

Indiana Utility Regulatory Commission
Staff Request for Information
January 17, 2017
Response of Duke Energy Indiana, LLC

IURC Staff 1.1:

Please identify your suite of tariffs that provide for the provision of the identified services.

Response:

The Company provides these services under the following schedules or riders:

- Rate LLF – Schedule for Low Load Factor Service
- Standard Contract Rider No. 10.1 – Optional High Efficiency Total Electric Commercial Service (Applicable to Rate LLF)
- Standard Contract Rider No. 10.2 – Optional Time-Of-Use Service (Applicable to Rate LLF)
- Rate HLF – Schedule for High Load Factor Service
- Standard Contract Rider 12.2 – Optional Time-Of-Use Service (Applicable to Rate HLF)

- Standard Contract Rider No. 50 – Parallel Operation For Qualifying Facility
- Standard Contract Rider No. 51 – Parallel Operation of Customer Owned Generation – Capacity And Energy Credits

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IURC Staff 1.2:

Please explain how these tariffs work together to provide for the provision of the identified services.

Response:

Duke Energy Indiana's General Terms and Conditions state the Company will supply these services to customers operating privately-owned equipment based on the manner in which the Customer makes use of such Company service. See page 16, section 19. In other words, the services will be provided based on the pricing and terms of their applicable tariff.

From a tariff perspective, Rider 51 provides a summary of options for utilizing the energy and capacity value customer-owned generation creates. Customer-owned generators must enter into an interconnection agreement with the Company (Standard Contract Rider No. 80). Ultimately, the customer determines how to utilize their generation depending on their preference and the terms and conditions of each program. Generators can utilize tariffs for a Qualified Facility (Rider 50), Net Metering (Rider 57) or custom terms negotiated under a special contract.

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IURC Staff 1.3:

Please provide the extent to which the identified services are being used by customers, and any available information regarding customers who considered but did not pursue using them.

Response:

These services have not been extensively requested or used by our customers. However, two customers utilize these tariffs and services.

The decision to install an alternate energy production facility or cogeneration facility is complex, and the type of backup, maintenance, or supplemental service required to accommodate such facilities is similarly complex. In view of this complexity and infrequent utilization of the services we do not have any specific information available regarding customers who may have considered using these services but ultimately did not.

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IURC Staff 1.4:

Please describe, and provide supporting cost-of-service level documentation in sufficient detail to foster a review of, the extent to which the rates for the identified services are cost based, nondiscriminatory, and do not result in subsidization.

Response:

The Commission has previously approved the Company's applicable rate schedules and riders and determined them to be reasonable. The default rate for maintenance, backup and supplementary power service is the appropriate tariff rate, such as Rate HLF or LLF.

The characteristics of generation facilities can range from high load factor combined heat and power facilities to more intermittent forms of power from wind and solar. The extent to which the customer's load shape is altered by the generation facility is the primary factor in determining the applicable rate schedule or rider. The Company will review each request for back up, maintenance or supplemental service individually. If the Company's rate schedules or riders cannot reflect unique attributes of the customer's circumstances, the Company has been willing to enter into special contracts and submit those contracts to the Commission for review and approval. The Company has historically, and will prospectively, work with our customers to meet their needs for these services in a reasonable, nondiscriminatory manner.