

RIDER 677
ECONOMIC DEVELOPMENT RIDER

No. 1 of 3 Sheets

TO WHOM AVAILABLE

This Rider shall be applicable to the Rate Schedules as defined in Appendix A.

This Economic Development Rider is available to Industrial and Commercial Customers for new or increased service requirements that result in increased employment opportunities, which are new to the State of Indiana and whose plants are located adjacent to existing electric facilities having capacity sufficient to meet the Customer's requirements. Applicants must demonstrate that, absent the availability of this Rider, this new service requirement and any related employment opportunities would be located outside the Company's electric service territory. Increased service requirements which displace or duplicate existing load in the Company's service territory or are brought about by the shutdown of cogeneration facilities will not qualify under this Rider.

For Customers that were taking service from the Company under Economic Development Rider 848.2 prior to the effective date of this Rider 677, service under this Rider 677 shall terminate upon the expiration of the contract existing between the Customer and the Company.

For new Customers, service under this Rider shall commence upon the effective date of a contract between the Company and the Customer providing for service under the appropriate Rate Schedule between the Customer and the Company and shall terminate upon the earliest of: (1) the contract term; or (2) upon the effective date of new base rates resulting from a Commission Order in a base rate case.

CONTRACT

Service under this Rider requires a contract between the Customer and the Company. The contract shall set forth monthly base period kilowatts and kilowatt hours, which shall be deemed those actually used during the preceding twelve (12) months. If new or increased Company facilities are required, the Customer shall be responsible for same in compliance with the Company's General Rules and Regulations applicable to electric service in effect at the time of the contract execution.

RATE

For qualifying existing Customers with electric service and Energy supplied by the Company, other than that accounted for in a completed contract under the terms and conditions of this Economic Development Rider (where applicable), the existing Energy requirements shall be deemed the Customer's base load and will be billed on the appropriate Rate Schedule. For the Energy requirements of qualifying new Customers, and for the non-base load service and Energy requirements of existing Customers, a discount on monthly billings for all applicable purchases shall be applied in accordance with the following criteria for bills issued during the respective months starting from contract commencement date:

Issued Date
12/21/2011

Effective Date
12/27/2011

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RATE (continued)

Year 1 Contract	Up to 50% of the increased base rate charges
Year 2 Contract	Up to 40% of the increased base rate charges
Year 3 Contract	Up to 30% of the increased base rate charges
Year 4 Contract	Up to 20% of the increased base rate charges
Year 5 Contract	Up to 10% of the increased base rate charges

As an alternative to the above discount tiers and at the Company's sole discretion, the Company may elect to offer up to 30% per year over the 5-year contract period.

In no event, however, shall the incremental revenues derived from the discounted base rate charges, as stated above for serving the new or increased load, be allowed by the Company to be less than the Company's marginal Energy costs, plus the marginal capacity costs, to serve said load or the minimum billing provisions of the base rate.

At the completion of the Rider contract term, the Energy supplied in accordance with this Rider will be furnished under the appropriate Rate Schedule in accordance with the contract between the Company and the Customer.

The size and duration of discounts on monthly bills will be determined on an individual Customer basis given the degree of fulfillment of the following criteria. The determination of monthly discounts to be applied will be at the sole discretion of the Company, but such discounts will vary with the number and extent to which the listed criteria are met by Customer's proposed new or expanded load. The Company will monitor the awarding of all contracts to insure the fulfillment by the Customer of all terms and conditions of the contract associated with the award. Nonfulfillment of contract terms and conditions is grounds for reopening and reevaluation of all contract terms and conditions. Confidentiality shall be maintained regarding the terms and conditions of any completed contract as well as all Customer negotiations, successful or otherwise.

ELIGIBILITY THRESHOLDS

Unless otherwise noted, the criteria listed as follows will be used in determining the eligibility for the awarding of incentives under the terms and conditions of this Rider. Flexibility in the use of these criteria is at the sole discretion of the Company.

1. Full-time equivalent job creation per project: minimum 10.
2. New electrical Demand: minimum 100 kW.
3. Customer documentation/certification to be provided noting "Customer is considering other specific electric service territories as alternate locations for their planned new facility or expansion."

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QUALIFYING CRITERIA

Incentives awarded under the terms and conditions of this Rider to eligible Customers as determined by the Company using the guidelines as listed above in Eligibility Thresholds shall be dependent upon the number and degree of fulfillment attained of the following criteria. The Company shall have the final determination of all incentives based on the determination of issues deemed most beneficial to all stakeholders.

Economic and/or Environmental Distress

- a. Brown field site development. For purposes of this Rider, a brownfield shall be areas of NIPSCO's territory where existing transmission and distribution facilities are not at capacity and limited new facilities would be required for new business.
- b. Above-county-average wage to be paid by prospect.
- c. Other Indiana "Accelerating Growth" Guidelines, or Future State of Indiana Economic Development Goals.
- d. Any federal, state or local incentives and the degree thereof.

Power Use Characteristics

- a. High-efficiency, end-use equipment and construction technologies.
- b. "Clean Power" usage considerations.
- c. High load-factor operations

Site Specific Discounts

- a. Community master plan compliance.
- b. Industrial park location where municipal utilities, zoning and streets already exist.
- c. Utilization of existing industrial sites.
- d. Proximity to existing Company facilities.
- e. Loading of existing Company facilities.

Number of Jobs Created

Full-time equivalent job creation per project.