

ORIGINAL

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

VERIFIED PETITION OF DUKE ENERGY )	
INDIANA, INC. FOR APPROVAL OF TWO )	
ECONOMIC DEVELOPMENT RATES AND )	
ASSOCIATED TERMS AND CONDITIONS OF )	CAUSE NO. 44258
SERVICE: (1) PROPOSED STANDARD )	
CONTRACT RIDER NO. 58, ECONOMIC )	APPROVED:
DEVELOPMENT RIDER; AND (2) PROPOSED )	MAY 01 2013
STANDARD REDEVELOPMENT RIDER NO. 54, )	
BROWNFIELD REDEVELOPMENT RIDER )	

ORDER OF THE COMMISSION

**Presiding Officers:**  
**David E. Ziegner, Commissioner**  
**Jeffery A. Earl, Administrative Law Judge**

On October 2, 2012, Duke Energy Indiana, Inc. ("Petitioner" or "Duke") filed its Verified Petition and the direct testimony of Marie-Christine Pence, Director of Economic Development for Duke Energy Indiana at Duke Energy Business Services LLC, and Jeffrey R. Bailey, Director, Pricing and Analysis at Duke Energy Business Services LLC. On January 16, 2013, Duke and the Indiana Office of Utility Consumer Counselor ("OUCC") informed the presiding officers that they had reached a settlement of the issues in this Cause. On January 31, 2013, the parties prefiled a Settlement Agreement, attached to the supporting testimony of Ms. Pence, and the supporting testimony of Mr. Bailey and Eric M. Hand, Utility Analyst in the OUCC's Electric Division.

Pursuant to notice given and published as required by law, the Commission held an evidentiary hearing in this Cause at 9:30 a.m. on February 11, 2013, in Hearing Room 222, 101 West Washington Street, Indianapolis, Indiana. Petitioner and the OUCC were present and participated in the hearing. No members of the general public appeared at the hearing.

Having considered the evidence presented and the applicable law, we now find:

**1. Commission Jurisdiction and Notice.** Notice of the hearings in this Cause was given and published by the Commission as required by law. Petitioner is a public utility as that term is defined in Ind. Code § 8-1-2-1(a). Under Ind. Code §§ 8-1-2-4 and 8-1-2-71, the Commission has jurisdiction to approve all rates and charges for retail electric utility service furnished by a public utility in Indiana. In addition, under Ind. Code § 8-1-2-25, the Commission has jurisdiction to approve and modify rates and charges necessary to give effect to special arrangements between a utility and its customers under Ind. Code § 8-1-2-24. Therefore, the Commission has jurisdiction over Petitioner and the subject matter of this Cause.

2. **Petitioner's Characteristics.** Petitioner is an Indiana corporation with its principal office located at 1000 East Main Street, Plainfield, Indiana. Petitioner supplies electric utility service to over 790,000 customers located in sixty-nine counties in central, north-central, and southern Indiana. And Petitioner owns, operates, manages, and controls property and equipment that is used and useful for the production, transmission, distribution, and furnishing of electric utility service.

3. **Relief Requested.** The Commission's December 8, 2004 Order in Cause No. 42664 approved three economic development rates ("EDR"), which Petitioner offers through its Standard Contract Rider No. 58, Economic Development Rider ("Rider 58"), Standard Contract Rider No. 54, Brownfield Redevelopment Rider ("Rider 54"), and Standard Contract Rider No. 59, Urban Redevelopment Rider ("Rider 59"), for a four-year period ending December 31, 2008. The Commission's December 17, 2008 Order in Cause No. 43567 renewed the EDRs through December 31, 2012. In this Cause, Petitioner seeks authority to renew Rider 58 with amendments and Rider 54 for an additional four-year period. Petitioner allowed Rider 59 to expire because of a lack of participation. In our November 28, 2012 Prehearing Conference Order in this Cause, we authorized Petitioner to continue to offer Rider 58 and Rider 54 after December 31, 2012, pending our Final Order.

4. **Petitioner's Case-In-Chief.** Ms. Pence testified that Petitioner actively supports state and local economic development efforts. She said that the availability of competitively priced, reliable electric utility service is an important factor in securing new businesses and jobs, especially for businesses with high energy demands. Ms. Pence estimated that Petitioner's economic development efforts have contributed to the creation of over 110,000 Indiana jobs and over \$17 billion of capital investment between 1988 and 2011. Petitioner is committed to working with local and state officials to improve Indiana's economy by identifying and securing economic development opportunities.

Ms. Pence testified that when businesses locate or expand in Indiana, they create jobs and private capital investment, which bring growth to the surrounding communities. During the recent economic downturn and as the economy begins to recover, Ms. Pence said that job retention and expansion are extremely important, and that state and local governments need all available tools to maintain and increase economic development and employment opportunities. Ms. Pence believes that Petitioner's EDRs are important additions to those tools.

Ms. Pence testified that the proposed amendments to Rider 58 would help attract more economic development and capital investment. Petitioner proposes that Rider 58 would have a four-year declining discount on the customer's entire bill, 20% in year one, 15% in year two, 10% in year three, 5% in year four, and no discount thereafter. Petitioner also proposes to eliminate the 50 MW annual cap and the 10 MW project cap. Finally, Petitioner proposes to make Rider 58 available to non-retail businesses on both high load factor ("HLF") and low load factor ("LLF") rates with at least 250 hours of use per month. Ms. Pence testified that the proposed amendments will bring Petitioner's EDRs more in line with other Indiana utilities and will make Duke more competitive

against utilities in other states. Ms. Pence said that 13 companies have taken advantage of Rider 58 and have created or expect to create approximately 2,500 new jobs.

Ms. Pence testified that Rider 54 encourages businesses to consider locating on Brownfield sites that are otherwise typically avoided and difficult to market. She said that business development on a Brownfield site encourages economic growth in the surrounding area and turns an economic liability into an economic asset.

Mr. Bailey described the currently-approved version of Rider 58. Rider 58 is available to newly-located business customers in new or existing facilities, existing business customers in new or existing facilities, and existing business customers that expand their businesses if the customer either creates 25 jobs with a capital investment of \$1 million per MW of new load or makes a \$10 million capital investment per MW of new load. Duke may also offer Rider 58 to an existing customer who, but for economic assistance, would leave the service area. The current discount on Rider 58 lasts only one year, applies only to the demand charge, and is only available to customers served under rate HLF with an average use of 300 hours per month. In addition, there is a 50 MW cap on the amount of incentives Petitioner can offer each year and a 10 MW cap per project.

Mr. Bailey testified that Petitioner proposes to amend Rider 58 to eliminate the 50 MW and 10 MW caps, allow for a declining discount over a four-year period, expand the availability of Rider 58 to customers served under rate LLF and HLF, reduce the monthly required average use from 300 hours to 250 hours, and eliminate the retention provision. Duke also proposes to require a ten-year service agreement in order to take advantage of Rider 58 and to reduce the eligibility criteria to include a company that creates 25 new jobs per MW of new load or makes a \$1 million capital investment per MW of new load.

Mr. Bailey testified that Petitioner is not proposing any amendments to Rider 54. Rider 54 would remain available to business customers locating in qualifying Brownfield redevelopment areas, as defined under either Indiana or federal law, that are currently served by Duke. Customers who take service under Rider 54 receive a 50% bill reduction in the first year, declining to a 10% reduction in year five.

Mr. Bailey testified that the EDRs will not adversely impact Petitioner's other customers. Any ratemaking impact of the EDRs will be borne by Duke's shareholders rather than by non-participating customers. In addition, subscribers to Rider 58 must sign a ten-year service agreement. After the discounted service period ends, customers will pay for service under the appropriate tariff. Should a customer terminate service within the ten-year period, the customer must repay all or a portion of the Rider 58 reductions. Mr. Bailey opined that the attraction and retention of quality economic development opportunities to Indiana, the revenues provided by those opportunities, and the stimulus to local and state economies from newly-created jobs far outweigh the discount offered through each Rider.

**5. Settlement Agreement and Supporting Testimony.** On January 31, 2013, the parties filed a Settlement Agreement and supporting testimony. Ms. Pence testified that the Settlement Agreement changes the eligibility requirements of Rider 58 to the following: (1) create ten new full-time-equivalent jobs and invest \$1 million per 1,000 kW of eligible new or additional load; (2) create 25 new full-time-equivalent jobs per 1,000 kW of eligible new or additional load; or (3) invest \$8 million per 1,000 kW of eligible new or additional load. In addition, the Settlement Agreement includes a cap of 60 MW of new or additional load per year up to a cumulative total of 240 MW over the four-year term of Rider 58 and a per customer project cap of 25 MW of new or additional load. If a customer's new or additional load exceeds the annual or per project caps, the discount under Rider 58 would only be available for the pro rata portion of the customer's bill that fall within the caps. The Settlement Agreement also incorporates the other proposed amendments to Rider 58 that are discussed above. The Settlement Agreement does not change the terms of Rider 54.

Mr. Hand testified that the Settlement Agreement addresses the OUCC's concerns that the originally proposed amendments to Rider 58 made it too broad and open-ended. He said that the annual and per project caps provide reasonable limits on the total discounts available to an expanded pool of potentially eligible customers. Mr. Hand also noted that Rider 58 requires participating customers to enter into a 10-year service agreement with annually declining discounts available only during the first four years.

Mr. Hand testified that the Settlement Agreement sets forth the ratemaking treatment for Petitioner's EDRs. Under the Settlement Agreement, Rider 58 customers would be treated as having paid the full tariff rates for all rate elements, including base rates, riders, and trackers. Mr. Hand explained that non-participating customers will not pay for or otherwise make up for the discounts. Rider 58 customers will continue to cover their own variable costs and make a contribution toward fixed costs. In the unlikely event a Rider 58 customer does not cover its variable costs, those costs will be borne by Duke's shareholders.

Mr. Hand also testified that Riders 54 and 58 will remain subject to their current annual reporting requirements and will terminate on December 31, 2016. Mr. Hand recommended that the Commission approve the terms of the Settlement Agreement because it will serve the public interest.

**6. Commission Discussion and Findings.** Ind. Code §§ 8-1-2-4 and 8-1-2-71 require Commission approval of all rates and charges for retail electric utility service furnished by Indiana public utilities and that those rates and charges be just and reasonable. Ind. Code § 8-1-2-24 allows a utility to enter into a reasonable arrangement with its customers to provide a sliding scale or charges or other financial device that may be practicable and advantageous so long as the Commission finds that the arrangement is reasonable and just and not inconsistent with the purposes of Ind. Code ch. 8-1-2. Ind. Code § 8-1-2-25 allows the Commission to approve and modify rates and charges necessary to give effect to such an arrangement.

Settlements presented to the Commission are not ordinary contracts between private parties. *United States Gypsum, Inc. v. Indiana Gas Co.*, 735 N.E.2d 790, 803 (Ind. 2000). When the Commission approves a settlement, that settlement “loses its status as a strictly private contract and takes on a public interest gloss.” *Id.* (quoting *Citizens Action Coalition of Ind., Inc. v. PSI Energy, Inc.*, 664 N.E.2d 401, 406 (Ind. Ct. App. 1996)). Thus, the Commission “may not accept a settlement merely because the private parties are satisfied; rather [the Commission] must consider whether the public interest will be served by accepting the settlement.” *Citizens Action Coalition*, 664 N.E.2d at 406.

Further, any Commission decision, ruling, or order – including the approval of a settlement – must be supported by specific findings of fact and sufficient evidence. *United States Gypsum*, 735 N.E.2d at 795 (citing *Citizens Action Coalition of Ind., Inc. v. Public Service Co. of Ind., Inc.*, 582 N.E.2d 330, 331 (Ind. 1991)). The Commission’s own procedural rules require that settlements be supported by probative evidence. 170 IAC 1-1.1-17(d). Therefore, before the Commission can approve the Settlement Agreement, we must determine whether the evidence in this Cause sufficiently supports the conclusions that the Settlement Agreement is reasonable, just, and consistent with the purpose of Ind. Code ch. 8-1-2, and that such agreement serves the public interest.

In Cause Nos. 42664 and 43567, the Commission approved Rider 54 and Rider 58 and concluded that Petitioner’s EDRs were reasonable, would be a valuable asset to attract economic development and job creation, and would not adversely affect non-participating customers. With regard to the currently proposed EDRs and Settlement Agreement, we reach a similar conclusion.

The Settlement Agreement allows Petitioner to continue to offer Rider 54 and Rider 58 to its customers, thus continuing to support job growth in Indiana. The Settlement Agreement also provides for a reasonable expansion of eligibility for Rider 58 and provides that non-participating customers will not be required to pay for or otherwise make up for the discounted rates available under the EDRs. The evidence demonstrates that Petitioner’s EDRs have supported and are likely to continue to support state and local economic development efforts and job growth.

Based on the evidence presented and our discussion above, we conclude that Petitioner’s proposed renewal of Rider 58, as amended in the Settlement Agreement, and Rider 54 are reasonable, just, and consistent with the purpose of Ind. Code ch. 8-1-2, and serve the public interest. In addition, we conclude that the Settlement Agreement is reasonable, just, consistent with the purpose of Ind. Code ch. 8-1-2, and serves the public interest. Therefore, we approve the Settlement Agreement and authorize Petitioner to offer Rider 58, as amended in the Settlement Agreement, and Rider 54 through December 31, 2016.

The parties agree that the Settlement Agreement should not be used as precedent in any other proceeding or for any other purpose, except to the extent necessary to implement or enforce its terms. Consequently, with regard to future citation of the Settlement Agreement, we find that our approval

herein should be construed in a manner consistent with our finding in *Richmond Power & Light*, Cause No. 40434, 1997 Ind. PUC LEXIS 459, at \*19-22 (IURC March 19, 1997).

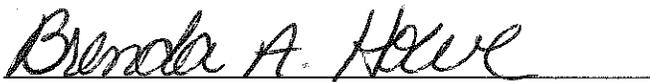
**IT IS THEREFORE ORDERED BY THE INDIANA UTILITY REGULATORY COMMISSION that:**

1. The Settlement Agreement is approved in its entirety. A copy of the Settlement Agreement is attached to this Order and is incorporated by reference.
2. Petitioner's Standard Contract Rider No. 54, Brownfield Redevelopment Rider is approved for a term ending on December 31, 2016.
3. Petitioner's Standard Contract Rider No. 58, Economic Development Rider, as modified in the Settlement Agreement, is approved for a term ending on December 31, 2016.
4. Petitioner's Standard Contract Rider No. 59, Urban Redevelopment Rider is discontinued effective December 31, 2012.
5. Petitioner shall abide by the ratemaking and reporting requirements contained in the Settlement Agreement.
6. This Order shall be effective on and after the date of its approval.

**ATTERHOLT, LANDIS AND ZIEGNER CONCUR; BENNETT AND MAYS ABSENT:**

**APPROVED:            MAY 01 2013**

**I hereby certify that the above is a true  
and correct copy of the Order as approved.**



**Brenda A. Howe  
Secretary to the Commission**

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

VERIFIED PETITION OF DUKE ENERGY )  
 INDIANA, INC. FOR APPROVAL OF TWO )  
 ECONOMIC DEVELOPMENT RATES AND )  
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 SERVICE: (1) PROPOSED STANDARD ) CAUSE NO. 44258  
 CONTRACT RIDER NO. 58, ECONOMIC )  
 DEVELOPMENT RIDER; AND (2) PROPOSED )  
 STANDARD CONTRACT RIDER NO. 54, )  
 BROWNFIELD REDEVELOPMENT RIDER )

SETTLEMENT AGREEMENT

This Settlement Agreement ("Settlement Agreement") is entered into by and between Duke Energy Indiana, Inc. ("Duke Energy Indiana") and the Indiana Office of Utility Consumer Counselor ("OUCC") (together, the "Parties"). The Parties stipulate and agree for purposes of resolving the issues in this Cause to the terms and conditions set forth below.

WITNESSETH:

WHEREAS, Duke Energy Indiana filed for approval of its new economic development rates on October 2, 2012 in Cause No. 44258.

WHEREAS, the Company and the OUCC entered into negotiations and wish to resolve their dispute through compromise and settlement so as to avoid the additional cost, delay, uncertainty, and inconvenience of adversarial proceedings.

NOW THEREFORE, and in consideration of the provisions set forth herein, the OUCC and Company hereby agree and stipulate as follows:

1. Scope of Settlement Agreement. This Settlement Agreement, subject to approval by the Indiana Utility Regulatory Commission ("Commission"), comprehensively resolves all issues in Cause No. 44258 before the Commission.
2. Rider No. 59. Rider No. 59 shall be canceled in its entirety.
3. Rider No. 54. Rider No. 54 shall be renewed through December 31, 2016, without change.

4. Rider No. 58

A. Rider No. 58 Caps. If the Commission approves the proposed Settlement Agreement, Rider No. 58 shall be modified as follows. The modified Rider No. 58 discounts shall be increased to four (4) years instead of 12 months. Rider No. 58 shall be capped at a total of 60 megawatts ("MW") of new or additional load each year, up to a maximum cumulative total of 240 MW over the four (4) year term of this Settlement Agreement. The discount provided under Rider No. 58 shall only be available for up to 25 MW of new or additional load for each customer project. If the new or additional load exceeds the customer project or annual caps, the discount will only be available for the pro rata portion of the total bill that falls within the above per customer project and annual caps on new or additional load.

B. Eligibility Requirements. To be eligible for discounts under Rider No. 58, a customer must sign a ten (10) year service agreement with the Company and satisfy one of the following criteria within the Company's Indiana service territory:

- (a) create ten (10) new full time equivalent jobs and invest \$1 million per 1,000 kW of eligible new or additional load;
- (b) create 25 new full time equivalent jobs per 1,000 kW of eligible new or additional load;
- (c) invest \$8 million per 1,000 kW of eligible new or additional load.

C. Declining Percentage Discount. Eligible customers will receive a four-year declining discount on their total electric utility bill for the new or additional load, subject to the caps and pro rata provisions in Paragraph 4-A of this Settlement Agreement. The discount in the first year of the contract shall be 20%; the discount in the second year of the contract shall be 15%; the discount in the third year of the contract shall be 10%; and the discount in the fourth year of the contract shall be 5%.

D. Required Ten (10) Year Service Agreement. Service agreements executed under Rider No. 58 shall have a ten (10) year term. For service agreements executed during the approved term of Rider No. 58, all benefits and obligations provided under the required ten (10) year service agreement shall remain in effect throughout the life of the service agreement.

E. Ratemaking Treatment. For all ratemaking purposes, Rider No. 58 customers will be treated as paying the full tariff rates for all rate elements, including but not limited to base rates and all riders/trackers. Other customers and/or customer classes will not pay for, or otherwise make up for, the discounts, which will be borne by Duke Energy Indiana shareholders and not by other Duke Energy Indiana customers. Customers under Rider No. 58 will continue to cover their variable costs and to make a contribution to fixed costs; but in the unlikely event that a customer does not cover its variable costs, those costs will be borne by Duke Energy Indiana shareholders and not by other Duke Energy Indiana customers.

5. Other Changes to Economic Development Riders. Unless explicitly set forth in this Settlement Agreement, the Parties agree that all other revisions proposed by Duke Energy Indiana in this proceeding shall remain unchanged.
6. Annual Report. Duke Energy Indiana shall continue to file its economic development annual report with the Commission as it has done since the inception of its economic development rider program.
7. Term. The economic development riders approved in this proceeding shall be in effect through December 31, 2016.
8. IURC Approval. This Settlement Agreement is contingent upon its full approval through a Final Order of the Commission. This Settlement Agreement is not severable and shall be accepted or rejected by the Commission in its entirety without modification or further condition that may be unacceptable to Duke Energy Indiana or the OUCC.
9. Settlement Testimony. The Company and the OUCC agree that this Settlement Agreement is a reasonable compromise and that both the OUCC and Duke Energy Indiana will file testimony with the IURC in support of this Settlement Agreement, to explain why the Settlement Agreement is just and reasonable and in the public interest.
10. Final Order by Commission. The issuance of a Final Order by the Commission approving this Settlement Agreement, including the Settlement Terms, without modification, shall terminate this proceeding.
11. Authorization. The undersigned represent and agree that they are fully authorized to execute this Settlement Agreement on behalf of their designated clients who will be bound thereby.
12. No Appeals. The OUCC and Duke Energy Indiana shall not appeal the Final Order or any subsequent Commission order to the extent such order specifically implements, without modification unacceptable to either party, the provisions of this Settlement Agreement, and the OUCC and Duke Energy Indiana shall not otherwise support any appeal of any such order by a person not a party to this Settlement Agreement.
13. Enforceability. The provisions of this Settlement Agreement, including the Settlement Term, shall be enforceable by any signatory, at the Commission or any court of competent jurisdiction, whichever is applicable.
14. Confidential Negotiations. The communications and discussions during the negotiations and conferences which produced this Settlement Agreement, including

the Settlement Terms, have been conducted on the explicit understanding that they are or relate to offers of settlement and shall therefore be confidential.

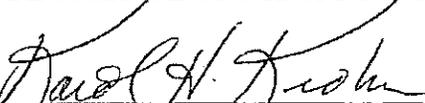
15. Substantial Evidence. The OUCC and Company agree that the evidence to be submitted in support of this Settlement Agreement, along with the evidence of record previously submitted in this Cause, together constitute substantial evidence to support this Settlement Agreement and provide a sufficient evidentiary basis upon which the Commission can make any findings of fact and conclusions of law necessary for the approval of this Settlement Agreement, as filed.
16. Non-Precedential Effect of Settlement Agreement. This Settlement Agreement is a result of compromise derived from unusual and specific facts and representations particular to this Cause. The Parties stipulate that this Settlement Agreement should not be construed nor be cited as precedent or deemed an admission by any party in any proceeding except as necessary to enforce its terms before the Commission or any court of competent jurisdiction on these particular issues. This Settlement Agreement is solely the result of compromise in the settlement process and, unless otherwise provided herein, is without prejudice to and shall not constitute a waiver of any position that the Parties may take with respect to any or all of the items resolved herein in any future regulatory or other proceeding and shall not be admissible in any subsequent proceeding without regard to whether it has been approved by the Commission. The Parties agree that, other than to enforce the terms of this settlement, no Party may offer this Settlement Agreement or any of its terms or testimony filed in support hereof against another party to this proceeding in any subsequent proceeding; and the Parties agree that any such effort is objectionable and constitutes a satisfactory basis for sustaining an objection or motion to strike.

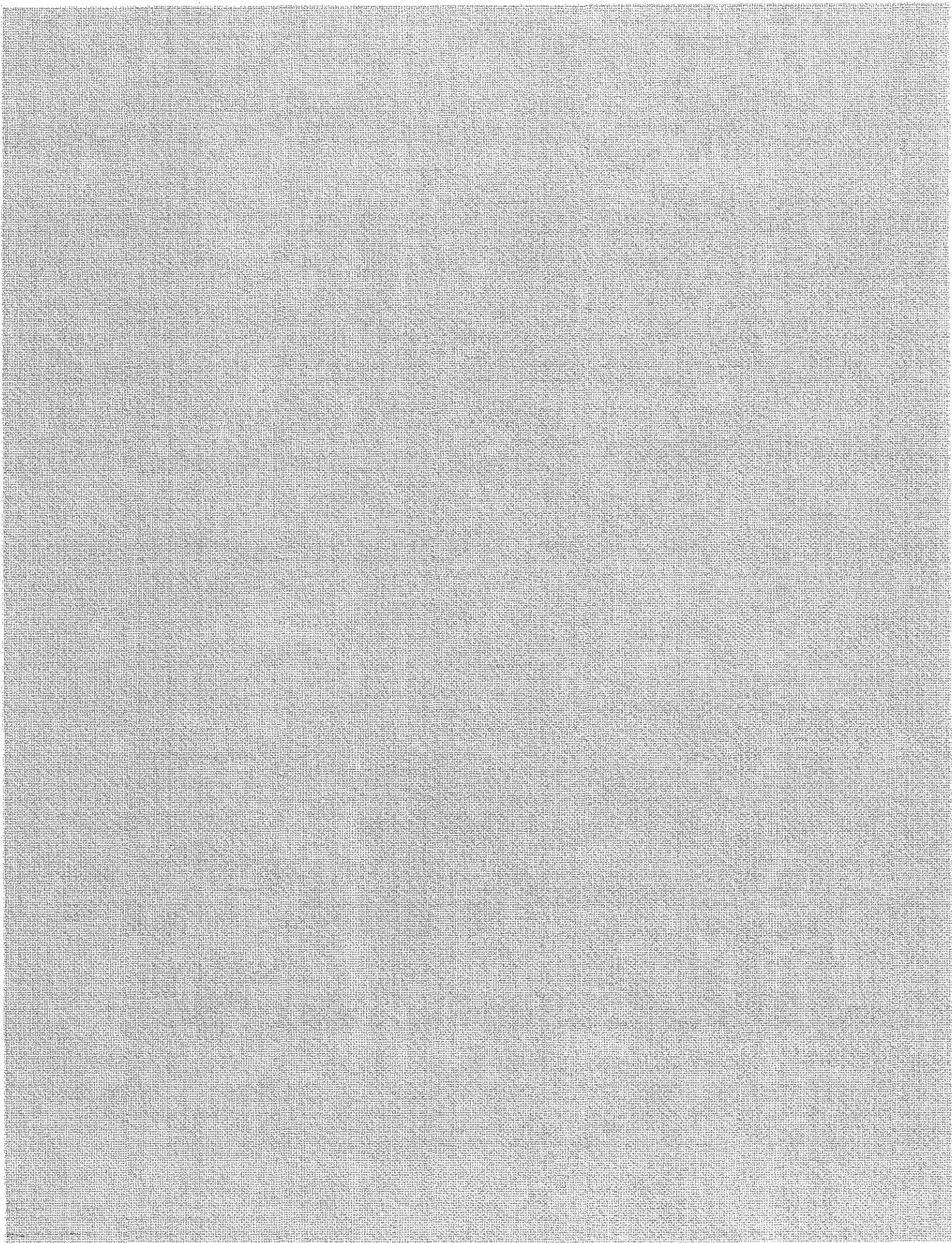
ACCEPTED AND AGREED to as of this 31<sup>st</sup> day of January 2013.

DUKE ENERGY INDIANA, INC.:

By:   
\_\_\_\_\_  
Douglas F. Esamann  
President

INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR

By:   
\_\_\_\_\_  
Karol H. Krohn  
Deputy Consumer Counselor  
Ind. Atty. No. 5566-82



Duke Energy Indiana, Inc.  
1000 East Main Street  
Plainfield, Indiana 46168

IURC NO. 14  
Second Revised Sheet No. 58  
Cancels and Supersedes  
First Revised Sheet No. 58  
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## STANDARD CONTRACT RIDER NO. 58

### ECONOMIC DEVELOPMENT RIDER

#### AVAILABILITY

Available, at the Company's option, to non-residential customers receiving service under the provisions of one of the Company's non-residential tariff schedules until December 31, 2012. This Rider is available for load associated with initial permanent service to new establishments, expansion of existing establishments, or new customers in existing establishments who make application to the Company for service under this Rider and the Company approves such application. This Rider will apply only to customers served under Rate HLF – Schedule for High Load Factor Service. The new load applicable under this Rider must be a minimum of 1,000 kW demand at one delivery point. The maximum load to qualify for this Rider is 10,000 kW. To qualify for service under this Rider, the customer must meet the qualifications as set forth below. Further, the customer must have applied for and received economic assistance from the State or local government or other public agency before the Company will approve a Service Agreement under this Rider. Where the customer is new to the Company's service area or is an existing customer expanding, the customer must meet the qualifications under 1) or 2) below:

- 1) the customer must employ an additional workforce in the Company's service area of a minimum of twenty-five (25) full-time equivalent (FTE) employees per 1,000 kW demand of new load. Also, the customer's new or expanded load must result in capital investment of at least one million dollars (\$1,000,000) per 1,000 kW demand of new or expanded load. The employment additions and capital investment must occur following the Company's approval for service under this Rider.
- 2) the customer's new or expanded load must result in capital investment of ten (10) million dollars (\$10,000,000) per 1,000 kW demand of new or expanded load. This capital investment must occur following the Company's approval for service under this Rider.

The Company may also consider applying this Rider to an existing customer who, but for economic incentives being provided by the State and/or local government or public agency, would leave the Company's service area. In this event, the following provision applies:

- 1) The customer must agree, at a minimum, to retain the current number of FTE employees.

This Rider is not available to a new customer which results from a change in ownership of an existing establishment. However, if a change in ownership occurs after the customer enters into a Service Agreement for service under this Rider, the successor customer may be allowed to fulfill the balance of the Service Agreement under this Rider. This Rider is also not available for renewal of service following interruptions such as equipment failure, temporary plant shutdown, strike, or economic conditions. This Rider is not available for load shifted from one customer to another within the Company's service area.

#### CHARACTER OF SERVICE

The service provided shall be 60Hz alternating current provided at the Company's standard distribution or transmission voltage.

#### NET MONTHLY BILLING

The customer shall comply with all terms of the standard Rate HLF under which the customer takes service except that the customer's existing maximum load charge (demand charge) or the maximum load charge (demand charge) for the new load, whichever is applicable, shall be reduced by sixty (60) percent for a period of twelve (12) months. The customer will pay the full amount of the energy charges, kVAR charges, connection charges, and riders so indicated. The customer may request an effective date of the

**Duke Energy Indiana, Inc.**  
1000 East Main Street  
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Rider which is no later than twelve (12) months after the Service Agreement is approved and signed by the Company. All subsequent billings shall be at the appropriate full standard service tariff rate.

#### **TERMS AND CONDITIONS**

The customer must enter into a Service Agreement with the Company which shall specify, among other things, the voltage at which the customer will be served, a description of the amount and nature of the new load and the basis on which the customer requests qualification for this Rider. The customer must affirm that the availability of this Rider was a factor in the customer's decision to locate the new load or retain current load in the Company's service area.

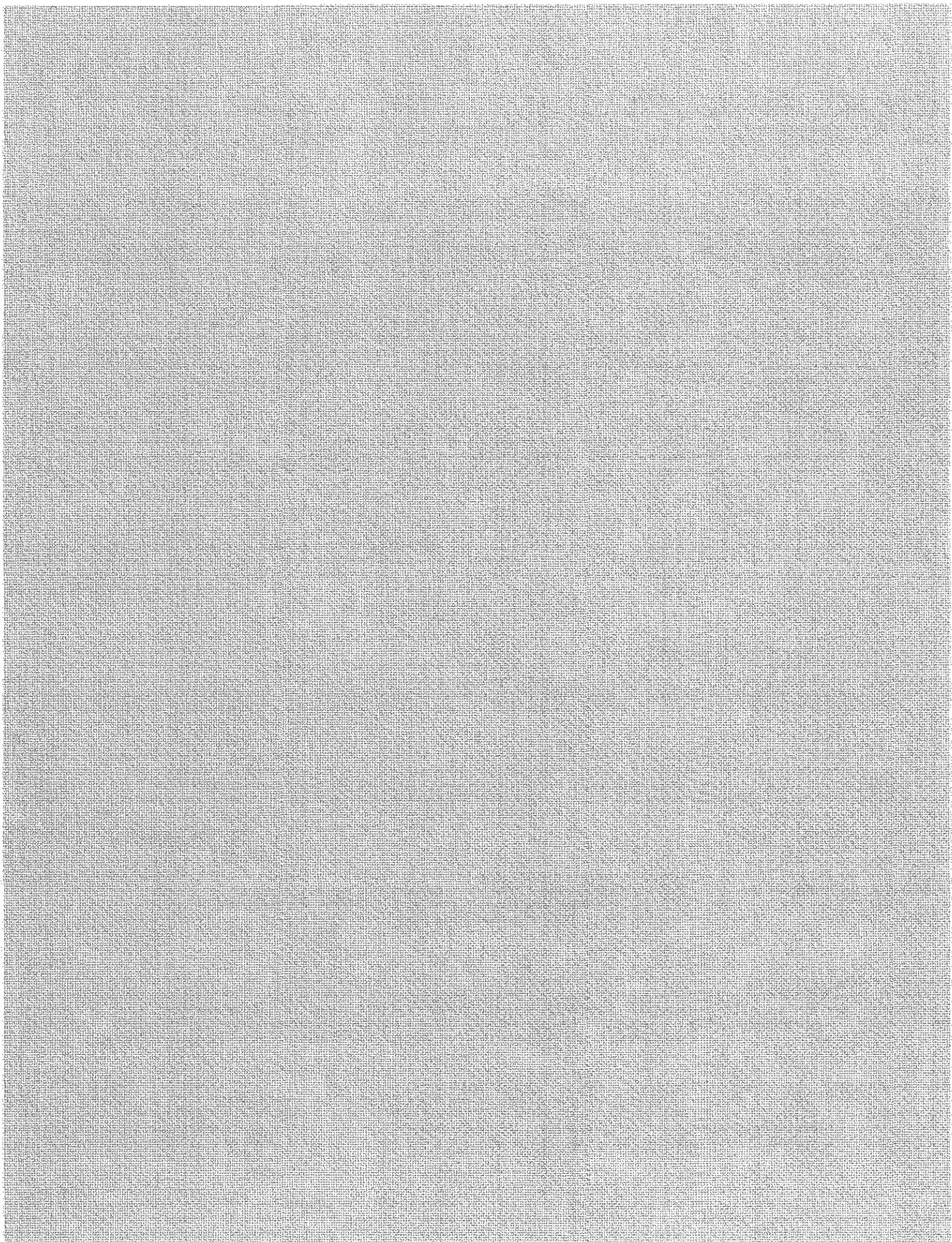
For customers entering into a Service Agreement under this Rider due to expansion, the Company may install, at customer's expense, metering equipment necessary to measure the new load to be billed under the provisions of this Rider separate from the customer's existing load which shall be billed under the applicable standard tariff schedule.

Following the effective date of the Service Agreement, the customer must maintain a minimum demand in accordance with the Service Agreement and maintain a monthly average of 300 hours use of demand. Failure to do so will result in the customer's Service Agreement being terminated.

The Company is not obligated to extend, expand or rearrange its facilities if it determines that existing distribution/transmission facilities are of adequate capacity to serve the customer's load.

The maximum annual load permitted under this Rider shall be 50,000 kW.

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Indiana Utility Regulatory Commission, and to the Company's General Terms and Conditions currently in effect, as filed with the Indiana Utility Regulatory Commission.



Duke Energy Indiana, Inc.  
1000 East Main Street  
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Third Revised Sheet No. 58  
Cancels and Supersedes  
Second Revised Sheet No. 58  
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**STANDARD CONTRACT RIDER NO. 58**

**ECONOMIC DEVELOPMENT RIDER**

**AVAILABILITY**

Available, at the Company's option, to non-residential customers receiving service from the Company under Schedule HLF or LLF, provided that the customer is not classified as Retail Trade or Public Administration by the North American Industry Classification System (NAICS) Manual published by the United States Government. This Rider is available for new load associated with initial permanent service to new establishments or expansion of existing establishments who make application to the Company for service under this Rider and the Company approves such application. The new load applicable under this Rider must be a minimum of 1,000 kW demand at one delivery point. The maximum load to qualify for this Rider is 25,000 kW. Further, the customer must have applied for and received economic assistance from the State or local government or other public agency before the Company will approve a Service Agreement under this Rider. To qualify for service under this Rider, the customer must meet the qualifications as set forth under 1) or 2) or 3) below.

- 1) The customer must employ an additional workforce in the Company's service area of a minimum of ten (10) full-time equivalent (FTE) employees per 1,000 kW demand of new or expanded load and the new load must result in capital investment of one million dollars (\$1,000,000) per 1,000 kW demand of new or expanded load. Employment additions and capital investment must occur following the Company's approval for service under this Rider; or
- 2) The customer's new load must result in capital investment of eight million dollars (\$8,000,000) per 1,000 kW demand of new or expanded load. This capital investment must occur following the Company's approval for service under this Rider; or
- 3) The customer must employ an additional workforce in the Company's service area of a minimum of twenty-five (25) full-time equivalent (FTE) employees per 1,000 kW of demand of new or expanded load. Employment additions must occur following the Company's approval for service under this Rider.

This Rider is not available to a new customer which results from a change in ownership of an existing establishment without qualifying new load. However, if a change in ownership occurs after the customer enters into a Service Agreement for service under this Rider, the successor customer may be allowed to fulfill the balance of the Service Agreement under this Rider. This Rider is also not available for renewal of service following interruptions such as equipment failure, temporary plant shutdown, strike, or economic conditions. This Rider is not available for load shifted from one customer to another within the Company's service area.

**CHARACTER OF SERVICE**

The service provided shall be 60Hz alternating current provided at the Company's standard distribution or transmission voltage.

**NET MONTHLY BILLING**

The customer may request an effective date of the Rider which is no later than eighteen (18) months after the Service Agreement is approved and signed by the Company. The customer shall comply with all terms of the standard Rate HLF or Rate LLF under which the customer takes service except that a reduction based on the percentages below will be applied to the total bill for the New Load under this Rider, calculated on the applicable rate schedule, including the Connection Charge, Demand Charge, Energy Charge, kVAr Charge and applicable

Issued:

Effective:

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Plainfield, Indiana 46168

IURC NO. 14  
Third Revised Sheet No. 58  
Cancels and Supersedes  
Second Revised Sheet No. 58  
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Riders, but excluding Excess Facilities Charges. All subsequent billings shall be at the appropriate full standard service tariff rate.

Following the effective date of the Service Agreement, the customer must maintain a minimum demand in accordance with the Service Agreement and maintain 250 hours use of demand each month during the 48-month reduction period. Failure to do so will result in a 0% reduction for that month.

#### **APPLICATION OF THE REDUCTION**

Beginning with the effective date as declared by the customer, a reduction in the monthly bill will be applied to the total bill for the qualifying new load under this Rider.

Application of the Reduction:	
Months 1-12	20%
Months 13-24	15%
Months 25-36	10%
Months 37-48	5%
After 48 months	0%

#### **TERMS AND CONDITIONS**

The customer must enter into a Service Agreement with the Company which shall specify, among other things, the voltage at which the customer will be served, a description of the amount and nature of the new load and the basis on which the customer requests qualification for this Rider. The Customer must agree to a minimum term of ten (10) years, with the reductions being available for a maximum period of four years immediately following the effective date. The customer must affirm that the availability of this Rider was a factor in the customer's decision to locate the new load in the Company's service area.

If the Customer ceases the operations for which Rider 58 was originally approved, the Company will require that the Customer repay the Rider 58 reductions received according to the following schedule:

Years 1 to 4, 100%
Year 5, 85%
Year 6, 70%
Year 7, 55%
Year 8, 40%
Year 9, 25%
Year 10, 10%

For customers entering into a Service Agreement under this Rider due to expansion, the Company may install, at customer's expense, metering equipment necessary to measure the new load to be billed under the provisions of this Rider separate from the customer's existing load which shall be billed under the applicable standard tariff schedule.

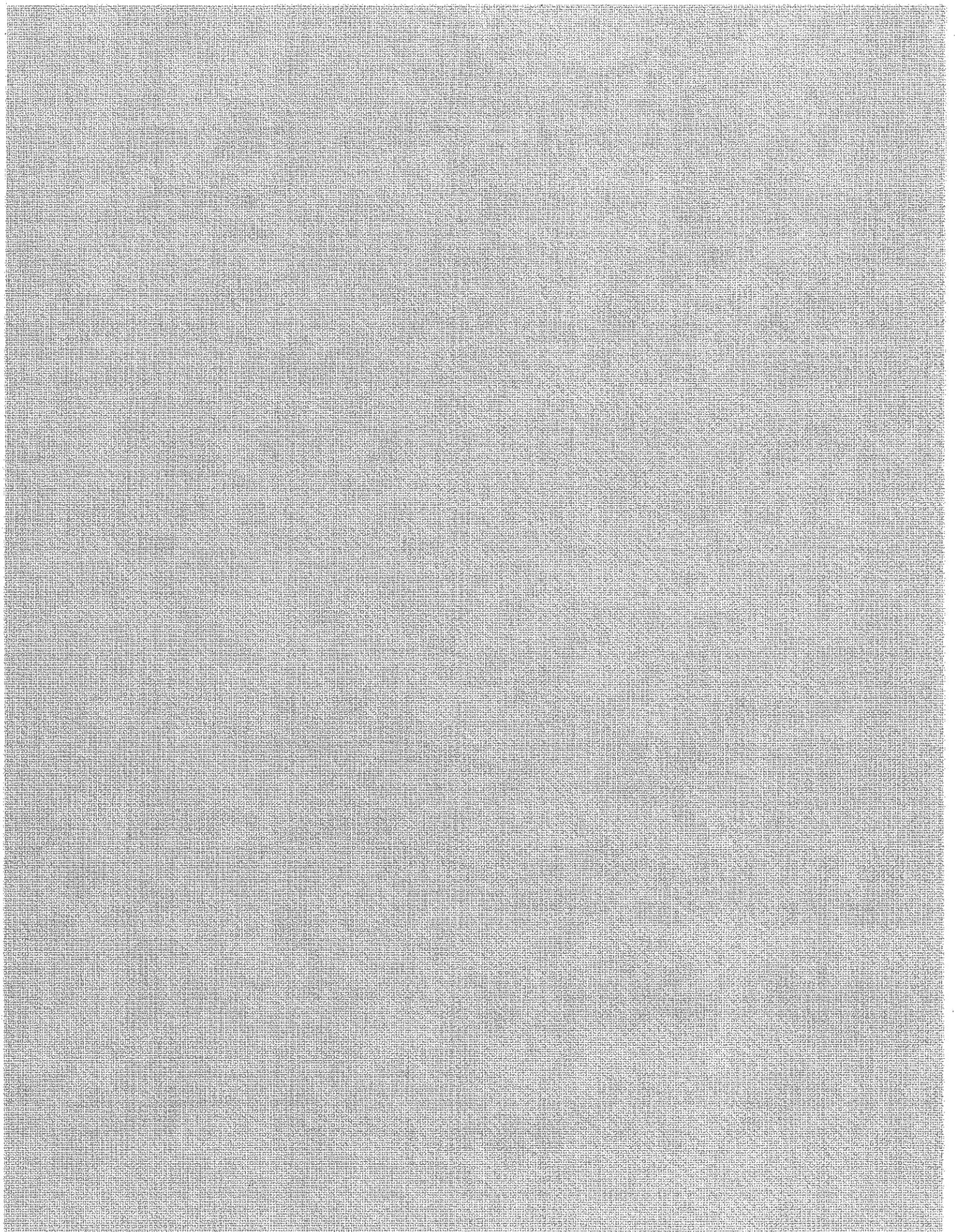
The Company is not obligated to extend, expand or rearrange its facilities if it determines that existing distribution/transmission facilities are of adequate capacity to serve the customer's load.

The maximum annual load to be added to the rider each year shall be 60,000 kW.

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Indiana Utility Regulatory Commission, and to the Company's General Terms and Conditions currently in effect, as filed with the Indiana Utility Regulatory Commission.

Issued:

Effective:



**VERIFICATION**

I hereby verify under the penalties of perjury that the foregoing representations are true to the best of my knowledge, information and belief.

Signed: Marie Christine Pence Dated: 1-31-13  
Marie-Christine Pence