

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS
FISCAL IMPACT STATEMENT**

LS 6627
BILL NUMBER: SB 153

NOTE PREPARED: Dec 16, 2025
BILL AMENDED:

SUBJECT: Utility Disconnections and Customer Data Reports.

FIRST AUTHOR: Sen. Jackson L
FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: *Residential Utility Termination:* This bill provides that beginning January 1, 2027, an electric or gas utility may not, from June 21 through September 23 (in addition to the period from December 1 through March 15, under current law), terminate residential electric or gas service for an individual who is eligible for and has applied for assistance from a home energy assistance program administered by the lieutenant governor. It also prohibits an electric, gas, or water utility from terminating service for any residential customer on any of the following days: (1) A Friday, Saturday, or Sunday. (2) A legal holiday. (3) Any day, or after noon on the day preceding any day, during which customer service representatives of the utility are not available to respond to customer inquiries during regular business hours.

Late Bills and Reconnections: The bill also repeals a provision that authorizes the Indiana Utility Regulatory Commission (IURC) to establish a reasonable rate of interest that a utility may charge on the unpaid balance of a delinquent customer bill. It also prohibits an electric, gas, or water utility from charging or collecting a deposit or reconnection fee as a condition of, or in connection with, restoring service to a residential customer after a termination of service for nonpayment and requires the IURC to amend, not later than December 31, 2026, its administrative rules as necessary to conform the rules to these provisions. The bill requires a utility to: (1) amend its residential tariffs as necessary to bring the tariffs into conformance with these provisions; and (2) file with the IURC a petition for approval of each amended tariff; not later than June 15, 2026.

Utility Account Reporting: This bill also requires a utility that: (1) is under the jurisdiction of the IURC for the approval of rates and charges; and (2) provides residential electric, natural gas, water, or wastewater utility service at retail to customers and low income customers in Indiana; to report to the IURC on a quarterly basis certain data concerning customer accounts and low income customer accounts. It also provides that the first reports submitted to the IURC must include the required information with respect to the third calendar quarter of 2026. It also provides that: (1) a utility shall report all required information in the aggregate and in a manner that does not identify individual customers and low income customers; and (2) the IURC may not require utilities to disclose confidential and proprietary business information without adequate protection of the information. The bill requires the IURC to adopt rules to implement these provisions and provides that, beginning in 2027, the IURC shall annually compile and summarize the

information received from utilities for the previous calendar year and include the summary in the IURC's annual report.

Effective Date: Upon passage; July 1, 2026; January 1, 2027.

Explanation of State Expenditures: This bill will increase the workload of the Indiana Utility Regulatory Commission (IURC) to (1) adopt rules concerning utility service deposits, reconnection fees, and prohibited periods for service disconnection, (2) compile information concerning budget billing program information within the agency's annual report, and (3) review and amend tariffs that do not conform with the service disconnect prohibited periods added by the bill. Additionally, to the extent a utility either (1) charges fees after July 1, 2026, that are not permitted by the bill or (2) disconnects services during the extended prohibited periods, the workload of the IURC would increase to investigate and enforce violations. [IC 8-1-2-109 makes it a Class B infraction for a public utility to violate utility regulation laws.]

Increases in workload are expected to be accomplished within existing resource and funding levels.

Explanation of State Revenues: *Late Bills and Reconnections:* The prohibition on reconnection fees will mean that the sales tax revenue on reconnection fees will decrease by \$453,000 in FY 2027 and by \$914,000 in FY 2028. [In FY 2025, the state received \$10.65 B in total sales tax revenue.]

Sales tax is distributed as follows:

- 99.838% to the General Fund
- 0.131% to the Commuter Rail Service Fund
- 0.031% to the Industrial Rail Service Fund

This bill makes it a Class B infraction to wrongfully charge a reconnection fee associated with nonpayment. The maximum judgment for a Class B infraction is \$1,000, which would be deposited in the state General Fund. Fee revenue per case ranges from \$85.50 and \$103, depending on whether the case is filed in a court of record or a municipal court. The following linked document describes the fees and distribution of the revenue: [Court fees imposed in criminal, juvenile, and civil violation cases.](#)

Explanation of Local Expenditures: This bill will increase the workload of local publically-owned utilities to submit quarterly information concerning budget billing programs to the IURC.

Explanation of Local Revenues: *Late Bills and Reconnections:* If additional court actions result in a guilty verdict, certain local units will collect more revenue. The following linked document describes the fees and distribution of the revenue: [Court fees imposed in criminal, juvenile, and civil violation cases.](#)

The bill will decrease revenue received by local publically-owned utilities from deposits, reconnection fees, interest from delinquent bills, and similar charges. The prohibition on charging customers a reconnection fee to restore terminated service, would result in annual revenue decrease of about \$2.3 M for municipalities.

Reconnection fees are charged when customers whose service has been disconnected due to non-payment request to restore their utility service. Indiana utility reconnection fees mostly range from \$25 to \$100 with an average of about \$50. A utility may increase reconnection charges with the service will be completed outside of business hours, on the weekends, or during holidays.

| <u>Reconnection Fee Revenue Estimate by Utility and Service Type</u> | | | |
|---|----------------------------|---------------------------------|--------------------------------------|
| <u>Service</u> | <u>Utility Type</u> | <u>Reconnection Fees</u> | <u>Average Utility Charge</u> |
| Electricity | IOU | \$9,374,000 | \$1,875,000 |
| Electricity | REMC | \$2,207,000 | \$60,000 |
| Electricity | Municipal | \$655,000 | \$9,000 |
| Gas | IOU | \$513,000 | \$30,000 |
| Gas | Municipal | \$174,000 | \$10,000 |
| Water/Wastewater | IOU | \$808,000 | \$73,000 |
| Water/Wastewater | Municipal | \$1,432,000 | \$51,000 |

These estimates are based on the reconnection and disconnection data from the Indiana Office of Utility Consumer Counselor as reported in the 2025 releases, and the Indiana University Energy Justice Lab. Water and wastewater reconnection rates were assumed to be at 67% of the average between electricity reconnection rates and natural gas reconnection rates and thus may be lower or higher in actuality. The above estimates also assume that all fees collected will take place during a utility's normal business hours of operation, therefore, if many reconnection requests are completed outside of these hours it is possible for the actual revenue forgone to be higher. For utilities with less than 2,000 residential customers, the median reconnection charge for utilities with a larger customer base was used.

State Agencies Affected: IURC

Local Agencies Affected: Municipally owned utilities, Trial courts, local law enforcement agencies.

Information Sources: IURC, 2025 Annual Report; Indiana Office of Utility Consumer Counselor, 2025 Arrearage & Disconnection Data Reports; Dr. David Konisky, Indiana University Energy Justice Lab ; Indiana Supreme Court, Indiana Trial Court Fee Manual

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