

NIPSCO

For this analysis, we model potential outage scenarios for a customer operating his/her own generating equipment. We assume the customer's equipment has a rated capacity of 2 MW.¹ This customer takes service under rate 732, Industrial Power Service.² The customer will also take backup and maintenance service under Rider 776 (Back-up, Maintenance and Temporary Industrial Service Rider).

Backup service is provided up to 45 days per 12-month period and the customer must notify the Company within 60 minutes of an outage event. Maintenance service must be requested at least twenty days in advance and cannot be performed during the months of June, July, August, or September. The customer may not take maintenance service for more than 60 days per 12-month period.

Summary

No Outage: \$0

Scheduled 16 Hours Off-peak: \$1901.92

Scheduled 16 Hours On-peak: \$2401.92

Scheduled 8 Hours On-peak, 8 Hours Off-peak: \$1901.92

Scheduled 32 Hours On-peak: \$4303.84

Unscheduled, 8 Hours On-peak, 8 Hours Off-peak: \$793.06 + Real-time LMP energy costs

No Outage

In a month in which the customer takes no backup or maintenance service, he/she faces no reservation charges.

Scheduled 16 Hours Off-peak

In this outage scenario, the customer schedules a maintenance outage lasting 16 hours during off-peak times. Energy is charged at different rates based on the quantity of energy delivered per kVA of demand. Because the customer's 32,000 kWh falls within $450 * 2,000 \text{ kW} = 900,000$

¹ This assumption simplifies the analysis so that demand and other charges measured in kVA will be assumed to apply to the kW rating of our hypothetical customer.

² Under the current version of Rider 776 and Rate 732, there is a minimum of 15,000 kW of definite contract capacity. The "apples to apples" methodology used in this analysis references a customer with a 2MW CHP system and 5,000 MW of load overall. Under NIPSCO's current approach, the sample customer in this analysis would not be permitted to take service under Rider 776, creating a barrier to the use of cogeneration.

kWh, all of the customer's energy falls into the first energy block. Demand charges are prorated for scheduled maintenance at a rate of \$0.25/kW/day. This outage would take place over one day. The customer would face the following charges:

- Demand Charge: $\$0.25/\text{kW} * 2,000 \text{ kW} * 1 \text{ day} = \500.00
- Energy Charge: $\$0.04381/\text{kWh} * 32,000 \text{ kWh} = \1401.92

Total monthly charges would be **\$1901.92**

Scheduled 16 Hours On-peak

This scenario would take place over two days during on-peak hours. The customer would face the following charges:

- Demand Charge: $\$0.25/\text{kW} * 2,000 \text{ kW} * 2 \text{ day} = \1000.00
- Energy Charge: $\$0.04381/\text{kWh} * 32,000 \text{ kWh} = \1401.92

Total monthly charges would be **\$2401.92**

Scheduled 8 Hours On-peak, 8 Hours Off-peak

This scenario would take place over one day.

- Demand Charge: $\$0.25/\text{kW} * 2,000 \text{ kW} * 1 \text{ day} = \500.00
- Energy Charge: $\$0.04381/\text{kWh} * 32,000 \text{ kWh} = \1401.92

Total monthly charges would be **\$1901.92**

Scheduled 32 hours On-peak

In this scenario, the customer uses 480,000 kWh of energy and the outage would take place over 3 days.

- Demand Charge: $\$0.25/\text{kW} * 2,000 \text{ kW} * 3 \text{ days} = \1500.00
- Energy Charge: $\$0.04381/\text{kWh} * 64,000 \text{ kWh} = \2803.84

Total monthly charges would be **\$4303.84**

Unscheduled 8 Hours On-peak, 8 Hours Off-peak

This scenario would take place over one day. Under Rider 776, backup power is charged at the applicable Rate 732 demand charge, divided by the number of calendar days within the applicable calendar month.

- Demand Charge: $\$10.14/\text{kW} * 2000 \text{ kW} / 30 \text{ days} * 1 \text{ day} = \676.00
- Non-fuel Energy Charge: $\$0.003658/\text{kWh} * 32,000 \text{ kWh} = \117.06
- Real-time LMP

Total monthly charges would be **\$793.06** plus real-time LMP energy charges.