **Sec. 5. As used in this chapter, "payment plan" means a  
 32 payment arrangement that:**

33                   (1) is entered into by an electricity supplier and a customer  
 34 of the electricity supplier; and  
 35                   (2) allows the customer to:  
 36                   (A) pay current or past due amounts for utility service  
 37 in lower amounts or over an extended period of time, or  
 38 according to another agreed upon schedule;  
 39                   (B) defer the payment of current or past due amounts  
 40 for utility service to some future date; or  
 41                   (C) receive a forbearance with respect to the payment of  
 42 certain amounts owed.

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1                   **Sec. 6. As used in this chapter, "protected account" means an  
2 account that:**

3                   **(1) is for utility service that:**

4                   **(A) is provided to a customer who is vulnerable because  
5 of advanced age, serious illness, or disability; and  
6 (B) is not subject to termination or disconnection for  
7 nonpayment or for which termination or disconnection  
8 for nonpayment is restricted during specified periods; or**

9                   **(2) otherwise qualifies as a protected account under  
10 guidelines adopted by the office under section 9 of this  
11 chapter.**

12                   **Sec. 7. As used in this chapter, "utility service" means  
13 residential electric service that is provided at retail.**

14                   **Sec. 8. (a) An electricity supplier shall submit to the office  
15 quarterly reports containing the information set forth in this  
16 subsection with respect to the calendar quarter covered by the  
17 report. A report under this subsection shall be submitted to the  
18 office in the manner and form prescribed by the office and not  
19 later than thirty (30) days after the last day of the calendar quarter  
20 covered by the report. The first report submitted to the office  
21 under this subsection must cover the third calendar quarter of  
22 2026. A report under this subsection must include the following  
23 information for each month in the calendar quarter covered by the  
24 report, including, to the extent available, a comparison of the same  
25 information for the same month of the immediately preceding  
26 calendar year:**

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

28                   **(2) The total amount billed by the electricity supplier for all  
29 open customer accounts.**

30                   **(3) The total gross receipts received by the electricity  
31 supplier for all open customer accounts.**

32                   **(4) Of the total amount of gross receipts reported under  
33 subdivision (3), the total amount that was paid through a  
34 home energy assistance program administered under  
35 IC 4-4-33.**

36                   **(5) The total number of customers who received assistance  
37 from a home energy assistance program administered under  
38 IC 4-4-33.**

39                   **(6) The total number of open protected accounts for  
40 customers.**

41                   **(7) The total number of open customer accounts that were  
42 delinquent for at least sixty (60) days and not more than**

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10 (12) The total number of new payment plans entered into  
11 between the electricity supplier and customers of the

11 between the electricity supplier and customers of the  
12 electricity supplier.

13 (13) The total number of new levelized billing plans applied

**(14) The total number of customer accounts sent a notice of**

(15) The total number of utility service disconnections

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

(16) The total number of utility service restorations after disconnection for nonpayment.

(17) The average duration of utility service disconnection for

(17) The average duration of utility service disconnection for customer accounts identified under subdivision (16).

23 (18) The total number of customer accounts written off as  
24 uncollectible.  
25 (19) The total dollar value of customer accounts identified

(19) The total dollar value of customer accounts identified under subdivision (18).

(20) The total dollar value of recovered bad debt with respect

(20) The total dollar value of recovered bad debt with respect to customer accounts.

(21) Any other relevant information concerning customer accounts that the office:

30 accounts that the office:  
31 (A) considers appro-

31 (A) considers appropriate in evaluating:  
32 (i) the payment history of customers;

32 (i) the payment history of customers; and  
33 (ii) the billing and related practices of electricity  
34 suppliers with respect to customers; and

36 this chapter.

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

41 (c) This section does not empower the office to require  
42 electricity suppliers to disclose confidential and proprietary

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1 business information without adequate protection of the  
 2 information. The office shall exercise all necessary caution to avoid  
 3 disclosure of any confidential information reported by electricity  
 4 suppliers under this section.

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

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

13 SECTION 6. IC 8-1-39-9, AS AMENDED BY P.L.89-2019,  
 14 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 15 UPON PASSAGE]: Sec. 9. (a) Subject to subsection (d), a public  
 16 utility that provides electric or gas utility service may file with the  
 17 commission rate schedules establishing a TDSIC that will allow the  
 18 periodic automatic adjustment of the public utility's basic rates and  
 19 charges to provide for timely recovery of eighty percent (80%) of  
 20 approved capital expenditures and TDSIC costs. The petition must:

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

29 The public utility shall provide a copy of the petition to the office of the  
 30 utility consumer counselor when the petition is filed with the  
 31 commission.

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

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

40 (c) A public utility that recovers capital expenditures and TDSIC  
 41 costs under subsection (a) shall defer the remaining twenty percent  
 42 (20%) of approved capital expenditures and TDSIC costs, including

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1 depreciation, allowance for funds used during construction, and post in  
 2 service carrying costs, and shall recover those capital expenditures and  
 3 TDSIC costs as part of the next general rate case that the public utility  
 4 files with the commission.

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

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

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

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

16 1A public utility that implements a TDSIC under this chapter shall,  
 17 before the expiration of the public utility's approved TDSIC plan,  
 18 petition the commission for review and approval of the public utility's  
 19 basic rates and charges with respect to the same type of utility service.

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

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

26 SECTION 7. IC 8-1-46 IS ADDED TO THE INDIANA CODE AS  
 27 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON  
 28 PASSAGE]:

29 **Chapter 46. Performance Based Ratemaking for Electricity  
 30 Suppliers**

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

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

- 37 (1) **Fixed service charges.**
- 38 (2) **Energy charges based on the amount of electricity  
 39 provided to or consumed by the customer during the billing  
 40 cycle.**
- 41 (3) **Additional charges or credits, including any applicable  
 42 rate adjustment mechanisms approved by the commission.**

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**(4) Taxes.**

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

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

- (1) that is located at a specific location in Indiana; and
- (2) for which an active billing account is established by the electricity supplier.

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

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

- (1) is determined by the commission under section 23 of this chapter for a particular rate year included in that electricity supplier's multi-year rate plan;
- (2) is based on the most recent customer affordability performance report submitted to the commission by the electricity supplier under section 18 of this chapter; and
- (3) is used by the commission to establish a customer affordability PIM that applies to that rate year and provides financial rewards or penalties to the electricity supplier based on the electricity supplier's measured customer affordability performance.

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

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### **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 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.

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

4       (1) links an electricity supplier's earnings to the electricity  
 5       supplier's performance in targeted areas that are consistent  
 6       with the provision of electric utility service with the  
 7       attributes set forth in IC 8-1-2-0.6, including:  
 8           (A) reliability;  
 9           (B) affordability;  
 10           (C) resiliency;  
 11           (D) stability; and  
 12           (E) environmental sustainability;

13       as described in IC 8-1-2-0.6; and  
 14       (2) is based on specific performance metrics against which  
 15       the electricity supplier's performance is measured.

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

18       (1) authorized base rates; and  
 19       (2) adjustments to base rates, including adjustments based  
 20       on an electricity supplier's performance in meeting  
 21       performance metrics serving as the basis of all applicable  
 22       PIMs;

23       are in effect.

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

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

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

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



1       **minutes in duration.**

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

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

5           **(A) initiated by an electricity supplier to perform**  
 6           **scheduled activities, such as work related to:**  
 7              **(i) system or facilities maintenance or upgrades;**  
 8              **(ii) infrastructure improvements; or**  
 9              **(iii) new construction; and**

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

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

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

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

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

21           **(A) the sum of sustained service interruption durations**  
 22           **in minutes for the specified period; divided by**  
 23           **(B) the total number of customers;**

24       **in accordance with IEEE 1336.**

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

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

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

31           **(A) the total number of customers that experienced**  
 32           **sustained service interruptions over the specified period;**  
 33           **divided by**

34           **(B) the total number of customers;**

35       **in accordance with IEEE 1336.**

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

40       **(1) The electricity supplier's average monthly residential bill**  
 41       **for each of the most recently concluded five (5) calendar**  
 42       **years, normalized for weather if not otherwise normalized**



1 for weather through a rate adjustment mechanism described  
 2 in section 1(b)(3) of this chapter.

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

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

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

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

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

- 29 (A) SAIDI.
- 30 (B) SAIFI.
- 31 (C) CAIDI.

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

- 35 (A) SAIDI.
- 36 (B) SAIFI.
- 37 (C) CAIDI.

38 (3) The number of customers used by the utility in  
 39 calculating each index required under subdivisions (1) and  
 40 (2).

41 Sec. 20. (a) Except as otherwise provided in subsection (b), and  
 42 subject to the schedule set forth in this section, an electricity

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1       **supplier must petition the commission for approval of any change**  
2       **in its basic rates and charges through the submission of a**  
3       **multi-year rate plan in accordance with this chapter. An electricity**  
4       **supplier shall file its first petition with the commission for approval**  
5       **of a multi-year rate plan under this chapter according to the**  
6       **following schedule:**

7       **(1) After November 15, 2026, and before December 15, 2026,**  
8       **for the electricity supplier with the greatest number of**  
9       **Indiana customers.**

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

13       **(A) establishes basic rates and charges for the electricity**  
14       **supplier as part of a base rate case; and**  
15       **(B) is issued after April 30, 2024, and before February**  
16       **1, 2025.**

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

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

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

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

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

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

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

40       **(1) after March 14, 2026; and**  
41       **(2) before the beginning of the electricity supplier's**  
42       **applicable time frame for filing the electricity supplier's first**



1                   petition for approval of multi-year rate plan under  
 2                   subsection (a).

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

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

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

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

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

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

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

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

20                   (i) revenue requirement; and

21                   (ii) base rates for each customer class; and

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

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

27                   (2) The base rates for the first rate year of an electricity  
 28                   supplier's multi-year rate plan shall be established by the  
 29                   commission in the same manner that base rates would be  
 30                   established in a proceeding for a change in the electricity  
 31                   supplier's basic rates and charges that occurs outside of a  
 32                   multi-year rate plan, based on an appropriate test year  
 33                   under IC 8-1-2-42.7(e) used to determine the electricity  
 34                   supplier's actual and pro forma operating revenues,  
 35                   expenses, and operating income under current and proposed  
 36                   rates, adjusted for changes that are fixed, known, and  
 37                   measurable for ratemaking purposes and that occur within  
 38                   a reasonable time after the end of the test year.

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

42                   (A) changes in the electricity supplier's net plant in

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service from the end of the immediately preceding rate year, including any difference between:

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

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

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

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

- (A) the electricity supplier; and
- (B) the electricity supplier's ratepayers;

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

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

(A) A customer affordability performance metric that:

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

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

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

**(B) A customer affordability PJM that:**

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

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

(C) 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

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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) 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.

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

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

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

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

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

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

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

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

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1                   **performance metric for the rate year.**

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

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

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

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

24                  **STEP TWO:** Determine the electricity supplier's SAIDI for  
 25                  the most recently concluded calendar year, including major  
 26                  event days, for the electricity supplier's system in Indiana as  
 27                  a whole.

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

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

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

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

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

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

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

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

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

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

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

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

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

26 (A) customer affordability performance metric; and

27 (B) service restoration performance metric;

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

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

35 (A) customer affordability performance metric; and

36 (B) service restoration performance metric;

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

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

42 (A) the interim study committee on energy, utilities, and

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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 "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.**

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

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

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

(1) provides utility service to customers; and

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

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

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1       **income customer assistance program and that:**

2       **(1) have been incurred, or are reasonably estimated to be**  

3       **incurred, by the electricity supplier in administering the low**  

4       **income customer assistance program, including**  

5       **administrative activities involving:**

6       **(A) customer eligibility verification;**  

7       **(B) billing services; and**  

8       **(C) contribution management; and**

9       **(2) have not been and will not be recovered by the electricity**  

10      **supplier through contributions of any money, services, or**  

11      **property that have been or will be provided at no cost to the**  

12      **electricity supplier by or through any:**

13      **(A) governmental agency or program; or**  

14      **(B) other third party, including voluntary charitable**  

15      **contributions from nonprofit organizations or from**  

16      **employees, customers, or shareholders of the electricity**  

17      **supplier;**

18      **in support of the program.**

19      **(b) The term does not include lost revenues associated with an**  

20      **electricity supplier's low income customer assistance program.**

21      **Sec. 3. As used in this chapter, "low income customer" refers**  

22      **to a residential customer who is part of a household that:**

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

24      **supplier; and**

25      **(2) is eligible for and has applied for assistance from a home**  

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

27      **Sec. 4. As used in this chapter, "utility service" means electric**  

28      **service that is provided at retail to customers.**

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

30      **shall offer a low income customer assistance program that provides**  

31      **financial assistance to low income customers for the payment of**  

32      **monthly bills for utility service provided by the electricity supplier.**

33      **A program that:**

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

35      **(2) provides financial assistance to low income customers for**  

36      **the payment of monthly bills for utility service provided by**  

37      **the electricity supplier;**

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

39      **(4) includes eligibility criteria consistent with section 3(2) of**  

40      **this chapter;**

41      **qualifies as a low income customer assistance program for**  

42      **purposes of this section.**

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

- (1) per customer funding limits;
- (2) enrollment limits; or
- (3) other limits, caps, or restrictions.

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

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

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

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

**Sec. 6. Beginning in 2027, not later than March 1 of each year, an electricity supplier shall fund the electricity supplier's low income customer assistance program in an amount equal to:**

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

(2) any contributions from:

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

**Sec. 7. (a) In each residential customer bill issued by an electricity supplier after June 30, 2026, the electricity supplier**

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1       **must include a notice that:**

2           **(1) informs customers that the electricity supplier offers a**  

3           **low income customer assistance program for eligible**  

4           **customers; and**

5           **(2) includes:**

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

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

8               **that a customer may call or access for information on how to**  

9               **apply for assistance under the program.**

10           **(b) Not later than July 1, 2026, the electricity supplier shall**  

11           **post the information described in subsection (a)(1) and (a)(2) on**  

12           **the electricity supplier's website. If at any time during a calendar**  

13           **year, the electricity supplier is no longer able to offer assistance to**  

14           **additional eligible customers under the electricity supplier's low**  

15           **income customer assistance program as a result of any:**

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

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

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

19               **established by the electricity supplier under section 5(b) of this**  

20               **chapter, the electricity supplier shall include on its website a**  

21               **statement notifying customers of that fact. If the electricity**  

22               **supplier is subsequently able to enroll new eligible customers in the**  

23               **program during that calendar year, the electricity supplier shall**  

24               **remove the previously posted statement from its website and post**  

25               **a new statement indicating that the program is again accepting**  

26               **new applications for assistance.**

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

28               **(1) applies for assistance under an electricity supplier's low**  

29               **income customer assistance program; and**

30               **(2) qualifies as a low income customer under section 3(2) of**  

31               **this chapter;**

32               **the electricity supplier shall enroll the customer in the program, to**  

33               **the extent the electricity supplier is able to do so under any per**  

34               **customer funding limits, enrollment limits, or other limits, caps, or**  

35               **restrictions established by the electricity supplier under section**  

36               **5(b) of this chapter and applicable at the time of the customer's**  

37               **application.**

38           **Sec. 9. (a) An electricity supplier may, but is not required to,**  

39           **petition the commission for approval to recover eligible program**  

40           **costs. An electricity supplier may file a petition the commission**  

41           **under this section:**

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

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(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.**

**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

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

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

**Sec. 11. (a) Beginning in 2027, 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 for each electricity supplier with respect to the most recently concluded state fiscal year:**

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

program at the beginning and end of the state fiscal year.

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

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

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

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

(B) other third parties, including voluntary charitable contributions from nonprofit organizations or from

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1                   employees, customers, or shareholders of the electricity  
 2                   supplier.

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

4                   (A) per customer funding limits;

5                   (B) enrollment limits; or

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

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

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

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

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

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

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

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

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

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

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

36                   (1) 170 IAC 4.

37                   (2) Any other rule that:

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

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

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

42                  SECTION 10. [EFFECTIVE UPON PASSAGE] (a) Before

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1       **January 1, 2027, the commission shall amend 170 IAC 4-1-23 as**  
2       **necessary to conform 170 IAC 4-1-23 to the requirements of**  
3       **IC 8-1-46, as added by this act.**

4       **(b) This SECTION expires January 2, 2027.**  
5       **SECTION 11. An emergency is declared for this act.**

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