

SENATE BILL No. 234

DIGEST OF INTRODUCED BILL

Citations Affected: IC 8-1.

Synopsis: Energy utility matters. Provides that any standard tariff offered by an energy utility after March 14, 2026, to a large load customer of the energy utility must include a provision that requires reimbursement by the large load customer of all project costs reasonably allocable to the large load customer, regardless of whether the large load customer ultimately takes service in any anticipated amount and within any anticipated time frame. Makes a conforming amendment to the existing statute that allows an energy utility to petition the Indiana utility regulatory commission (IURC) for approval of a project to serve a large load customer. Provides that in a proceeding that is filed with or pending before the IURC after December 31, 2025, for a change in an energy utility's basic rates and charges, the IURC may not issue an order in the proceeding that would result, upon full implementation, in an increase in the energy utility's basic rates and charges, for any customer class, that exceeds the average monthly percentage increase in seasonally adjusted electricity prices for the United States over the course of a specified period that ends with the last month of the energy utility's 12 month test period used in the proceeding. Provides that the IURC may not authorize a public utility that: (1) provides retail electric or natural gas service; and (2) is under the IURC's jurisdiction for the approval of rates and charges; (utility) to recover through the utility's retail rates and charges

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Effective: Upon passage; January 1, 2026 (retroactive); July 1, 2026.

Becker

January 8, 2026, read first time and referred to Committee on Utilities.



Digest Continued

any direct or indirect costs associated with specified expenses and activities related to lobbying, legislative action, political activities, charitable giving, litigation, investor relations, and other specified activities and expenses. Beginning in 2026, requires a utility to file with the IURC an annual report that includes specified information concerning costs to: (1) the utility; or (2) an affiliate of the utility; that are related to these expenses or activities and that are directly billed or allocated to the utility. Requires the IURC to make available on the IURC's website a direct link to the annual reports provided by all utilities under these provisions. Urges the legislative council to assign to the interim study committee on energy, utilities, and telecommunications the task of studying, during the 2026 legislative interim, the use of trackers by public utilities providing electric or natural gas service.



Introduced

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.

SENATE BILL No. 234

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 8-1-2-24.5 IS ADDED TO THE INDIANA CODE
2 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: Sec. 24.5. (a) **As used in this section**, "energy
4 utility" means:
5 (1) **an electric utility listed in 170 IAC 4-7-2(a) and any
6 successor in interest to that utility; or**
7 (2) **a corporation organized under IC 8-1-13.**
8 (b) **As used in this section**, "large load customer" means a new
9 or existing customer of an energy utility, or not more than four (4)
10 multiple new or existing customers of an energy utility, that
11 requests new or additional electricity demand that in the aggregate
12 exceeds the lesser of:
13 (1) **five percent (5%) of the energy utility's average peak
14 demand over the most recent three (3) calendar years; or**
15 (2) **one hundred fifty (150) megawatts.**



(c) As used in this section, "project" refers to a project relating to energy infrastructure or generation resources that:

- (1) are required primarily to serve a large load customer of an energy utility; and
- (2) may be designed to serve more than one (1) large load customer of the energy utility or to meet other customer demand or energy needs.

(d) As used in this section, "project costs" means the total costs of a project, including:

(1) planning costs; and

(2) construction and operating costs;

related to the project.

(e) Any standard tariff offered by an energy utility after March 14, 2026, to a large load customer of the energy utility must include a provision that requires reimbursement by the large load customer of all project costs reasonably allocable to the large load customer, regardless of whether the large load customer ultimately takes service in any anticipated amount and within any anticipated time frame.

SECTION 2. IC 8-1-2-42.4 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2026 (RETROACTIVE)]: **Sec. 42.4. (a) This section applies to a proceeding that:**

(1) is filed with; or

(2) is pending before;

the commission after December 31, 2025, for a change in an energy utility's basic rates and charges for retail electric service or retail natural gas service.

(b) As used in this section, "energy utility" means a person, however organized, that:

(1) provides retail:

(A) electric; or

(B) natural gas;

service to the public; and

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

(c) As used in this section, "relevant period" means the period that:

(1) includes the last month of an energy utility's twelve (12) month test period used in a proceeding described in subsection (a); and

(2) extends through the longer of the:



- (A) immediately preceding fifty-nine (59) months; or
- (B) period beginning with the first full month following the last order issued by the commission in which the energy utility's basic rates and charges were approved.

(d) As used in this section, "seasonally adjusted energy prices for the United States" refers to:

(1) seasonally adjusted electricity prices; or

(2) seasonally adjusted utility (piped) gas service prices;

as applicable to an energy utility, for the United States as measured by the Consumer Price Index, as published by the United States Bureau of Labor Statistics.

(e) In a proceeding subject to this section, the commission shall determine the average monthly percentage change in seasonally adjusted energy prices for the United States over the course of the relevant period. If the percentage change in seasonally adjusted energy prices for the United States is:

(1) a negative number or zero (0), representing no change or a decrease in seasonally adjusted energy prices for the United States over the course of the relevant period, the commission may not issue an order in the proceeding that would result, upon full implementation, in an increase in an energy utility's basic rates and charges for any customer class; or

basic rates and charges for any customer class, or
(2) a positive number, representing an increase in seasonally
adjusted energy prices for the United States over the course
of the relevant period, the commission:

(A) may not issue an order in the proceeding that would result, upon full implementation, in an increase in an energy utility's basic rates and charges, for any customer class, that exceeds the average monthly percentage change in seasonally adjusted energy prices for the United States over the course of the relevant period; and

(B) shall reduce the energy utility's requested increase in basic rates and charges to the point at which the increase, upon full implementation, will not exceed the average monthly percentage change in seasonally adjusted energy prices for the United States over the course of the relevant period.

SECTION 3. IC 8-1-7.9-22, AS ADDED BY P.L.217-2025, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 22. (a) This section applies to an energy utility that petitions the commission for approval of a project to serve a large load customer.



4 (1) The petition concerns serving the energy needs of a large load
5 customer.

6 (2) The large load customer commits to significant and
7 meaningful financial assurances that must:

8 (A) include reimbursement by the large load customer of at
9 least eighty percent (80%) of the all project costs reasonably
10 allocable to the large load customer; and

11 (B) afford protections for the energy utility's existing and
12 future customers from project costs reasonably allocable to the
13 large load customer regardless of whether the large load
14 customer ultimately takes service in the anticipated amount
15 and within the anticipated time frame.

16 (3) At least thirty (30) days before the energy utility's submission
17 of the petition to the commission, the energy utility held at least
18 one (1) pre-filing meeting with:

19 (A) the corporation;

20 (B) the office;

21 (C) the office of utility consumer counselor;

(D) the appropriate regional transmission organization; and

23 (E) the large load customer;

24 to review the project.

25 (c) An energy utility may petition the commission for approval of a
26 project to serve:

27 (1) one (1) or more large load customers at one (1) or more
28 locations; or
29 (2) not more than four (4) customers whose aggregate demand

SECTION 4. IC 8-1-10.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]:

Chapter 10.5. Utility Transparency and Reporting

Sec. 1. (a) As used in this chapter, "affiliate" means any person



1 **who directly or indirectly:**

2 (1) **controls;**
3 (2) **is controlled by; or**
4 (3) **is under the common control of;**
5 **another person.**

6 **(b) The term includes a parent company or a subsidiary.**

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

9 **Sec. 3. As used in this chapter, "utility" means a public utility**
10 **(as defined in IC 8-1-2-1(a)) that:**

11 **(1) provides retail:**

12 (A) **electric; or**
13 (B) **natural gas;**
14 **service to the public; and**

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

17 **Sec. 4. (a) The commission may not authorize a utility to recover**
18 **through the utility's retail rates and charges any direct or indirect**
19 **costs associated with the following:**

20 **(1) Membership dues, sponsorship fees, or monetary**
21 **contributions paid to:**

22 (A) **a business or industry trade group or association; or**
23 (B) **a not-for-profit affiliate of the utility.**

24 **(2) Lobbying, legislative action, or other political activities,**
25 **including research, analysis, preparation, planning, or other**
26 **activities undertaken in support of lobbying or legislative**
27 **action.**

28 **(3) Advertising, marketing, or communications undertaken to**
29 **influence public opinion.**

30 **(4) Travel, lodging, or food and beverage expenses for:**

31 (A) **the utility's officers or board of directors; or**
32 (B) **the officers or board of directors of an affiliate of the**
33 **utility.**

34 **(5) Entertainment or gifts.**

35 **(6) Leasing, owning, or chartering an aircraft for use by:**

36 (A) **the utility's officers or board of directors; or**
37 (B) **the officers or board of directors of an affiliate of the**
38 **utility.**

39 **(7) Charitable giving, including contributions to any**
40 **not-for-profit organization exempt from federal income**
41 **taxation under Section 501(c)(3) or 501(c)(4) of the Internal**
42 **Revenue Code, and any expenses related to charitable giving.**



(8) Compensation paid to an employee, if any portion of the employee's time in a given year is spent on lobbying, legislative action, or other political activities.

(9) Compensation paid to an employee, if any portion of the employee's time in a given year is spent litigating or appealing legislation or commission rulings.

(10) Litigation regarding existing or proposed statutes, regulations, ordinances, or legislation at the federal, state, or local level.

(11) Any expenses related to:

(A) products:

(A) products, or

(B) services, or
(C) programs

(C) programs;

that are not regulated by the commission, including any marketing, administrative, or customer service related expenses for such products, services, or programs.

(12) Investor relations.

(b) Beginning in 2026, a utility shall file with the commission, at the time and in the form and manner prescribed by the commission, an annual report that includes the following information concerning each activity or expense described in subsection (a):

(1) For each expense or activity described in subsection (a), the total costs to:

(A) the utility; or

(B) an affiliate of the utility;

(B) an affiliate of the utility, that are directly billed or allocated to the utility. The amounts set forth under this subdivision must be separately delineated for each expense or activity described in subsection (a).

(2) The job title, job description, and salary of any employee of the utility who performed work associated with the activities described in subsection (a)(2), (a)(3), (a)(8), (a)(9), (a)(10), (a)(11), or (a)(12) for the utility, along with the number of hours attributable to such work by the employee.

(3) The job title, job description, and salary of any employee of an affiliate of the utility who performed work associated with the activities described in subsection (a)(2), (a)(3), (a)(8), (a)(9), (a)(10), (a)(11), or (a)(12), along with the number of hours attributable to such work by the employee, to the extent that the costs associated with the work are directly billed or allocated to the utility.

(4) An itemized list of the amounts billed or allocated to the



utility by third party vendors for any expenses or activities described in subsection (a), including unredacted billing amounts, billing dates, payees, and explanations of each expenditure in sufficient detail to indicate the expenditure's purpose, including, if applicable, all Federal Energy Regulatory Commission Uniform System of Account codes for which payment to the vendor was recorded.

(5) A list of all divisions, departments, or other organizational groups within the utility that performed any activities described in subsection (a). For each division, department, or group identified, the utility shall include a list of the employees who work in the division, department, or group. For each employee listed, the utility shall provide the following information:

(A) The employee's job title.

(B) A job description sufficient to describe the employee's responsibilities.

(C) An identification of each activity described in subsection (a) in which the employee engages, including a description sufficient to describe the nature of each activity.

(D) The employee's total annual compensation and the percentage of that compensation paid for work associated with activities described in subsection (a), including, if applicable, all Federal Energy Regulatory Commission Uniform System of Account codes for which payment to the employee was recorded.

(c) The commission shall make available on the commission's website a direct link to the annual reports provided by utilities under this section, subject to the commission's duty to redact or exclude any information that the commission is prohibited from disclosing under state or federal law.

SECTION 5. [EFFECTIVE JULY 1, 2026] (a) As used in this SECTION, "commission" refers to the Indiana utility regulatory commission created by IC 8-1-1-2.

(b) As used in this SECTION, "committee" refers to the interim study committee on energy, utilities, and telecommunications established by IC 2-5-1.3-4.

(c) As used in this SECTION, "tracker" means a periodic rate adjustment mechanism that:

(1) is approved by the commission; and

(2) allows a utility to recover or pass through specific



1 **expenses or capital investments on a periodic basis outside of**
2 **a base rate case.**

3 **(d) As used in this SECTION, "utility" means a public utility (as**
4 **defined in IC 8-1-2-1(a)) that:**

5 **(1) provides retail:**

6 **(A) electric; or**

7 **(B) natural gas;**

8 **service to the public; and**

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

11 **(e) The legislative council is urged to assign to the committee the**
12 **task of studying, during the 2026 legislative interim, the use of**
13 **trackers by utilities, including an examination of the following:**

14 **(1) The types of expenses and investments that utilities**
15 **recover through trackers.**

16 **(2) For each utility whose rates and charges include one (1) or**
17 **more active trackers:**

18 **(A) the number and types of trackers used; and**

19 **(B) the impact of those trackers on customer bills, broken**
20 **down by customer class.**

21 **(3) For utilities that provide electric utility service, the**
22 **benefits and drawbacks of trackers with respect to the**
23 **provision of electric utility service with the attributes set forth**
24 **in IC 8-1-2-0.6, including:**

25 **(A) reliability;**

26 **(B) affordability;**

27 **(C) resiliency;**

28 **(D) stability; and**

29 **(E) environmental sustainability.**

30 **(4) Any other issues concerning use of trackers by utilities**
31 **that the committee considers appropriate.**

32 **(f) If the legislative council assigns the topic set forth in**
33 **subsection (e) to the committee, the committee may consult with or**
34 **invite comments from:**

35 **(1) the commission;**

36 **(2) the office of utility consumer counselor;**

37 **(3) utilities;**

38 **(4) organizations representing ratepayers; or**

39 **(5) other stakeholders.**

40 **(g) This SECTION expires January 1, 2027.**

41 **SECTION 6. An emergency is declared for this act.**

