sag.

Apparent sag at any point means the departure of the wire at the particular point in the span from the straight line between the two points of support of the span, at 60 degrees F. with no wind loading.

Service means the connecting conductors by which a supply of electrical energy is carried from a supply line to the building or premises served.

Climbing Space means the vertical space reserved along the side of a pole structure to permit ready access for linemen to equipment and lines located on the pole structure.

Lateral Working Space means the space reserved for working between conductor levels outside the climbing space, and to its right and left.

Common Use means simultaneous use by two or more utilities of the same kind.

Joint Use means simultaneous use by two or more kinds of utilities.

Voltage or volts means the highest effective voltage between any two conductors of the circuit concerned, except that in grounded multiwire circuits, not exceeding 750 volts between outer conductors, it means the highest effective voltage between any wire of the circuit and the ground.

In ungrounded circuits not exceeding 750 volts, voltage to ground means the voltage of the circuit.

When one circuit is directly connected to another circuit of higher voltage (as in the case of an auto-transformer), both are considered as of the higher voltage, unless the circuit of lower voltage is permanently grounded. Direct connection implies electrical connection as distinguished from connection merely through electromagnetic or electrostatic induction. (Indiana Utility Regulatory Commission; No. 17689: Safety And Inductive Co-ordination Rule 12; filed Jan 2, 1946, 10:00 am: Rules and Regs. 1947, p. 1638; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; errata filed Jul 21, 2009, 1:33 p.m.: 20090819-IR-170090571ACA)

Rule 4. Cogeneration and Small Power Production Facilities (Repealed)

(Repealed by Indiana Utility Regulatory Commission; filed Mar 7, 1985, 10:04 am: 8 IR 766)

Rule 4.1. Cogeneration and Alternate Energy Production Facilities

170 IAC 4-4.1-1 Definitions

Authority: IC 8-1-1; IC 8-1-2; IC 8-1-2.4

Affected: IC 8-1-2.4

- Sec. 1. (a) As used in this rule, "alternate energy production facility" means an arrangement of equipment for the production of electricity from the movement of water or wind, by photoelectric transformation, or through the combustion of refuse, a renewable source, or a recovered resource.
- (b) As used in this rule, "avoided cost" means the incremental cost to an electric utility of electric energy or capacity, or both, which, but for the purchase from a qualifying facility or facilities, the utility would generate or maintain itself or purchase from another source.
- (c) As used in this rule, "back-up power" means electric energy or capacity supplied by an electric utility to replace energy ordinarily generated by a qualifying facility's own generation equipment during an unscheduled outage of the facility.
 - (d) As used in this rule, "capacity" means the ability to provide electric energy in a period of time.
- (e) As used in this rule, "cogeneration facility" means an arrangement of equipment which uses thermal energy to sequentially or simultaneously render electricity and useful thermal energy used for industrial, commercial, heating, or cooling purposes. The facility must meet energy efficiency standards for a cogeneration facility established by the Federal Energy Regulatory Commission under 16 U.S.C. 824a-3, in effect November 9, 1978.
 - (f) As used in this rule, "commission" means the Indiana utility regulatory commission.
- (g) As used in this rule, "electric utility" means a public utility or municipally-owned utility that owns, operates, or manages an electric plant.
 - (h) As used in this rule, "existing qualifying facility" means a qualifying facility which was in operation before July 1, 1983.
- (i) As used in this rule, "generating electric utility" means an electric utility with an annual sale of five hundred (500) million kilowatt-hours or more, which owns or leases, in whole or part, an electric generating facility providing a portion of the kilowatt-hours sold to its customers.

- (j) As used in this rule, "interconnection" means the physical, parallel connection of a qualifying facility with a transmission or distribution facility of an electric utility for the purchase or sale, or both, of electricity.
- (k) As used in this rule, "interconnection cost" means the reasonable cost of connection, switching, metering, transmission, distribution, safety provisions, and administrative costs incurred by the electric utility directly related to the installation and maintenance of a physical facility necessary to permit interconnected operations with a qualifying facility, to the extent the costs are:
 - (1) in excess of the corresponding costs which the electric utility would have incurred if it had not engaged in interconnected operations but instead generated an equivalent amount of electricity itself or purchased an equivalent amount of electricity from other sources; and
 - (2) not otherwise recognized in rates for purchase of energy, or capacity and energy, by the electric utility.
- (l) As used in this rule, "interruptible power" means electric energy or capacity supplied by an electric utility subject to interruption by the electric utility under specified conditions.
- (m) As used in this rule, "line losses" means the percentage loss of energy experienced in a period between the generation facilities of an electric utility and the customers of that electric utility.
- (n) As used in this rule, "maintenance power" means electric energy or capacity supplied by an electric utility during scheduled outages of the qualifying facility.
- (o) As used in this rule, "parallel" means the designed operation of the qualifying facility, interconnection equipment, and electric utility's system where the instantaneous flow of electrical energy may automatically occur in either direction across the interconnection point between the qualifying facility and the electrical utility's transmission and distribution system.
- (p) As used in this rule, "purchase" means the purchase of electric energy or capacity, or both, from a qualifying facility by an electric utility.
- (q) As used in this rule, "qualifying facility" means a cogeneration or alternate energy production facility of eighty (80) megawatts capacity or less which is owned not more than fifty percent (50%) in equity interest by a person primarily engaged in the generation or retail sale of electricity, gas, or thermal energy, other than as described in this rule.
- (r) As used in this rule, "supplementary power" means electric energy or capacity supplied by an electric utility, regularly used by a qualifying facility in addition to that which the facility generates itself.
 - (s) As used in this rule, "system emergency" means a condition on a utility's system liable to result in any of the following:
 - (1) A significant disruption of service to a customer.
 - (2) A substantial deviation from a normal service standard.
 - (3) An endangerment to life or property.
- (t) As used in this rule, "wheeling" means the transfer of energy and capacity by direct transmission or displacement from a qualifying facility to a purchasing electric utility over a transmission or distribution facility, or both, of the utility with which the qualifying facility is interconnected. (Indiana Utility Regulatory Commission; 170 IAC 4-4.1-1; filed Mar 7, 1985, 10:04 a.m.: 8 IR 759; filed Jun 8, 1989, 2:00 p.m.: 12 IR 1834; filed Apr 4, 1995, 11:45 a.m.: 18 IR 1994; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA)

170 IAC 4-4.1-2 Applicability

Authority: IC 8-1-2.4-1 Affected: IC 8-1-2.4-1

Sec. 2. All electric utilities, which have customers within the state of Indiana, and all qualifying facilities will be subject to 170 IAC 4-4.1. (Indiana Utility Regulatory Commission; 170 IAC 4-4.1-2; filed Mar 7, 1985, 10:04 am: 8 IR 760; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA)

170 IAC 4-4.1-3 Exemption

Authority: IC 8-1-1; IC 8-1-2; IC 8-1-2.4

Affected: IC 8-1-2; IC 8-1-2.4

Sec. 3. Qualifying facilities shall be exempt from revenue requirement and associated regulation under IC 8-1-2 as administered by the Indiana utility regulatory commission, but the commission shall be final authority over rates for purchase and sale of electric energy and capacity in transactions between qualifying facilities and electric utilities. However, nothing in this rule limits the authority of a utility and a qualifying facility to mutually agree to rates for purchase, and sale transactions, which may differ from

conditions which are specified in this rule, provided such agreements, specifying rates and terms, are filed with the commission. (Indiana Utility Regulatory Commission; 170 IAC 4-4.1-3; filed Mar 7, 1985, 10:04 a.m.: 8 IR 760; filed Jun 8, 1989, 2:00 p.m.: 12 IR 1835; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA)

170 IAC 4-4.1-4 Filing of rate data

Authority: IC 8-1-1; IC 8-1-2; IC 8-1-2.4

Affected: IC 8-1-2; IC 8-1-2.4

- Sec. 4. (a) Each generating electric utility shall file with the commission each year all supporting data for the rates and rate filings required by this rule.
- (b) Each nongenerating electric utility shall file with the commission the revised rate schedule, tariff, or contract pursuant to which it purchases electricity from its supplier or each of its suppliers within sixty (60) days of the effective date of the revised rate schedule, tariff, or contract. At the same time, the nongenerating electric utility shall also file a report indicating its demand upon and the amount of energy received from each of its electricity suppliers during the most recent twelve (12) month period. If the electricity supplier's effective rate schedule, tariff, or contract contains multiple components in demand and energy rates, the demand and energy data submitted to the commission by the nongenerating electric utility for that electricity supplier should be set forth by rate component. When such rate components are based on system peaks, the date and hour of those peaks should also be supplied.
- (c) The commission may require the electric utility to provide additional data and justification for the rates and rate filings required by this rule. (Indiana Utility Regulatory Commission; 170 IAC 4-4.1-4; filed Mar 7, 1985, 10:04 a.m.: 8 IR 760; filed Jun 8, 1989, 2:00 p.m.: 12 IR 1835; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA)

170 IAC 4-4.1-5 Obligation to purchase and sell

Authority: IC 8-1-2.4-1 Affected: IC 8-1-2.4-1

- Sec. 5. (a) An electric utility shall purchase energy, subject to section 8 of this rule, and capacity, subject to section 9 of this rule, offered by a qualifying facility. If a utility purchases all of its power from a single supplier, such that its avoided cost, as defined in this rule, is derived from the single supplier, the supplier may assume the obligation to purchase the energy and capacity offered by a qualifying facility.
- (b) An electric utility which sells to an ultimate consumer shall sell to a qualifying facility back-up power, maintenance power, supplementary power, or interruptible power requested by the qualifying facility at a rate which does not discriminate against the qualifying facility in comparison to another retail customer with similar load characteristics served by the electric utility. A rate for back-up and maintenance power shall not presume (unless supported by factual data) that a forced outage or other reduction in the electrical output of each qualifying facility on the electric utility's system will occur simultaneously or during the system peak, or both, and may take into account the extent to which a scheduled outage of the qualifying facility can be usefully coordinated with a scheduled outage of the utility's facility.
- (c) A purchase and sale under this rule may occur simultaneously or the qualifying facility may elect to sell only that portion of the qualifying facility's output net of its own use. An election between total output and output net of a qualifying facility's own use may occur at the beginning of the contract period of the arrangement between the qualifying facility and the electric utility.
- (d) The utility is not required to purchase or sell energy or capacity, or both, during a system emergency. (Indiana Utility Regulatory Commission; 170 IAC 4-4.1-5; filed Mar 7, 1985, 10:04 a.m.: 8 IR 760; filed Apr 4, 1995, 11:45 a.m.: 18 IR 1996; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA)

170 IAC 4-4.1-6 Wheeling capacity and energy

Authority: IC 8-1-1; IC 8-1-2; IC 8-1-2.4

Affected: IC 8-1-2; IC 8-1-2.4

Sec. 6. (a) The terms and conditions for the wheeling of nonfirm energy or capacity and energy for an Indiana qualifying facility and the rate for such service shall be specified in a contract between the Indiana qualifying facility and the electric utility and

shall not conflict with the Federal Energy Regulatory Commission's implementation of the Federal Power Act or with the authority of any other relevant federal authority. The electric utility shall offer to wheel pursuant to, at a minimum:

- (1) a contract of five (5) years' duration or longer to wheel capacity and energy;
- (2) a contract of five (5) years' duration or longer to wheel capacity and energy, subject to cancellation by the electric utility with two (2) years' written notice to the Indiana qualifying facility; or
- (3) a contract to wheel capacity and energy when, as, and if such service is available from the electric utility.
- (b) When requested by the qualifying facility, the electric utility shall provide an estimate of the capacity and energy which the electric utility will be able to wheel on its existing and planned transmission-distribution system during the next five (5) years.
 - (c) Rates for wheeling as follows:
 - (1) The wheeling rate will be based on the estimated average cost of the existing transmission and distribution facilities used to provide the wheeling service for the Indiana qualifying facility.
 - (2) The rate for wheeling capacity and energy pursuant to a long-term contract subject to cancellation by the electric utility shall be based on the electric utility's estimated average cost of the existing transmission and distribution facilities used to provide the wheeling service for the Indiana qualifying facility.
 - (3) The rate for wheeling capacity and energy pursuant to a contract providing for such service when, as, and if available from the electric utility shall be based on the electric utility's actual expenses associated with the transaction plus no more than two (2.0) mills per kilowatt-hour of electricity wheeled.
- (d) If an electric utility estimates that its existing and planned transmission and distribution facilities are inadequate to guarantee the wheeling service requested by the qualifying facility, or an electric utility providing wheeling service for the qualifying facility pursuant to a long-term contract subject to cancellation determines such service can no longer be guaranteed without significant service disruptions to the electric utility's own customers or physical additions to electric utility's transmission and distribution facilities, the electric utility will provide the Indiana qualifying facility with an estimate of the additional investment and expenses that it would necessarily incur in order to provide or continue to provide wheeling service for the qualifying facility. This estimate should be based upon sound engineering design and economics. If the qualifying facility agrees to pay the estimated costs, the electric utility shall endeavor to make the additional investment and operational changes necessary to ensure that it will be able to provide or continue to provide the wheeling service requested by the qualifying facility from the electric utility for the required transmission and distribution facility additions or operational changes. Such agreement shall recognize the current and future benefits, if any, provided to the electric utility and its ratepayers by such facility additions or operational changes.
- (e) If the electric utility gives notice of its intention to cancel a long-term contract subject to cancellation and the qualifying facility pays for the facility additions and operational changes necessary for the electric utility to be able to continue to guarantee the wheeling service for the qualifying facility, the electric utility shall provide the wheeling service for the remainder of the original contract term plus such additional period as may be requested by the qualifying facility and for which the facility additions and operational changes paid for by the qualifying facility will permit the electric utility to guarantee such service.
- (f) In determining the wheeling rate pursuant to subsection (c), recognition shall be given to the costs paid by the qualifying facility for the facility additions or operational changes in electric utility's transmission-distribution system. (Indiana Utility Regulatory Commission; 170 IAC 4-4.1-6; filed Mar 7, 1985, 10:04 a.m.: 8 IR 761; filed Jun 8, 1989, 2:00 p.m.: 12 IR 1835; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA)

170 IAC 4-4.1-7 Interconnections; metering; costs

Authority: IC 8-1-1; IC 8-1-2; IC 8-1-2.4

Affected: IC 8-1-2; IC 8-1-2.4

Sec. 7. (a) The qualifying facility shall:

- (1) install, operate, and maintain in good order such:
 - (A) relays;
 - (B) locks and seals;
 - (C) breakers;
 - (D) automatic synchronizers; and
 - (E) other control and protective apparatus;

as shall be designated by the electric utility for safe, efficient, and reliable operation in parallel to the electric utility's system; and

- (2) bear full responsibility for the installation and safe operation of this equipment.
- Breakers and/or switches capable of isolating the qualifying facility from the electric utility shall at all times be immediately accessible to the electric utility. The electric utility may isolate any qualifying facility at its own discretion if the electric utility believes continued parallel operation with the qualifying facility creates or contributes to a system emergency. System emergencies causing discontinuance of parallel operation are subject to verification by the commission. The facilities installed by the qualifying facility shall comply with 170 IAC 4-1-26(a) and the electric utility's rules and regulations for electric service in effect from time to time. The qualifying facility shall comply with the applicable requirements of 170 IAC 4-4.3.
- (b) To properly record the number of kilowatt hours being purchased or sold by the electric utility or qualifying facility, the following configurations shall be the basis for metering:
 - (1) When purchases by the electric utility from the qualifying facility are intended to be less than one thousand (1,000) kilowatt hours per month and the qualifying facility agrees, a single, bidirectional meter may be placed between the electric utility's system and the qualifying facility.
 - (2) When the qualifying facility will not be simultaneously selling to and purchasing from the electric utility, two (2) monodirectional meters shall be placed in a series arrangement between the electric utility's electric system and the qualifying facility, as shown as follows:

(3) When the qualifying facility will simultaneously sell to and purchase from the electric utility, two (2) monodirectional meters shall be placed in a series arrangement between the electric utility's system and the qualifying facility, and a single, monodirectional meter shall be placed between the electric utility's system and the on-site load of the qualifying facility that will be served by the electric utility, as shown as follows:

- (4) The metering equipment installed by the electric utility may be designed to recognize the different rate periods.
- (5) The electric utility and the qualifying facility may agree to other metering arrangements.
- (6) The electric utility may, solely at its option, install additional metering equipment at its own expense.

(Indiana Utility Regulatory Commission; 170 IAC 4-4.1-7; filed Mar 7, 1985, 10:04 a.m.: 8 IR 762; filed Jun 8, 1989, 2:00 p.m.: 12 IR 1836; filed Oct 15, 1990, 3:28 p.m.: 14 IR 419; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; filed Mar 6, 2006, 9:45 a.m.: 29 IR 2169)

170 IAC 4-4.1-8 Rates for energy purchase

Authority: IC 8-1-2.4-1 Affected: IC 8-1-2.4-1

Sec. 8. (a) The rate to be paid by a generating electric utility for purchase of energy from a qualifying facility shall be an average of marginal running costs of the generating electric utility adjusted for line losses in accordance with:

$$P_{j} = \frac{\sum_{i=1}^{n_{j}} \lambda_{ij}}{\frac{n_{j}}{1 - \left(\frac{\ell}{2}\right)}}$$

Where: P_i = Rate for purchase of energy in the jth rating period.

- λ_{ij} = Expected current fuel and associated variable operating and maintenance costs for the most expensive unit or source on line in the ith hour of the jth rating period as derived from recent historical data adjusted to the present or from appropriate generation simulation programs.
- ℓ = Line losses, expressed as a percentage, for the previous year.
- n_i = Number of hours in jth rating period.
- (b) The rate to be paid by a non-generating electric utility for purchase of energy from a qualifying facility shall be a weighted average of the rate or rates a non-generating electric utility pays to its suppliers, adjusted by the non-generating utility's line losses, in accordance with:

$$P = \frac{\sum\limits_{i=1}^{n} q_i}{\sum\limits_{i=1}^{n} q_i}$$

$$1 - \left(\frac{\ell}{2}\right)$$

Where: P = Rate for purchase of energy.

n = Number of suppliers.

c_i = Cost per kilowatt-hour to be charged by ith supplier.

 q_i = Quantity to be purchased from ith supplier.

 ℓ = Line losses, expressed as a percentage, for the previous year.

- (c) Adjustments. For intended purchases of 72,000 kilowatt-hours or more per month from a qualifying facility, the electric utility and the qualifying facility may agree to increase or decrease the rates determined by subsections (a) and (b) in recognition of the following factors:
 - (1) the extent to which scheduled outages of the qualifying facility can be usefully coordinated with scheduled outages of the electric utility's generation facilities;
 - (2) the relationship of the availability of energy from the qualifying facility to the ability of the electric utility to avoid costs, particularly as is evidenced by the electric utility's ability to dispatch the qualifying facility;
 - (3) the usefulness of energy from the qualifying facility during system emergencies, including the ability of the qualifying facility to separate its load from its generation.
- (d) An electric utility and a qualifying facility may negotiate a rate for energy which differs from the result of subsections (a) and (b). (Indiana Utility Regulatory Commission; 170 IAC 4-4.1-8; filed Mar 7, 1985, 10:04 am: 8 IR 762; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA)

170 IAC 4-4.1-9 Rates for capacity purchase

Authority: IC 8-1-1; IC 8-1-2; IC 8-1-2.4

Affected: IC 8-1-2; IC 8-1-2.4

Sec. 9. (a) A basic, unadjusted monthly avoided cost of capacity for a generating utility shall be calculated as follows:

Where:

C = Unadjusted monthly capacity payment per kilowatt of contracted capacity year of completion of unit.

D = Present value of carrying charges for one dollar (\$1) of investment over n years with carrying charges assumed to be paid at the end of each year.

V = Investment amount in year of completion, including allowance for funds used during construction, of the avoidable or deferrable unit, stated on a per kilowatt basis and including rated share of common costs.

n = Expected life of the avoidable or deferrable unit.

 i_p = Annual escalation rate associated with the avoidable or deferrable unit.

i_o = Annual escalation rate associated with the operation and maintenance expenses, less fuel and fuel-related expenses, of the avoidable or deferrable unit.

r = Purchasing utility's after tax cost of capital.

O = Expected total fixed and variable yearly operating and maintenance expenses, less fuel and fuel-related expenses, in expected first year of avoidable or deferrable unit's operation stated on a per kilowatt basis.

1 = Line losses, expressed as a percentage, for the previous year.

t = Contract term in years, with t = 1 to t.

(b) Capacity payments which will begin before the avoidable or deferrable unit is expected to become used and useful, shall be calculated as follows:

$$C_a = C \left(\frac{1+i_p}{1+r} \right)^{\Delta t}$$

Where:

 C_a = Adjusted monthly capacity payment.

 Δt = In-service date of avoidable or deferrable unit less in-service date of qualifying facility.

C, i_p , r as previously defined in equation of subsection (a).

(c) Except as permitted by subsection (g), the unadjusted rate per kilowatt for purchase of capacity shall not be lower in any year than the levelized annual economic carrying charge per kilowatt on a new combustion turbine, which shall be calculated by application of subsection (a) wherein the variable V shall be for a combustion turbine completed in the first year of any contract for purchase of capacity.

(d) Monthly payments for capacity calculated in subsections (a) through (b) shall be adjusted by the following factor:

$$F = \frac{E_p}{(K) (T_p)}$$

Where:

F = Capacity payment adjustment factor.

E_n = Kilowatt-hours delivered to the electric utility during the peak period by the qualifying facility.

K = Kilowatts of capacity the qualifying facility contracts to provide.

 T_n = Number of hours in peak period.

(e) A basic, unadjusted monthly rate per kilowatt for purchase of capacity by a nongenerating utility from a qualifying facility shall be the utility's current weighted average cost per kilowatt paid to the utility's other suppliers.

(f) Monthly payments for capacity calculated in subsection (e) shall be adjusted by application of a factor developed from subsection (d).

(g) An electric utility and a qualifying facility may negotiate a rate for capacity which differs from the results of subsections (a) through (f). (Indiana Utility Regulatory Commission; 170 IAC 4-4.1-9; filed Mar 7, 1985, 10:04 a.m.: 8 IR 763; filed Jun 8, 1989, 2:00 p.m.: 12 IR 1837; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; errata, 25 IR 2521; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA)

170 IAC 4-4.1-10 Filing of standard offer

Authority: IC 8-1-1; IC 8-1-2; IC 8-1-2.4

Affected: IC 8-1-2; IC 8-1-2.4

Sec. 10. Within sixty (60) days of the effective date of this rule and on or before February 28, of each subsequent year, each generating electric utility shall file with the commission a standard offer for purchase of energy and capacity at rates derived from the appropriate application of sections 8(a) and 9(c) through 9(d) of this rule. Within sixty (60) days of the effective date of this rule and within sixty (60) days of the effective date of any subsequent wholesale rate schedule, tariff, or contract, each nongenerating utility shall file with the commission a standard offer for the purchase of energy and capacity at rates derived from the appropriate application of sections 8(b) and 9(e) through 9(f) of this rule. (Indiana Utility Regulatory Commission; 170 IAC 4-4.1-10; filed Mar 7, 1985, 10:04 a.m.: 8 IR 764; filed Jun 8, 1989, 2:00 p.m.: 12 IR 1838; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA)

170 IAC 4-4.1-11 Filing of standard contracts

Authority: IC 8-1-1; IC 8-1-2; IC 8-1-2.4

Affected: IC 8-1-2; IC 8-1-2.4

- Sec. 11. (a) Within sixty (60) days of the effective date of this rule each generating electric utility shall submit for approval via the commission's thirty (30) day filing process a standard form contract which it would enter into with a qualifying facility in connection with the generating electric utility's purchase of energy or capacity or both. The standard form contracts shall be prepared in a manner and form which will permit their use in the majority of circumstances with only minor modifications, although it is recognized that in unique situations a standard form contract may have to be revised significantly.
- (b) The standard form contract for the purchase of a nonfirm energy should contain provisions addressing the following, at a minimum:
 - (1) The basis for the determination of energy rate.
 - (2) The expected maximum electrical output to be made available to the generating electric utility.
 - (3) The interconnection and metering requirements.
 - (4) The operation, protection, and maintenance of the qualifying facility.
 - (5) The liability and indemnification between parties.
 - (c) The standard form contract for the purchase of capacity and energy shall additionally contain the following:
 - (1) The term of the contract.
 - (2) The rate to be paid by the generating electric utility for the capacity being purchased.
 - (3) The amount of capacity the qualifying facility shall guarantee to make available to the electric utility during each year of the contract.
 - (4) The events of force majeure.
 - (5) The adjustments of capacity payments due to a premature termination of the contract or a reduction in the capacity provided by the qualifying facility below the level specified in the contract.
- (d) The commission will not approve the standard form contracts submitted unless they contain provisions which reasonably allocate the risks and benefits of the transaction between the qualifying facility and the electric utility. Insurance provisions contained in the contract shall require a party to obtain only reasonable amounts of insurance against risks for which there is a reasonable likelihood of occurrence.
- (e) The following provisions are illustrative of what the commission would consider to properly balance the interests of parties with respect to indemnification, events of force majeure, and premature termination of the contract or reduction in the capacity provided by the qualifying facility:
 - (1) Each party shall indemnify and hold the other party harmless from and against all claims, liability, damages, and expenses, including attorney's fees, based on any injury to any person, including loss of life, or damage to any property, including loss of use thereof, arising out of, resulting from, or connected with, or that may be alleged to have arisen out of, resulted from, or connected with an act or omission by such other party, its employees, agents, representatives, successors, or assigns in the construction, ownership, operation, or maintenance of such party's facilities used in connection with this agreement. Upon the written request of the party seeking indemnification under this provision, the other party shall defend any suit asserting a claim covered by this provision. If a party is required to bring action to enforce its indemnification rights under this provision, either as a separate action or in connection with another action, and said indemnification rights were upheld, the party from whom the indemnification was sought shall reimburse the party seeking indemnification for all expenses, including attorney's fees, incurred in connection with such action.
 - (2) "Force majeure" means any cause or event not reasonably within the control of the party claiming force majeure, including,

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but not limited to:

- (A) acts of God;
- (B) strikes;
- (C) lockouts or other industrial disturbances;
- (D) acts of public enemies;
- (E) orders, permits, or the absence of the necessary orders or permits of any kind which have been properly applied for from the government of the United States, the state of Indiana, any political subdivision, municipal subdivision, or any of their departments, agencies, or officials, or any civil or military authority;
- (F) unavailability of a fuel or resource used in connection with the generation of electricity;
- (G) extraordinary delay in transportation;
- (H) unforeseen soil conditions;
- (I) equipment, material, supplies, labor, or machinery shortages;
- (J) epidemics;
- (K) landslides;
- (L) lightning;
- (M) earthquakes;
- (N) fires;
- (O) hurricanes;
- (P) tornadoes;
- (Q) storms;
- (R) floods;
- (S) washouts:
- (T) drought;
- (U) arrest;
- (V) war;
- (W) civil disturbances;
- (X) explosions;
- (Y) breakage or accident to machinery, transmission lines, pipes, or canals;
- (Z) partial or entire failure of utilities;
- (AA) breach of contract by any supplier, contractor, subcontractor, laborer, or materialman;
- (BB) sabotage;
- (CC) injunction;
- (DD) blight;
- (EE) famine;
- (FF) blockade; or
- (GG) quarantine.

If either party is rendered wholly or partly unable to perform its obligations because of force majeure, both parties shall be excused from whatever obligations are affected by the force majeure and shall not be liable or responsible for any delay in the performance of, or the inability to perform, any such obligations for so long as the force majeure continues. The party suffering an occurrence of force majeure shall, as soon as is reasonably possible after such occurrence, give the other party written notice describing the particulars of the occurrence and shall use its best efforts to remedy its inability to perform, provided, however, that the settlement of any strike, walkout, lockout, or other labor dispute shall be entirely within the discretion of the party involved in such labor dispute.

- (3) The parties agree that the amount of the capacity payment which the utility is to make to the qualifying facility is based on the agreed value to the utility of the qualifying facility's performance of its obligation to provide capacity during the full term of this agreement. The parties further agree that in the event the utility does not receive such full performance by reason of a termination of this agreement prior to its expiration or reduction in the amount of capacity agreed to be provided by the qualifying facility as specified in this agreement:
 - (A) the utility shall be deemed damaged by reason thereof;
 - (B) it would be impracticable or extremely difficult to fix the actual damages to the utility resulting therefrom;
 - (C) the reductions, offsets and refund payments as provided hereafter, as applicable, are in the nature of adjustments

in prices and are to be considered liquidated damages, and not a penalty, and are fair and reasonable; and

- (D) such reductions, offsets, and refund payments represent a reasonable endeavor by the parties to estimate a fair compensation for the reasonable damages that would result from such premature termination or failure to deliver the specified amount of capacity.
- (4) In the event this agreement is terminated or the contract capacity is reduced prior to the end of the contract term, the qualifying facility shall refund to the utility the capacity payments in excess of those capacity payments which would have been made had all of the reduced capacity been subject to a capacity rate based on the actual term of delivery to the utility.
- (5) Except in the event of force majeure as defined in this section, if, within any twelve (12) month period during the term of this agreement ending on the anniversary date of the date of the qualifying facility first provided capacity to the utility under this agreement, the qualifying facility fails to provide the utility with the capacity specified in this agreement, the capacity for which the qualifying facility shall be entitled to capacity payments during the subsequent twelve (12) month period ("the probationary period") shall be reduced to the capacity provided during the prior twelve (12) month period. If, during the probationary period, the qualifying facility provides the capacity specified in this agreement, the utility, within thirty (30) days following the end of the probationary period, shall reinstate the full capacity amount originally specified in this agreement. If, during the probationary period, the qualifying facility again fails to provide the capacity specified in this agreement, the utility may permanently reduce the capacity purchased from the qualifying facility for the remainder of the term of this agreement. The utility may also require that the reduction in the capacity be subject to the refund provisions of (2) [sic., subdivision (2)].

(Indiana Utility Regulatory Commission; 170 IAC 4-4.1-11; filed Mar 7, 1985, 10:04 a.m.: 8 IR 764; filed Jun 8, 1989, 2:00 p.m.: 12 IR 1838; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA)

170 IAC 4-4.1-12 Petitions for resolution of disputes

Authority: IC 8-1-2.4-1 Affected: IC 8-1-2.4-1

Sec. 12. In the event an electric utility and a qualifying facility are unable to agree on matters to be determined for purchase or sale, either party may petition the commission for resolution of matters within the scope of 170 IAC 4-4.1-12 and the commission's jurisdiction. In said petition the other party shall be named as a respondent. The commission shall conduct a public hearing on said petition and thereafter determine and fix by order in the matter in dispute. (Indiana Utility Regulatory Commission; 170 IAC 4-4.1-12; filed Mar 7, 1985, 10:04 am: 8 IR 766; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA)

170 IAC 4-4.1-13 Reporting requirements for proposed alternate energy production and cogeneration facilities

Authority: IC 8-1-8.5-7 Affected: IC 8-1-8.5-7

- Sec. 13. (a) "Facility" for purposes of this section means any alternate energy production and cogeneration facility as previously defined under 170 IAC 4-4.1-1.
- (b) Persons wishing to proceed with the construction of a facility as defined for purposes of this section, will submit a report to the commission entailing the following:
 - (1) the location of the facility;
 - (2) the form(s) of energy output of the facility;
 - (3) the owner(s), form and percentage of ownership of the facility;
 - (4) the maximum electric generating capacity of the facility;
 - (5) the expected annual electric energy output of the facility for the first five years of its operation;
 - (6) the primary fuel to be used for the production of electricity by the facility; and
 - (7) the expected life of the facility; and
 - (8) the expected date of commercial operation for the facility.

This report will be submitted to the commission at least one year prior to the commencement of the proposed construction of the facility. (Indiana Utility Regulatory Commission; 170 IAC 4-4.1-13; filed Mar 7, 1985, 10:04 am: 8 IR 766; readopted filed Jul

11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA)

Rule 4.2. Net Metering

170 IAC 4-4.2-1 Definitions

Authority: IC 8-1-1-3

Affected: IC 8-1-2-1; IC 8-1-37-4

Sec. 1. (a) The definitions in this section apply throughout this rule.

- (b) "Commission" means the Indiana utility regulatory commission.
- (c) "Customer" means a person, firm, corporation, municipality, or other government agency that has agreed, orally or otherwise, to pay for electric service received from an investor-owned electric utility.
 - (d) "Eligible net metering energy resource" means the following:
 - (1) A renewable energy resource as defined in IC 8-1-37-4(a)(1) through IC 8-1-37-4(a)(1)(8) [sic].
 - (2) Other emerging renewable energy technologies the commission determines appropriate.
 - (e) "In good standing" means a customer:
 - (1) whose account is not more than thirty (30) days in arrears; and
 - (2) who does not have legal orders outstanding pertaining to his or her investor-owned electric utility.
- (f) "Interconnection" or "interconnected" means the physical, parallel connection of a net metering facility with a distribution facility of an investor-owned electric utility.
 - (g) "Investor-owned electric utility" means a utility:
 - (1) that is financed by the sale of securities; and
 - (2) whose business operations are overseen by a board representing their shareholders.
- (h) "Name plate capacity" means the full-load continuous rating of a generator under specified conditions as designated by the manufacturer. For an inverter-based net metering facility, name plate capacity means the aggregate output rating of all inverters in the facility, measured in kW.
- (i) "Net metering" means measurement of the difference between the electricity that is supplied by the investor-owned electric utility to a net metering customer and the electricity that is supplied back to the investor-owned electric utility by a net metering customer.
- (j) "Net metering customer" means a customer in good standing that owns and operates an eligible net metering energy resource facility that:
 - (1) has a nameplate capacity less than or equal to one (1) megawatt (MW), or more at the investor-owned electric utility's sole discretion;
 - (2) is located on the net metering customer's premises; and
 - (3) is used primarily to offset all or part of the net metering customer's own annual electricity requirements.
- (k) "Net metering facility" means an arrangement of equipment for the production of electricity from an eligible net metering energy resource, that is owned and operated by a net metering customer.
- (1) "Parallel" means the designed operation of the net metering facility, interconnection equipment, and the investor-owned electric utility's system where the instantaneous flow of electrical energy may automatically occur in either direction across the interconnection point between the net metering facility and the investor-owned electric utility's distribution system.
- (m) "System emergency" means a condition on an investor-owned electric utility's system reasonably likely to result in at least one (1) of the following:
 - (1) A significant disruption of service to a customer.
 - (2) A substantial deviation from a normal service standard.
 - (3) An endangerment to life or property.

(Indiana Utility Regulatory Commission; 170 IAC 4-4.2-1; filed Oct 22, 2004, 11:00 a.m.: 28 IR 786; readopted filed Nov 12, 2010, 2:53 p.m.: 20101208-IR-170100605RFA; filed Jun 16, 2011, 8:44 a.m.: 20110713-IR-170100662FRA)

170 IAC 4-4.2-2 Applicability

Authority: IC 8-1-1-3 Affected: IC 8-1-2

ELECTRIC UTILITIES

Sec. 2. These rules shall apply to an investor-owned electric utility, subject to the jurisdiction of the commission, that may now or hereafter be engaged in the production, transmission, sale, or distribution of electric service and all net metering facilities as defined in section 1 of this rule that are interconnected with the investor-owned electric utilities. (Indiana Utility Regulatory Commission; 170 IAC 4-4.2-2; filed Oct 22, 2004, 11:00 a.m.: 28 IR 786; readopted filed Nov 12, 2010, 2:53 p.m.: 20101208-IR-170100605RFA; filed Jun 16, 2011, 8:44 a.m.: 20110713-IR-170100662FRA)

170 IAC 4-4.2-3 Exemption

Authority: IC 8-1-1-3 Affected: IC 8-1-2

Sec. 3. Net metering facilities shall be exempt from revenue requirement and associated regulation under IC 8-1-2 as administered by the commission, but the commission shall have authority over rates charged by electric utilities to net metering facilities. (Indiana Utility Regulatory Commission; 170 IAC 4-4.2-3; filed Oct 22, 2004, 11:00 a.m.: 28 IR 786; readopted filed Nov 12, 2010, 2:53 p.m.: 20101208-IR-170100605RFA)

170 IAC 4-4.2-4 Availability

Authority: IC 8-1-1-3 Affected: IC 8-1-2-34.5

Sec. 4. An investor-owned electric utility shall offer net metering to a customer that installs a net metering facility. The investor-owned electric utility may limit the aggregate amount of net metering facility nameplate capacity under the net metering tariff to one percent (1%) of the most recent summer peak load of the utility, with at least forty percent (40%) of the capacity reserved solely for participation by residential customers. However, the investor-owned electric utility may increase the limit on the aggregate amount of net metering facility nameplate capacity at the investor-owned electric utility's sole discretion. (Indiana Utility Regulatory Commission; 170 IAC 4-4.2-4; filed Oct 22, 2004, 11:00 a.m.: 28 IR 786; readopted filed Nov 12, 2010, 2:53 p.m.: 20101208-IR-170100605RFA; filed Jun 16, 2011, 8:44 a.m.: 20110713-IR-170100662FRA)

170 IAC 4-4.2-5 Interconnection

Authority: IC 8-1-1-3 Affected: IC 8-1-2-4

- Sec. 5. (a) A net metering interconnection agreement between the investor-owned electric utility and the net metering customer must be executed before the net metering facility may be interconnected with the investor-owned electric utility's system.
- (b) The net metering facility shall comply with the technical interconnection requirements approved by the commission as outlined in section 9(a) of this rule. Inverter based systems listed by Underwriters Laboratories (UL) to UL standard 1741, published May 7, 1999, as revised January 28, 2010 (UL 1741), shall be accepted by the investor-owned electric utility as meeting the technical interconnection requirements tested by UL 1741. The net metering facility shall comply with the applicable requirements of 170 IAC 4-4.3. (Indiana Utility Regulatory Commission; 170 IAC 4-4.2-5; filed Oct 22, 2004, 11:00 a.m.: 28 IR 787; filed Mar 6, 2006, 9:45 a.m.: 29 IR 2169; filed Jun 16, 2011, 8:44 a.m.: 20110713-IR-170100662FRA)

170 IAC 4-4.2-6 Metering

Authority: IC 8-1-1-3 Affected: IC 8-1-2

- Sec. 6. (a) One (1) of the following metering options, if not already present, shall be installed on the net metering customer's premises by the investor-owned electric utility to properly record the net kilowatt hours (kWh) of a net metering facility:
 - (1) One (1) main watt-hour meter capable of measuring net kWh.
 - (2) One (1) main watt-hour meter measuring kWh to the net metering customer and a second watt-hour meter measuring kWh to the investor-owned electric utility. The reading of the second meter will be subtracted from the reading of the main meter to obtain net kWh for billing.
 - (b) An investor-owned electric utility shall not charge the net metering customer costs or fees for the following:

- (1) Additional metering for single-phase configurations installed by the investor-owned electric utility.
- (2) Net metering customer's request to participate in net metering program.
- (3) Initial net metering facility inspection.

(Indiana Utility Regulatory Commission; 170 IAC 4-4.2-6; filed Oct 22, 2004, 11:00 a.m.: 28 IR 787; readopted filed Nov 12, 2010, 2:53 p.m.: 20101208-IR-170100605RFA; filed Jun 16, 2011, 8:44 a.m.: 20110713-IR-170100662FRA)

170 IAC 4-4.2-7 Billing

Authority: IC 8-1-1-3

Affected: IC 8-1-2-34.5; IC 8-1-2-38

Sec. 7. An investor-owned electric utility shall determine a net metering customer's monthly bill as follows:

- (1) Bill charges, credits, rates, and adjustments shall be in accordance with the investor-owned electric utility's tariff and administrative rules that would apply if the net metering customer did not participate in net metering.
- (2) The investor-owned electric utility shall measure the difference between the amount of electricity delivered by the investor-owned electric utility to the net metering customer and the amount of electricity generated by the net metering customer and delivered to the investor-owned electric utility during the billing period, in accordance with normal metering practices. If the kilowatt hours (kWh) delivered by the investor-owned electric utility to the net metering customer exceed the kWh delivered by the net metering customer to the investor-owned electric utility during the billing period, the net metering customer shall be billed for the kWh difference at the rate applicable to the net metering customer if it was not a net metering customer. If the kWh generated by the net metering customer and delivered to the investor-owned electric utility exceed the kWh supplied by the investor-owned electric utility to the net metering customer during the billing period, the net metering customer shall be credited in the next billing cycle for the kWh difference.
- (3) The credit shall roll over indefinitely for net metering customers, except that when the net metering customer elects to no longer participate in the net metering tariff, all unused credit shall revert to the investor-owned electric utility.

(Indiana Utility Regulatory Commission; 170 IAC 4-4.2-7; filed Oct 22, 2004, 11:00 a.m.: 28 IR 787; readopted filed Nov 12, 2010, 2:53 p.m.: 20101208-IR-170100605RFA; filed Jun 16, 2011, 8:44 a.m.: 20110713-IR-170100662FRA)

170 IAC 4-4.2-8 Liability insurance and indemnity

Authority: IC 8-1-1-3

Affected: IC 8-1-2-33; IC 8-1-2-34

- Sec. 8. (a) A net metering customer operating a net metering facility shall maintain homeowners, commercial, or other insurance providing coverage in the amount of at least one hundred thousand dollars (\$100,000) for the liability of the insured against loss arising out of the use of a net metering facility. Net metering customers shall not be required by the utility to obtain liability insurance with limits higher than that which is stated in this section, nor shall such net metering customers be required by the utility to purchase additional liability insurance, for example, insurance coverage that exceeds one hundred thousand dollars (\$100,000) where the net metering customer's existing insurance policy provides coverage against loss arising out of the use of a net metering facility by virtue of not explicitly excluding coverage for such loss.
- (b) The utility and the net metering customer shall indemnify and hold the other party harmless from and against all claims, liability, damages, and expenses, including attorney's fees, based on any injury to any person, including loss of life or damage to any property, including loss of use thereof, arising out of, resulting from, or connected with, or that may be alleged to have arisen out of, resulted from, or connected with an act or omission by such other party, its employees, agents, representatives, successors, or assigns in the construction, ownership, operation, or maintenance of such party's facilities used in net metering. This indemnification provision is not applicable in the case of governmental net metering customers that are restricted from entering into indemnification provisions. (Indiana Utility Regulatory Commission; 170 IAC 4-4.2-8; filed Oct 22, 2004, 11:00 a.m.: 28 IR 788; readopted filed Nov 12, 2010, 2:53 p.m.: 20101208-IR-170100605RFA; filed Jun 16, 2011, 8:44 a.m.: 20110713-IR-170100662FRA)

170 IAC 4-4.2-9 Tariff and reporting requirements

Authority: IC 8-1-1-3 Affected: IC 8-1-2

ELECTRIC UTILITIES

- Sec. 9. (a) Within sixty (60) days of the effective date of this rule, investor-owned electric utilities shall submit for approval under the commission's thirty (30) day filing process a net metering tariff. The net metering tariff shall:
 - (1) include the technical interconnection requirements of the investor-owned electric utility; and
 - (2) comply with the requirements of this rule.
- (b) Within sixty (60) days of the effective date of this rule, investor-owned electric utilities shall submit for approval via the commission's thirty (30) day filing process a generic interconnection agreement applicable to net metering facilities. An interconnection agreement shall include the following:
 - (1) The name of the net metering customer.
 - (2) The location of the proposed net metering facility.
 - (3) Type of the proposed net metering facility.
 - (4) Size or inverter power rating, or both, of the proposed net metering facility.
 - (5) Inverter manufacturer and model number.
 - (6) A description of the electrical installation of the inverter and associated electrical equipment.
- (c) On or before March 1 of every year, the investor-owned electric utility shall file with the commission a net metering report. The net metering report shall contain the following:
 - (1) The total number of net metering customers and facilities.
 - (2) The number, size, and type of net metering facilities.
 - (3) The number of new net metering customers interconnected during the previous calendar year.
 - (4) The number of existing net metering customers that ceased participation in the net metering tariff during the previous calendar year.
 - (5) If available, data on the amount of electricity generated by net metering facilities.
- (6) A list of system emergency disconnections that occurred and an explanation of the system emergency. (Indiana Utility Regulatory Commission; 170 IAC 4-4.2-9; filed Oct 22, 2004, 11:00 a.m.: 28 IR 788; readopted filed Nov 12, 2010, 2:53 p.m.: 20101208-IR-170100605RFA; filed Jun 16, 2011, 8:44 a.m.: 20110713-IR-170100662FRA)

170 IAC 4-4.2-10 Customer complaints

Authority: IC 8-1-1-3 Affected: IC 8-1-2-34.5

Sec. 10. In the event an investor-owned electric utility and a net metering customer are unable to agree on matters relating to net metering, either party may raise a customer complaint to the commission in accordance with the commission's consumer complaint rules. (Indiana Utility Regulatory Commission; 170 IAC 4-4.2-10; filed Oct 22, 2004, 11:00 a.m.: 28 IR 788; readopted filed Nov 12, 2010, 2:53 p.m.: 20101208-IR-170100605RFA; filed Jun 16, 2011, 8:44 a.m.: 20110713-IR-170100662FRA)

Rule 4.3. Customer-Generator Interconnection Standards

170 IAC 4-4.3-1 Definitions

Authority: IC 8-1-1-3; IC 8-1-2.4

Affected: IC 8-1-2-1

Sec. 1. (a) The definitions in this section apply throughout this rule.

- (b) "Area network" means a type of electric distribution system served by multiple transformers interconnected in an electrical network circuit that is generally used in large metropolitan areas, which are densely populated, in order to provide high reliability of service.
 - (c) "Commission" means the Indiana utility regulatory commission.
- (d) "Customer-generator facility" means an arrangement of equipment for the production of electricity that is owned and operated by:
 - (1) an eligible customer; or
 - (2) a third party at the eligible customer's site.
 - (e) "Eligible customer" means any:
 - (1) person;

- (2) firm;
- (3) corporation;
- (4) municipality; or
- (5) other government agency;

that has agreed, orally or otherwise, to pay for electric service received from an investor-owned electric utility and is in good standing with that utility.

- (f) "Equipment package" means a group of components connecting an electric generator with an electric distribution system and includes all interface equipment including any of the following:
 - (1) Switchgear.
 - (2) Inverters.
 - (3) Other interface devices.

The term includes an integrated generator or electric source.

- (g) "Interconnection" or "interconnected" means the physical, parallel connection of a customer-generator facility with a distribution facility of an investor-owned electric utility.
 - (h) "Investor-owned electric utility" or "utility" means a public utility, as defined in IC 8-1-2-1:
 - (1) that provides electricity;
 - (2) that is financed by the sale of securities; and
 - (3) whose business operations are overseen by a board representing the utility's shareholders.
- (i) "Nameplate capacity" means the full-load continuous rating of a generator under specified conditions as designated by the manufacturer.
 - (j) "Parallel" means the designed operation of the:
 - (1) customer-generator facility;
 - (2) interconnection equipment; and
 - (3) investor-owned electric utility's system;

where the instantaneous flow of electrical energy may automatically occur in either direction across the interconnection point between the customer-generator facility and the electrical utility's distribution system.

- (k) "Spot network" means a type of electric distribution system that uses two (2) or more intertied transformers to supply an electrical network circuit. A spot network is generally used to supply power to a single customer or a small group of customers.
 - (1) "System emergency" means a condition on a utility's system reasonably likely to result in any of the following:
 - (1) A significant disruption of service to a customer.
 - (2) A substantial deviation from a normal service standard.
 - (3) An endangerment to life or property.

(Indiana Utility Regulatory Commission; 170 IAC 4-4.3-1; filed Mar 6, 2006, 9:45 a.m.: 29 IR 2170)

170 IAC 4-4.3-2 Applicability

Authority: IC 8-1-1-3; IC 8-1-2.4

Affected: IC 8-1-2

- Sec. 2. This rule shall apply to any investor-owned electric utility, subject to the jurisdiction of the commission, that may now or hereafter be engaged in the:
 - (1) production;
 - (2) transmission;
 - (3) sale; or
 - (4) distribution;

of electric service and all customer-generator facilities that apply for interconnection with such utilities on or after the effective date of this rule. (Indiana Utility Regulatory Commission; 170 IAC 4-4.3-2; filed Mar 6, 2006, 9:45 a.m.: 29 IR 2171)

170 IAC 4-4.3-3 Exemptions

Authority: IC 8-1-1-3; IC 8-1-2.4

Affected: IC 8-1-2

- Sec. 3. (a) Customer-generator facilities shall be exempt from revenue requirements and associated regulation under IC 8-1-2 as administered by the commission, except that the commission shall have authority over rates charged by electric utilities to customer-generator facilities.
- (b) Upon agreement of an eligible customer and the utility, the customer-generator facility interconnection may be exempt from the requirements of this rule, except for the provisions of section 4(f) and 4(g) of this rule. (Indiana Utility Regulatory Commission; 170 IAC 4-4.3-3; filed Mar 6, 2006, 9:45 a.m.: 29 IR 2171)

170 IAC 4-4.3-4 General interconnection provisions

Authority: IC 8-1-1-3; IC 8-1-2.4

Affected: IC 8-1-2

- Sec. 4. (a) Each investor-owned electric utility shall provide each of the following three (3) procedures for applications for interconnection of customer-generator facilities and use:
 - (1) The Level 1 review procedure described in section 6 of this rule for applications to connect inverter-based customergenerator facilities that:
 - (A) have a nameplate capacity of ten (10) kilowatts or less; and
 - (B) meet the certification requirements of section 5 of this rule.
 - (2) The Level 2 review procedure described in section 7 of this rule for applications to connect customer-generator facilities:
 - (A) with a nameplate capacity of two (2) megawatts or less; and
 - (B) that meet the certification requirements of section 5 of this rule.
 - (3) The Level 3 review procedure described in section 8 of this rule for applications to connect customer-generator facilities to its distribution system that do not qualify for either Level 1 or Level 2 interconnection review procedures.
- (b) Each utility shall designate a contact person or office from which an eligible customer can obtain basic application forms and information through an informal process.
 - (c) Each utility shall use commission-approved interconnection application and interconnection agreement forms.
 - (d) The utility may require the applicant to include a disconnect switch as a supplement to the equipment package.
 - (e) Application and interconnection review fees shall be set as follows:
 - (1) A utility shall not charge an application or other fee to an applicant that requests Level 1 interconnection review. However, if an application for Level 1 interconnection review is denied because the:
 - (A) application does not meet the requirements for Level 1 interconnection review; and
 - (B) applicant resubmits the application under another review procedure;

the utility may impose a fee for the resubmitted application, consistent with this section.

- (2) For a Level 2 interconnection review, the utility may charge fees up to fifty dollars (\$50) plus one dollar (\$1) per kilowatt of the customer-generator facility's nameplate capacity, plus the cost of any minor modifications to the electric distribution system or additional review, if required under section 7(q)(3) of this rule. Costs for minor modifications or additional review shall be:
 - (A) based on utility estimates; and
 - (B) subject to review by the commission or its designee.

Costs for engineering work done as part of any additional review shall not exceed one hundred dollars (\$100) per hour.

- (3) For a Level 3 interconnection review, the utility may charge fees up to one hundred dollars (\$100) plus two dollars (\$2) per kilowatt of the customer-generator facility's nameplate capacity, as well as charges for actual time spent on any impact or facilities studies required under section 8 of this rule. Costs for engineering work done as part of any impact or facilities study shall not exceed one hundred dollars (\$100) per hour. If the utility must install facilities in order to accommodate the interconnection of the customer-generator facility, the cost of such facilities shall be the responsibility of the applicant.
- (f) The interconnection and operation of any customer-generator facility is secondary to and shall not interfere with the ability of the utility to meet its primary responsibility of furnishing reasonably adequate service to all customers.
 - (g) All the customer-generator facility electrical installations shall conform to the following:
 - (1) The requirements of local ordinances and inspection authorities.
 - (2) The applicable requirements of this rule.

(Indiana Utility Regulatory Commission; 170 IAC 4-4.3-4; filed Mar 6, 2006, 9:45 a.m.: 29 IR 2171)

170 IAC 4-4.3-5 Certification of customer-generator facilities

Authority: IC 8-1-1-3; IC 8-1-2.4

Affected: IC 8-1-2

Sec. 5. (a) In order to qualify for the Level 1 and the Level 2 interconnection review procedures described in sections 6 and 7 of this rule, a customer-generator facility must be certified as complying with the following standards, as applicable:

- (1) IEEE 1547, Standard for Interconnecting Distributed Resources with Electric Power Systems, as amended and supplemented, which is incorporated by reference herein. IEEE 1547 can be obtained through the IEEE at 445 Hoes Lane, P.O. Box 1331, Piscataway, New Jersey 08855-1331 or at www.ieee.org.
- (2) Underwriters Laboratories (UL) Standard 1741 on Inverters, Converters, and Controllers for Use in Independent Power Systems (January 2001), as amended and supplemented, which is incorporated by reference herein. UL Standards can be obtained through Underwriters Laboratories at 333 Pfingsten Road, Northbrook, Illinois 60062-2096 or at www.ul.com.
- (b) An equipment package shall be considered certified for interconnection operation if it has been tested and listed by a nationally recognized testing and certification laboratory in compliance with subsection (a)(1).
- (c) If the equipment package has been tested and listed in accordance with this section as an integrated package that includes a generator or other electric source, the:
 - (1) equipment package shall be deemed certified; and
 - (2) utility shall not require:
 - (A) further design review;
 - (B) testing; or
 - (C) additional certification;

of the listed equipment package.

- (d) If the equipment package includes only the interface components, an interconnection applicant must show that the generator or other electric source being utilized with the equipment package is:
 - (1) compatible with the equipment package; and
- (2) consistent with the testing and listing performed by the nationally recognized testing and certification laboratory.

If the generator or electric source being utilized with the equipment package is consistent with the testing and listing performed by the nationally recognized testing and certification laboratory, the equipment package shall be deemed certified, and the utility shall not require further design review, testing, or additional certification of the listed equipment package. (Indiana Utility Regulatory Commission; 170 IAC 4-4.3-5; filed Mar 6, 2006, 9:45 a.m.: 29 IR 2172)

170 IAC 4-4.3-6 Level 1 interconnection review

Authority: IC 8-1-1-3; IC 8-1-2.4

Affected: IC 8-1-2

- Sec. 6. (a) Each investor-owned electric utility shall adopt a Level 1 interconnection review procedure. The utility shall use the Level 1 review procedure for an application to interconnect a customer-generator facility that:
 - (1) is inverter-based;
 - (2) has a nameplate capacity of ten (10) kilowatts or less; and
 - (3) is certified in accordance with section 5 of this rule.
- (b) For a customer-generator facility described in subsection (a), the utility shall approve interconnection under the Level 1 review if all of the applicable requirements in subsections (c) though (h) are met. A utility shall not impose additional requirements not specifically authorized under this section.
- (c) If a customer-generator facility is to be connected to a radial distribution circuit, the aggregate generation nameplate capacity connected to the circuit, including the proposed nameplate capacity, shall not exceed five percent (5%) of the circuit annual peak load as most recently measured at the substation; the aggregate generation nameplate capacity connected to a line section, including the proposed nameplate capacity, shall not exceed ten percent (10%) of the line section annual peak load as most recently measured or estimated based on the most recently measured circuit load at the substation.
- (d) The aggregate generation nameplate capacity on the distribution circuit to which the customer-generator facility will interconnect, including its nameplate capacity, shall not contribute more than ten percent (10%) to the circuit's maximum fault current at the point on which the primary level that is nearest the proposed point of common coupling.

- (e) If a customer-generator facility is to be connected to a single-phase shared secondary, the aggregate generation nameplate capacity connected to the shared secondary, including the proposed nameplate capacity, shall not exceed the lesser of twenty (20) kVA or the nameplate rating of the service transformer.
- (f) If a single-phase customer-generator facility is to be interconnected on a center tap neutral of a two hundred forty (240) volt service, the addition of the customer-generator facility shall not create an imbalance between the two (2) sides of the two hundred forty (240) volt service more than twenty percent (20%) of the nameplate rating of the service transformer.
 - (g) The customer-generator facility point of common coupling shall not be on:
 - (1) a transmission line;
 - (2) a spot network; or
 - (3) an area network.
- (h) The customer-generator facility shall not violate any applicable provisions of IEEE 1547, Standard for Interconnecting Distributed Resources with Electric Power Systems, as identified by the utility.
- (i) The utility shall notify the applicant within ten (10) business days after receiving an application for Level 1 interconnection review as to whether the application is complete. If the application is incomplete, the notification shall include a list detailing the information needed to complete the application.
- (j) Within fifteen (15) business days after the utility notifies the applicant that the application is complete, the utility shall notify the applicant that the customer-generator facility:
 - (1) meets all of the criteria in subsections (c) through (h) that apply to the facility, and the interconnection will be finally approved upon completion of the process set forth in subsections (k) though (m); or
 - (2) has failed to meet one (1) or more of the applicable criteria in subsections (c) through (h), and the interconnection application is denied.
- (k) If approved, the utility shall, within ten (10) business days after sending the notice of approval under subsection (j)(1), do the following:
 - (1) Notify the applicant if the utility will require inspection of the customer-generator facility for compliance with this rule before starting operation of the facility.
 - (2) Execute and send to the applicant a Level 1 interconnection agreement.
 - (1) An applicant that receives an interconnection agreement under subsection (k) shall do the following:
 - (1) Execute the agreement.
 - (2) Return the agreement to the utility at least ten (10) business days before starting operation of the customer-generator facility.
 - (3) Indicate the anticipated start date for operation of the customer-generator facility.

If the utility requires an inspection of the customer-generator facility, the applicant shall not begin operating the facility until completion of the inspection.

- (m) Upon:
- (1) receipt of the executed interconnection agreement; and
- (2) satisfactory completion of any required inspection;

the utility shall approve the interconnection, conditioned on approval by the electric code officials with jurisdiction over the interconnection.

(n) If an application for Level 1 interconnection review is denied because it does not meet one (1) or more of the applicable requirements of this section, an applicant may resubmit the application under Level 2 or Level 3 interconnection review procedure as appropriate. (Indiana Utility Regulatory Commission; 170 IAC 4-4.3-6; filed Mar 6, 2006, 9:45 a.m.: 29 IR 2172)

170 IAC 4-4.3-7 Level 2 interconnection review

Authority: IC 8-1-1-3; IC 8-1-2.4

Affected: IC 8-1-2

Sec. 7. (a) Each investor-owned electric utility shall adopt a Level 2 interconnection review procedure. The utility shall use the Level 2 review procedure for an application to interconnect a customer-generator facility that:

- (1) has a nameplate capacity of two (2) megawatts or less; and
- (2) is certified in accordance with section 5 of this rule.
- (b) For a customer-generator facility described in subsection (a), the utility shall approve interconnection under the Level 2

review if all of the applicable requirements in subsections (c) through (o) are met. A utility shall not impose additional requirements not specifically authorized under this section.

- (c) If a customer-generator facility is to be connected to a radial distribution circuit, the aggregate generation nameplate capacity connected to the circuit, including the proposed nameplate capacity, shall not exceed fifteen percent (15%) of the line section annual peak load as most recently measured or estimated based on the most recently measured circuit load at the substation.
- (d) The aggregate generation capacity on the distribution circuit to which the customer-generator facility will interconnect, including its capacity, shall not contribute more than ten percent (10%) to the circuit's maximum fault current at the point on which the primary level that is nearest the proposed point of common coupling.
- (e) If a customer-generator facility is to be connected to a single-phase shared secondary, the aggregate generation capacity connected to the shared secondary, including the proposed capacity, shall not exceed the lesser of twenty (20) kVA or the nameplate rating of the service transformer.
- (f) If a single-phase customer-generator facility is to be interconnected on a center tap neutral of a two hundred forty (240) volt service, its addition will not create an imbalance between the two (2) sides of the two hundred forty (240) volt service more than twenty percent (20%) of the nameplate rating of the service transformer.
- (g) The aggregate generation capacity on the distribution circuit to which the customer-generator facility will interconnect, including its capacity, shall not cause any:
 - (1) distribution protective equipment; or
 - (2) customer equipment on the distribution system;

to exceed ninety percent (90%) of the short circuit interrupting capability of the equipment. In addition, a customer-generator facility shall not be connected to a circuit that already exceeds ninety percent (90%) of the short circuit interrupting capability.

- (h) If there are known or posted transient stability limits to generating units located in the general electrical vicinity of the proposed point of common coupling, for example, three (3) or four (4) transmission voltage level busses, the aggregate generation capacity, including the proposed facility, connected to the distribution low voltage side of the substation transformer feeding the distribution circuit containing the point of common coupling shall not exceed ten (10) megawatts.
- (i) If a customer-generator facility is to be connected to three-phase, three (3) wire primary utility distribution lines, a three-phase or single-phase generator shall be connected phase to phase.
- (j) If a customer-generator facility is to be connected to three-phase, four (4) wire primary utility distribution lines, the generator shall appear to the primary utility distribution line as an effectively grounded source.
 - (k) The customer-generator facility point of common coupling shall not be on a transmission line.
 - (1) If a customer-generator facility is to be connected to the load side of spot network protectors, the proposed facility shall:
 - (1) utilize an inverter-based equipment package; and
 - (2) together with the aggregated other inverter-based generation, not exceed the smaller of five percent (5%) of a spot network's maximum load or fifty (50) kilowatts.
- (m) If a customer-generator facility is to be connected to any network, the proposed facility must utilize a protective scheme that will ensure that its current flow will not affect the network protective devices including reverse power relays or a comparable function. Synchronous customer-generator facilities shall not be interconnected to a secondary network.
 - (n) If a customer-generator facility that:
 - (1) is an induction generator; or
 - (2) utilizes inverter-based protective functions;

both of which include reverse power relays functions, the proposed facility, in aggregate with other generation interconnected on the load side of the network protective devices, will not exceed the lesser of ten percent (10%) of the minimum load on the network or fifty (50) kilowatts.

- (o) The customer-generator facility shall not violate any applicable provisions of IEEE 1547, Standard for Interconnecting Distributed Resources with Electric Power Systems, as identified by the utility.
- (p) The utility shall notify the applicant within ten (10) business days after receiving an application for Level 2 interconnection review as to whether the application is complete. If the application is incomplete, the notification shall include a list detailing all of the information needed to complete the application.
- (q) Within fifteen (15) business days after the utility notifies the applicant that the application is complete, the investor-owned electric utility shall perform an initial review to determine if the applicable requirements of subsections (c) through (o) are met. During the initial review the utility may, at its own expense, conduct any studies or tests it deems necessary to evaluate the proposed interconnection. The initial review shall result in one (1) of the following determinations:

- (1) The customer-generator facility meets the applicable requirements in subsections (c) through (o). In this case, the utility shall:
 - (A) notify the applicant that the interconnection will be finally approved upon completion of the process set forth in subsections (r) through (t); and
- (B) within ten (10) business days after this notice, provide the applicant with an executable interconnection agreement. (2) The customer-generator facility has failed to meet one (1) or more of the applicable requirements in subsections (c) through (o); however, the utility has determined that the customer-generator facility can be interconnected consistent with safety, reliability, and power quality. In this case, the utility shall:
 - (A) notify the applicant that the interconnection will be finally approved upon completion of the process set forth in subsections (r) through (t); and
- (B) within ten (10) business days after this notice, provide the applicant with an executable interconnection agreement. (3) The customer-generator facility has failed to meet one (1) or more of the applicable requirements in subsections (c) through (o); however, the initial review indicates that additional review may enable the utility to determine that the customer-generator facility can be interconnected consistent with safety, reliability, and power quality. In such a case, the utility shall:
 - (A) offer to perform additional review to determine whether minor modifications to the electrical distribution system would enable the interconnection to be made consistent with safety, reliability, and power quality;
 - (B) provide to the applicant a nonbinding, good faith estimate of the costs of the additional review or the minor modifications, or both; and
 - (C) undertake the additional review or modifications in accordance with subsection (u).
- (4) The customer-generator facility has failed to meet one (1) or more of the applicable requirements of subsections (c) through (o), and the initial review indicates that additional review would not enable the utility to determine that the customer-generator facility can be interconnected consistent with safety, reliability, and power quality. In such a case, the utility shall:
 - (A) notify the applicant that the interconnection application has been denied; and
 - (B) provide an explanation of the reason or reasons for the denial, including a list of additional information or modifications, or both, to the customer-generator's facility that would be required in order to obtain an approval under Level 2 interconnection procedures.
- (r) An applicant that receives an interconnection agreement under subsection (q)(1) or (q)(2) shall do the following:
- (1) Execute the agreement.
- (2) Return the agreement to the utility at least ten (10) business days before starting operation of the customer-generator facility.
- (3) Indicate to the utility the anticipated start date for operation of the customer-generator facility.
- (s) The utility may:
- (1) require an inspection of a customer-generator facility for compliance with this section before operation; and
- (2) require and arrange for witness of commissioning tests as set forth in IEEE 1547, Standard for Interconnecting Distributed Resources with Electric Power Systems.

The utility shall schedule any inspections or tests under this section promptly and within a reasonable time after submittal of the application. The applicant shall not begin operating the customer-generator facility until after the inspection and testing is completed.

- (t) For an applicant that receives an interconnection agreement under subsection (q)(1) or (q)(2), approval of interconnected operation of the customer-generator facility shall be conditioned on all of the following:
 - (1) The interconnection has been approved by the electrical code official with jurisdiction over the interconnection.
 - (2) Any utility inspection or witnessing of commissioning tests arranged under subsection (s) are successfully completed.
 - (3) The planned start date provided by the applicant under subsection (r)(3) has passed.
- (u) For an applicant that pays for additional review under subsection (q)(3), within ten (10) business days from the receipt of payment, the utility shall perform any additional review and notify the applicant of the results. If the additional review determines that the customer-generator facility can be interconnected without adversely affecting safety, reliability, and power quality upon the completion of utility system modifications, the utility shall provide a cost estimate of the modifications with the results. Within twenty (20) business days after receipt of the cost estimate, the applicant will either:
 - (1) send payment to the utility for the estimated cost; or
 - (2) notify the utility in writing that it does not wish to proceed with the project.

Upon receipt of payment, the utility shall proceed to schedule and complete the required modifications or new construction. Within five (5) business days after the completion [sic., of] the modifications or new construction, the utility shall provide the applicant with

an executable interconnection agreement and notification that the interconnection will finally be approved upon completion of the process set forth in subsections (r) through (t).

(v) If an application for Level 2 interconnection review is denied because it does not meet one (1) or more of the applicable requirements in this section, an applicant may resubmit the application under the Level 3 interconnection review procedure as appropriate. (Indiana Utility Regulatory Commission; 170 IAC 4-4.3-7; filed Mar 6, 2006, 9:45 a.m.: 29 IR 2173)

170 IAC 4-4.3-8 Level 3 interconnection review

Authority: IC 8-1-1-3; IC 8-1-2.4

Affected: IC 8-1-2

Sec. 8. (a) Each investor-owned electric utility shall adopt a Level 3 interconnection review procedure. The utility shall use the Level 3 review procedure for an application to interconnect a customer-generator facility that:

- (1) is connected to its distribution system; and
- (2) does not meet the requirements of section 6 or 7 of this rule.
- (b) The utility shall do the following:
- (1) Conduct an initial review of the application.
- (2) Offer the applicant the opportunity to meet with utility staff to discuss the application.
- (c) The utility shall provide an impact study agreement to the applicant, which shall include a good faith estimate of the cost for an impact study to be performed by the utility.
- (d) If the proposed interconnection may affect electric transmission or delivery systems other than those controlled by the utility, operators of these systems may require additional studies to determine the impact of the interconnection on these systems. The utility shall coordinate the studies of other operators, but shall not be responsible for their timing. The applicant shall be responsible for the costs of any such additional studies required by other affected system operators. The studies shall be conducted only after the applicant has provided written authorization.
- (e) After the applicant has executed the impact study agreement and has paid the utility the amount of the good faith estimate required under subsection (c), the utility shall conduct the impact study and notify the applicant of the results as follows:
 - (1) If the impact study indicates that only insubstantial modifications to the utility's electric distribution system are necessary to accommodate the proposed interconnection, the utility shall send the applicant an interconnection agreement that details the following:
 - (A) The scope of the necessary modifications.
 - (B) An estimate of their cost.
 - (2) If the impact study indicates that substantial modifications to the utility's electric distribution system are necessary to accommodate the proposed interconnection, the utility shall do the following:
 - (A) Provide a good faith estimate of the cost of the modifications.
 - (B) Offer to conduct a facilities study at the applicant's expense, which will identify the types and cost of equipment needed to safely interconnect the applicant's customer-generator facility.
- (f) If the applicant requests a facilities study under subsection (e)(2), the utility shall provide a facilities study agreement. The facilities study agreement shall describe the work to be undertaken in the facilities study and shall include a good faith estimate of the cost to the applicant for completion of the study. Upon execution by the applicant of the facilities study agreement, the utility shall conduct a facilities study, which shall identify the following:
 - (1) The facilities necessary to safely interconnect the customer-generator facility with the utility's electric distribution system.
 - (2) The cost of those facilities.
 - (3) The time required to build and install those facilities.
- (g) Upon completion of the facilities study, the utility shall provide the applicant with the results of the study and an executable interconnection agreement. The agreement shall list the following:
 - (1) The conditions and facilities necessary to safely interconnect the customer-generator facility with the utility's electric distribution system.
 - (2) The cost of those facilities.
 - (3) The time required to build and install those facilities.
 - (h) If the applicant wishes to interconnect, the applicant shall do the following:
 - (1) Execute the interconnection agreement.

- (2) Provide a deposit of the cost of the facilities identified in the facilities study.
- (3) Complete installation of the customer-generator facility.
- (4) Agree to pay the utility the amount required for the facilities needed to interconnect as identified in the facilities study.
- (i) Within fifteen (15) business days after notice from the applicant that the customer-generator facility has been installed, the utility shall do the following:
 - (1) Inspect the customer-generator facility.
 - (2) Arrange to witness any commissioning tests required under IEEE 1547, Standard for Interconnecting Distributed Resources with Electric Power Systems.

The utility and the applicant shall select a date by mutual agreement for the utility to witness commissioning tests.

- (j) Provided the customer-generator facility passes any required commissioning tests satisfactorily, the utility shall notify the applicant in writing, within five (5) business days after the tests, of one (1) of the following:
 - (1) The interconnection is approved and the customer-generator facility may begin operation.
 - (2) The facilities study identified necessary construction that has not been completed, the date upon which the construction will be completed, and the date when the customer-generator facility may begin operation.
- (k) If the commissioning tests are not satisfactory, the customer-generator shall repair or replace the unsatisfactory equipment and reschedule a commissioning test under subsection (i). (Indiana Utility Regulatory Commission; 170 IAC 4-4.3-8; filed Mar 6, 2006, 9:45 a.m.: 29 IR 2175)

170 IAC 4-4.3-9 Requirements for ongoing operation of customer-generator facilities

Authority: IC 8-1-1-3; IC 8-1-2.4

Affected: IC 8-1-2

- Sec. 9. (a) The investor-owned electric utility may perform reasonable on-site inspections to verify the proper installation and continuing safe operation of the customer-generator facility and interconnection facilities:
 - (1) at reasonable times; and
 - (2) upon reasonable advance notice to the customer.

The cost of the inspection or inspections shall be at the utility's expense; however, the utility shall not be responsible for any other cost the customer may incur as a result of the inspection or inspections.

- (b) The customer shall install, operate, and maintain the customer-generator facility in accordance with the manufacturer's suggested practices for safe, efficient, and reliable operation in parallel to the utility's system.
- (c) The utility may isolate any customer-generator facility if the utility believes continued interconnection with the customer-generator facility creates or contributes to a system emergency. System emergencies causing discontinuance of interconnection shall be subject to verification by the commission upon a complaint made by the customer in accordance with the commission's consumer complaint rules.
- (d) If the utility finds that the customer-generator's facility is not in compliance with the requirements of this rule, and the noncompliance adversely affects the safety, reliability, or power quality of the electric distribution system, the utility may require the customer-generator to disconnect the customer-generator facility until compliance is achieved. (Indiana Utility Regulatory Commission; 170 IAC 4-4.3-9; filed Mar 6, 2006, 9:45 a.m.: 29 IR 2176)

170 IAC 4-4.3-10 Liability insurance and indemnity

Authority: IC 8-1-1-3; IC 8-1-2.4 Affected: IC 8-1-2-33; IC 8-1-2-34

- Sec. 10. (a) The liability insurance and indemnification requirements of a customer-generator facility that is also a net metering facility, as defined at 170 IAC 4-4.2-1, shall be in accordance with 170 IAC 4-4.2-8.
- (b) The liability insurance and indemnification requirements of a customer-generator facility that is not also a net metering facility, as defined at 170 IAC 4-4.2-1, shall be as follows:
 - (1) Insurance provisions shall require a party to obtain only reasonable amounts of insurance against risks for which there is a reasonable likelihood of occurrence.
 - (2) The utility and the customer shall indemnify and hold each other harmless from and against all claims, liability, damages, and expenses, including attorney's fees, based on any injury to any person, including loss of life or damage to any property,

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including loss of use thereof, arising out of, resulting from, or connected with, or that may be alleged to have arisen out of, resulted from, or connected with an act or omission by the other party or its:

- (A) employees;
- (B) agents;
- (C) representatives;
- (D) successors; or
- (E) assigns;

in the construction, ownership, operation, or maintenance of the party's facilities. (Indiana Utility Regulatory Commission: 170 IAC 4-4.3-10; filed Mar 6, 2006, 9:45 a.m.: 29 IR 2177)

170 IAC 4-4.3-11 Tariff and reporting requirements

Authority: IC 8-1-1-3; IC 8-1-2.4

Affected: IC 8-1-2

- Sec. 11. (a) Within sixty (60) days of the effective date of this rule, all investor-owned electric utilities shall submit for approval via the commission's thirty (30) day filing process generic interconnection application and interconnection agreement forms for each of the three (3) levels of review.
- (b) To assist the commission in monitoring the effectiveness of this rule over time, each investor-owned utility shall file a report with the commission's electricity division before March 2 of each year following the effective date of this rule. The report shall contain the number, size, and type of the following:
 - (1) Customer-generator facilities detailed in all applications received during the pervious [sic.] calendar year and the resolution, for example, granted, denied, withdrawn, of the applications. The report shall include the following:
 - (A) The application procedure (Level 1, 2, or 3) for all applications.
 - (B) The reason or reasons for any denied application or applications.
 - (2) The number, size, and type of customer-generator facilities interconnected, pursuant to Rule 4.3 as of December 31 of the previous calendar year.

(Indiana Utility Regulatory Commission; 170 IAC 4-4.3-11; filed Mar 6, 2006, 9:45 a.m.: 29 IR 2177)

170 IAC 4-4.3-12 Customer complaints

Authority: IC 8-1-1-3; IC 8-1-2.4

Affected: IC 8-1-2-34.5

Sec. 12. In the event an investor-owned electric utility and an eligible customer are unable to agree on matters relating to customer-generator facility interconnection, either party may raise a customer complaint to the commission in accordance with the commission's consumer complaint rules. (*Indiana Utility Regulatory Commission; 170 IAC 4-4.3-12; filed Mar 6, 2006, 9:45 a.m.: 29 IR 2177*)

Rule 5. Electric Submeters of Master Meter Accounts

170 IAC 4-5-1 Scope of rule; enforcement

Authority: IC 8-1-1-3; IC 8-1-2-36.5 Affected: IC 8-1-2-36.5; IC 8-1-2-115

- Sec. 1. (a) Purpose and Scope. The provisions of these rules [170 IAC 4-5] are intended to establish a system to assure that the practices involving submetering and billing of dwelling units are just and reasonable to the tenant and the building owner and to establish the rights and responsibilities of the building owner and tenant.
- (b) Application. These rules [170 IAC 4-5] shall apply to existing buildings utilizing electrical submetering as of the effective date, as well as those buildings which engage in electrical submetering at any subsequent date, subject to master metering of electric service in new buildings in accordance with sections 113(a)(1) and (b)(1) and 115(d) of Title I of the Public Utility Regulatory Policies Act and subject to 170 IAC 4-1.5.
 - (c) Enforcement. The provisions of this rule [170 IAC 4-5] are subject to the enforcement provisions of IC 8-1-2-115. (Indiana