

**RIDER 878**  
**PURCHASES FROM COGENERATION FACILITIES**  
**AND SMALL POWER PRODUCTION FACILITIES**

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**TO WHOM AVAILABLE**

As shown on Appendix A, this Rider is available to Cogeneration Facilities and/or Small Power Production Facilities which qualify under the IURC Rules (170 IAC 4-4.1-1 *et seq.*), as well as to Private Generation Projects as defined in Ind. Code § 8-1-2.4-2(g) (herein "Qualifying Facility"). A contract shall be required between the Company and each Qualifying Facility, setting forth all terms and conditions governing the purchase of electric power from the Qualifying Facility. The Qualifying Facility must be located adjacent to existing Company electric facilities having capacity sufficient to meet the Customer's requirements. Service under this Rider is subject to the conditions set forth in this Rider and the Company Rules.

**INTERCONNECTION STANDARDS**

The Qualifying Facility shall comply with the interconnection standards as defined in Rider 879 Interconnection Standards Rider.

**PURCHASE RATES**

Company will purchase Energy from the Qualifying Facility of Customer in accordance with the conditions and limitations of this Rider and the applicable contract at the following rate:

Rate for Purchase of Energy	<u>Current Rate per kWh</u>
Summer Period (May - Sept.)	
On-Peak Hours <sup>(1)</sup>	\$0.04764
Off-Peak Hours <sup>(2)(5)</sup>	\$0.03410
Winter Period (Oct. - Apr.)	
On-Peak Hours <sup>(3)</sup>	\$0.05157
Off-Peak Hours <sup>(4)(5)</sup>	\$0.04305

<sup>(1)</sup> Monday through Saturday 8 a.m. C.S.T. to 11 p.m. C.S.T.

<sup>(2)</sup> Monday through Saturday 11 p.m. C.S.T. to midnight C.S.T. and midnight C.S.T. to 8 a.m. C.S.T. and all day Sunday.

<sup>(3)</sup> Monday through Friday 8 a.m. C.S.T. to 11 p.m. C.S.T.

<sup>(4)</sup> Monday through Friday 11 p.m. C.S.T. to midnight C.S.T. and midnight C.S.T. to 8 a.m. C.S.T. and all day Saturday and Sunday.

<sup>(5)</sup> The twenty-four (24) hours of New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day will be included in the Off-Peak Hours.

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**PURCHASE RATES (Continued)**

For those Qualifying Facilities for whom metering not capable of recognizing different rating periods is installed:

	<u>Current Rate per kWh</u>
Summer Period	\$0.04123
Winter Period	\$0.04676

Energy metered during any month more than half of which is in any month of May to September, inclusive, shall be calculated under the Summer Period rates listed above. Energy credited during other periods of the year shall be calculated under the Winter Period rates listed above.

**Rate for Purchase of Capacity Component**

The Company will purchase capacity supplied from the Qualifying Facility of Customer in accordance with the conditions and limitations of this Rider and the applicable contract at the following rate:

\$ per kW per month of contracted capacity                      \$5.74 per kW per month.

The contracted capacity shall be the amount of capacity expressed in terms of kW's that Customer guarantees the Qualifying Facility will supply to Company as provided in the contract for such service.

The monthly capacity component shall be adjusted by the following factor:

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

Where:

F = Capacity component adjustment factor.

E<sub>p</sub> = kWhs delivered to the Company during the On-Peak Hours defined as:

Summer Period - Monday through Saturday 8 a.m. C.S.T. to 11 p.m. C.S.T.

Winter Period - Monday through Friday 8 a.m. C.S.T. to 11 p.m. C.S.T.

The twenty-four (24) hours of New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day will not be included in the On-Peak Hours.

K = kW's of capacity the Qualifying Facility contracts to provide.

T<sub>p</sub> = Number of On-Peak Hours.

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**PURCHASE RATES (Continued)**

The kW capacity available and the kWhs in the On-Peak Hours shall be determined by a suitable recording type instrument acceptable to the Company.

For intended purchases of 72,000 kWhs or more per month from a Qualifying Facility, the Company and the Qualifying Facility may agree to increase or decrease the rate for Energy purchase 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 Company's generation facilities; or
2. The relationship of the availability of Energy from the Qualifying Facility to the ability of the Company to avoid costs, particularly as is evidenced by the Company's ability to dispatch the Qualifying Facility; or
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.

The Company and Qualifying Facility may negotiate a rate for Energy or capacity purchase which differs from this filed rate.

**DETERMINATION OF AMOUNT OF ENERGY PURCHASED**

To properly record the number of kWhs, and where applicable, kW of purchases, the Company and the Qualifying Facility should mutually agree on the metering configuration to be utilized in accordance with 170 IAC 4-4.1 Section 7 (b). The metering facilities shall be installed and will be owned by the Company, and the Qualifying Facility will be required to reimburse the Company for the installed cost of said metering equipment. The Company need not make purchases during the time of a system emergency.

**GENERAL TERMS AND CONDITIONS FOR PURCHASE**

**Contract**

Any cogenerator or small power producer requesting service under this Rider shall enter into a written contract for an initial period of not less than one (1) Contract Year.

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**Curtailing Purchase**

The Company reserves the right to Curtail the purchase at any time when necessary to make emergency repairs. For the purpose of making other than emergency repairs, the Company reserves the right to disconnect the Qualifying Facility's electric system for four (4) consecutive hours on any Sunday, or such other day or days as may be agreed to by the Qualifying Facility and the Company, provided forty-eight (48) hours' notification previous to the hour of cut-off is given the Qualifying Facility of such intention.

**Additional Load**

The Qualifying Facility shall notify the Company in writing of any substantial additions to or alterations in the equipment supplying electric Energy to the Company and such additions or alterations shall not be connected to the system until such notice shall have been given by the Qualifying Facility and received by the Company.

**Discontinuance of Purchase**

The Company shall have the right to cut off and discontinue the purchase of electric Energy and remove its metering equipment and other property when there is a violation by the Qualifying Facility of any of the terms or conditions of the contract or this Rider.

**Back-up and Maintenance Power**

Back-up and maintenance power is electrical Energy and capacity provided by the Company to a Qualified Facility to replace Energy, ordinarily generated by the Qualifying Facility, during a scheduled or unscheduled outage of the Qualifying Facility. Any back-up and maintenance power taken by the Qualified Facility will be billed under the appropriate Rate Schedule.

**GENERAL TERMS AND CONDITIONS OF SERVICE - CONTRACT**

Any Qualified Facility requesting service under this Rider shall enter into a written contract for an initial period of not less than three (3) Contract Years.

In such contract it shall be proper to include such provisions, if any, as may be agreed upon between the Company and the Qualified Facility with respect to special terms and conditions under which service is to be furnished hereunder, including but not limited to, amount of Contract Demand, voltage to be supplied, and facilities to be provided by each party in accordance with the Company Rules.