

TITLE 170 INDIANA UTILITY REGULATORY COMMISSION
LSA Document #26-162

Regulatory Analysis

I. Description of Rule

This proposed rule is in response to House Enrolled Act (“HEA”) 1002 (P.L.36-2026), which was signed into law on February 26, 2026, and requires the Indiana Utility Regulatory Commission (“IURC”) to complete a revision of its disconnection moratorium rule, 170 IAC 4-1-16.6, by May 1, 2026, and of its service restoration performance reporting rule, 170 IAC 4-1-23, by January 1, 2027.

a. History and Background of the Rule – IC 8-1-2-121 was enacted in 1983 and prohibits electric and gas utilities in Indiana from disconnecting residential customers who are eligible for and have applied for assistance under a heating assistance program administered under IC 4-4-33. This prohibition or moratorium is in place from December 1 to March 15 each year. IC 8-1-2-121(d) required the IURC to adopt rules to carry out the provisions of the section, and the IURC adopted 170 IAC 4-1-16.6 and 170 IAC 5-1-16.6 in 1983, both of which have been readopted repeatedly, with the most recent readoption occurring as of September 12, 2025. Today, the most common heating assistance program is the federally funded Low Income Home Energy Assistance Program (“LIHEAP”).

HEA 1002 amended IC 8-1-2-121 and added a summer disconnection moratorium for investor-owned and rural electric membership cooperative (i.e., non-municipal) electric utilities based on heat index degree days of 95 degrees or more. Section 12 of HEA 1002 required the IURC to amend its disconnection moratorium rules in Article 4, as well as related rules, by May 1, 2026. While the IURC previously had the authority under IC 4-22-2-37.1 to do provisional rulemaking using its emergency authority under IC 8-1-2-113, HEA 1002 also amended IC 8-1-2-113 such that the IURC emergency authority does not apply to this circumstance in which there is no emergency declaration by the Governor. As a result, the IURC is requesting to use interim rulemaking to adopt this rule as quickly as possible. The proposed rule was developed by IURC staff, using its subject matter experts, based on the explicit language of HEA 1002’s amendment to IC 8-1-2-121.

170 IAC 4-1-23 was adopted by the IURC in 1976, to require electric utilities to advise the IURC when the utilities had service outages and to track certain reliability indices. 170 IAC 4-1-23 has been repeatedly readopted, with the most recent readoption occurring on September 12, 2025. HEA 1002 added a new chapter, IC 8-1-46, regarding performance-based ratemaking (“PBR”), including additional reporting requirements for the non-municipal, rate-regulated electric utilities, which are the five largest investor-owned electric utilities. HEA 1002 also required the IURC to update 170 IAC 4-1-23 to be consistent with IC 8-1-46 via a rulemaking to be completed by January 1, 2027. This proposed rule was developed by IURC staff, using its subject matter experts, based on the explicit language of HEA 1002’s addition of IC 8-1-46.

b. Scope of the Rule – The scope of this proposed rule is to amend the relevant IURC rules governing disconnection moratoriums, reporting of service outages, and tracking certain reliability indices to align with current law, as recently amended by HEA 1002.

c. Statement of Need – The proposed rule is intended to address state statutory requirements. HEA 1002 amended IC 8-1-2-121, adding summer disconnection moratorium language for electric utilities, and added IC 8-1-46, which includes service restoration performance reporting requirements for the investor-owned electric utilities. Sections 12 and 13 of HEA 1002 require the IURC to adopt rules within specific deadlines (May 1, 2026, and January 1, 2027), thereby amending its rules regarding these issues and any related rules. HEA 1002 was signed into law by Governor Braun on February 26, 2026, and all provisions in HEA 1002 were effective upon passage.

d. Statutory Authority for the Proposed Rule – The IURC has specific rulemaking authority for the items in the proposed rule under IC 8-1-2-121(h), as amended by HEA 1002, IC 8-1-46-27, and Sections 12 and 13 of HEA 1002.

e. Fees, Fines, and Civil Penalties – The proposed rule does not add or increase any fees, fines, or civil penalties.

II. Fiscal Impact Analysis

The proposed rule has no impact on State and local government expenditures and revenues.

a. Anticipated Effective Date of the Rule

The anticipated effective date is on or before July 1, 2026.

b. Estimated Fiscal Impact on State and Local Government – The proposed rule does not impact expenditures and revenues of State agencies or local government.

c. Sources of Expenditures or Revenues Affected by the Rule – Not applicable, as the proposed rule does not impact expenditures and revenues of State agencies or local government.

III. Impacted Parties

The proposed rule merely amends certain IURC rules to be consistent with the statutes amended and added by HEA 1002. The proposed rule does not add any requirements that are not in these amended and added statutes.

The amendment to 170 IAC 4-1-16.6 applies to the five (5) investor-owned electric utilities that are regulated by the IURC:

- Duke Energy Indiana, LLC
- Indiana Michigan Power Company
- Indianapolis Power & Light Company (d/b/a AES Indiana)
- Northern Indiana Public Service Company, LLC (“NIPSCO”)
- Southern Indiana Electric & Gas Company (d/b/a CenterPoint Energy Indiana South)

IC 8-1-2-121 applies to all electric and gas utilities in Indiana, with the summer disconnection moratorium provision applying only to non-municipal electric utilities, which includes the above listed investor-owned utilities plus all 37 rural electric membership cooperatives/corporations

(“REMCs”) in Indiana. However, the IURC service restoration performance rules only apply to the investor-owned utilities pursuant to the definition in IC 8-1-46-6. Indiana households who are eligible for heating assistance programs may also be impacted, but only to the extent that they are impacted by the revised IC 8-1-2-121.

According to the LIHEAP Performance Management, funded by the U.S. Department of Health & Human Services, in U.S. fiscal year 2024, 122,659 Indiana households received LIHEAP funds out of an Indiana State income-eligible population of 647,357. All income-eligible households in Indiana could be impacted and benefitted by the amended IC 8-1-2-121 and, therefore, the proposed rule.

The remainder of the proposed rule only impacts the five investor-owned electric utilities listed above; however, the impact is the same as the impact of the additional reporting requirement in IC 8-1-46, as added by HEA 1002.

IV. Changes in Proposed Rule

170 IAC 4-1-1	Supersedes and adds “16.6” to the list of rules in 170 IAC 4-1 that only apply to residential customers; also adds definitions for “disconnection moratorium” and “heat index moratorium days”
170 IAC 4-1-16.5	Suspends this section, as it is no longer needed with the amendment to 170 IAC 4-1-1
170 IAC 4-1-16.6	Supersedes and amends subsection (a) to provide the timeframes in which an electric utility must comply with the disconnection moratorium to include December 1 through March 15 and, for non-municipal utilities, “on any day for which a local weather forecast office of the National Weather Service has forecast, not earlier than forty-eight (48) hours in advance, a heat index of at least ninety-five (95) degrees Fahrenheit for a county or part of a county within an electric utility's assigned service area under IC 8-1-2.3, for customers who receive residential electric service from the electric utility at a location to which the forecasted heat index applies.” Supersedes and adds “During the disconnection moratorium timeframes listed in (a) above” to the beginning of subsection (b). Supersedes and adds subsection (c), which includes the language found in IC 8-1-2-121(d) with some changes to clarify how the tolling of the 14-day disconnection notice period would work in connection with any heat index moratorium days.
170 IAC 4-1-23	Supersedes and amends the definition of “customer” to “the meaning set forth in IC 8-1-46-3; supersedes and amends the definition of “customer average interruption duration index (CAIDI)” to “the meaning set forth in IC 8-1-46-5; supersedes and deletes the definition of “investor owned utility”; adds the definition “Major event day” or “MED” as “the meaning set forth in IC 8-1-46-8”; suspends and deletes the definition of “REMC”; supersedes and amends the definition of "Sustained service interruption" to “the meaning set forth in IC 8-1-46-15”; supersedes and amends the definition of "System average interruption duration index (SAIDI)" to “the meaning set forth in IC 8-1-46-16”; supersedes and amends the definition of "System average interruption frequency index (SAIFI)" to “the meaning set forth in IC 8-1-46-17”; supersedes and adds the

	definition of “Utility” to have “the same meaning as an electricity supplier as set forth in IC 8-1-46-6”; supersedes and amends subsection (b) to delete provision for REMCs that is no longer applicable and other formatting language; supersedes and amends subsection (e) to make it consistent with the reporting requirements in IC 8-1-46-19.
170 IAC 5-1-1	Supersedes and adds “16.6” to the list of rules in 170 IAC 5-1 that only apply for residential customers; adds the definition of “disconnection moratorium:
170 IAC 5-1-16.5	Suspends this section, as it is no longer needed with the amendment to 170 IAC 5-1-1
170 IAC 5-1-16.6	Supersedes and amends 170 IAC 5-1-16.6 to that it is consistent with the changes being made to 170 IAC 4-1-16.6 that are applicable to gas utilities.

All requirements that are being included as part of this proposed rule are imposed by Indiana statute, specifically IC 8-1-2-121 and IC 8-1-46, as amended and added by HEA 1002.

V. Benefit Analysis

The main benefit of this proposed rule is to amend IURC rules to be consistent with recent legislation and new and amended statutes. Failure to make the amendments in the proposed rule could lead to confusion by the regulated, investor-owned electric utilities and their customers regarding the application of the new disconnection moratorium provisions, as well as regarding the upcoming service restoration reporting requirements for these utilities.

a. Estimate of Primary and Direct Benefits of the Rule – The primary and direct benefit of the proposed rule is to avoid the confusion that would be caused by having rules with provisions that are significantly different than, and conflicting with, the authorizing statutes. HEA 1002 amended IC 8-1-2-121 and added IC 8-1-46. Amending 170 IAC 4-1-16.6 and 4-1-23 is necessary for those rules to be consistent with these statutory changes.

In addition, having these provisions in the rules and adding clarity to, and understandable language regarding how, in particular, the heat index disconnection moratorium provisions would be implemented greatly assists both the IURC Consumer Affairs Division and the utility customers who submit complaints to the division (pursuant to IC 8-1-2-34.5). The use of “would have elapsed” and “tolled” in the revised IC 8-1-2-121(d) can have different interpretations. The changes to 170 IAC 4-1-16.6(c) provide clear and easily implemented language. These changes mean that electric utility customers on assistance will not be disconnected on forecasted high heat days nor will they suffer or have their health endangered.

The IURC believes that these primary and direct benefits are significant for the health and safety of electric utility customers who cannot afford other alternatives if their electricity is disconnected.

b. Estimate of Secondary or Indirect Benefits of the Rule - An indirect benefit of the proposed rule is consistency for the customers of the investor-owned electric utilities in the application of the disconnection moratorium and in the reporting of service outages

and restoration timeframes. According to the 2025 IURC Annual Report, these utilities have approximately the following number of customers:

- 900,000 customers - Duke Energy Indiana, LLC
- 482,000 customers - Indiana Michigan Power Company
- 532,000 customers - Indianapolis Power & Light Company (d/b/a AES Indiana)
- 487,000 customers - Northern Indiana Public Service Company, LLC (“NIPSCO”)
- 150,000 customers - Southern Indiana Electric & Gas Company (d/b/a CenterPoint Energy Indiana South)

c. Estimate of Any Cost Savings to Regulated Industries – There are no cost savings for individuals and/or businesses under the proposed rule, as all of the requirements are required by statute.

VI. Cost Analysis

This proposed rule and its amendments to existing IURC rules do not impose any costs on any regulated entity or other person or stakeholder that is not imposed by Indiana statutes, specifically IC 8-1-2-121 and IC 8-1-46, as amended and added by HEA 1002.

a. Estimate of Compliance Costs for Regulated Entities – There are no compliance costs that are not already imposed by Indiana statutes.

b. Estimate of Administrative Expenses Imposed by the Rules – There are no administrative expenses imposed by the proposed rule that are not already imposed by Indiana statutes.

c. The fees, fines, and civil penalties analysis required by IC 4-22-2-19.6 – The proposed rule does not add or increase any fees, fines, or civil penalties.

d. If the implementation costs of the proposed rule are expected to exceed the threshold set in IC 4-22-2-22.7(c)(6) – There are no combined implementation and compliance costs imposed by the proposed rule that are not already imposed by Indiana statutes, and those costs are not expected to exceed the threshold set in IC 4-22-2-22.7(c)(6) of at least one million dollars (\$1,000,000) for businesses, units, and individuals over any two (2) year period.

VII. Sources of Information

HEA 1002 and its provisions were used to determine whether there were any costs imposed in the proposed rule that were not already imposed by the statutes amended and added by HEA 1002. Also, IURC’s experienced technical and legal staff drafted and provided input on the proposed rule.

a. Independent Verifications or Studies – Not applicable.

b. Sources Relied Upon in Determining and Calculating Costs and Benefits – Not applicable.

VIII. Regulatory Analysis

The direct and indirect benefits of having rules that are consistent with Indiana statutes and of preventing the disconnection of electricity for vulnerable customer on very hot (95+ degree) days are significant. While not quantified, these benefits significantly outweigh the costs, as no costs are imposed by this proposed rule that are not already imposed by Indiana statutes, specifically IC 8-1-2-121 and IC 8-1-46, as amended and added by HEA 1002.

IX. Contact Information of Staff to Answer Substantive Questions

Beth Helene
General Counsel
Indiana Utility Regulatory Commission
Email: BHelene@urc.IN.gov
Phone: 317-232-2092
101 W. Washington Street, Suite 1500 E
Indianapolis, IN 46204

Additional Information for OMB and SBA Review

The following information is required for OMB and State Budget Agency (SBA) review but will not be published along with the regulatory analysis.

X. Redline Draft of Proposed Rules

See attached draft of the proposed rule with additions in bold and deletions in strikethrough.

XI. Resubmission Information (if applicable)

Not applicable

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