

**STANDARD CONTRACT RIDER NO. 71
CLEAN COAL OPERATING COST
REVENUE ADJUSTMENT
APPLICABLE TO RETAIL RATE GROUPS**

The applicable charges for electric service to the Company's retail customers, shall be increased or decreased to the nearest 0.001 mill (\$.000001) per kWh to reflect recovery of clean coal operating costs (depreciation and operation and maintenance expenses) in accordance with Ind. Code 8-1-8.8. The revenue adjustment applicable to the Company's charges for electric service, which shall be updated and reconciled to actual costs by the Company no more often than every six months, will be determined based on the following provisions:

Clean Coal Cost
Revenue Adjustment Factor by Rate Group =

$$\frac{[(a+b) \times c] \times d}{e}$$

Where:

1. "a" is the forecasted depreciation expense applicable to investments in clean coal energy projects that comply with provisions of Ind. Code 8-1-8.8. For purposes of determining the value of depreciation expense, the clean coal energy projects shall reflect the recovery of depreciation expense over a period of eighteen or twenty years beginning with the month following the in-service date of the applicable clean coal technology projects.
2. "b" is the forecasted operating expenses of the Company's clean coal energy projects (specifically, incremental operation and maintenance expense not reflected in base rates), associated with clean coal energy projects that comply with provisions of Ind. Code 8-1-8.8 and that have been approved by the Commission pursuant to Ind. Code 8-1-8.8. For purposes of determining the value of such operating expenses for this rate mechanism, the Company shall use costs as recorded in its books of account in accordance with the Uniform System of Accounts prescribed for Public Utilities and Licensees by the Federal Energy Regulatory Commission.
3. "c" is the revenue conversion factor used to convert the applicable operating expenses to operating revenues.
4. "d" is the individual rate group's jurisdictional production demand allocator used for allocation purposes in the cost of service study last approved by the IURC.
5. "e" is the individual retail rate group's adjusted billing cycle kilowatt-hour sales for the applicable six month period for all retail rate groups other than industrial customers served under Rate HLF. The revenue adjustment for retail customers served under Rate HLF shall be based on demands within the HLF customer group such that "e" shall be the sum of kilowatts billed for the applicable six month period.

The factor shall be further modified to reflect the difference between estimated incremental operating costs billed and incremental operating costs actually experienced during the period such estimated operating costs were billed.

The clean coal operating cost revenue adjustment factor applicable to retail rate groups shall be as follows:

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1000 East Main Street
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<u>Line No.</u>	<u>Retail Rate Group</u>	<u>Clean Coal Operating Cost Revenue Adjustment Factor Per KWH (A)</u>	<u>Clean Coal Operating Cost Revenue Adjustment Factor Per Non-Coincident KW (B)</u>	<u>Line No.</u>
1	Rate RS	\$0.004219		1
2	Rates CS and FOC	0.005031		2
3	Rate LLF	0.003872		3
4	Rate HLF		\$2.185134	4
5	Customer L	0.002120		5
6	Customer D	0.005811		6
7	Customer O	0.003102		7
8	Rate OL	0.001500		8
9	Rate WP	0.003227		9
10	Rate SL	0.001334		10
11	Rate AL	0.001136		11
12	Rate MHLS	0.001249		12
13	Rates MOLS and UOLS	0.000094		13
14	Rates TS, FS and MS	0.004410		14

Issued: January 25, 2012

Effective:

January 26, 2012

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**ALLOCATED SHARE OF SYSTEM PEAK DEMAND FOR
RETAIL CUSTOMERS BY RATE GROUP EXPRESSED
AS A PERCENTAGE OF THE COMPANY'S TOTAL RETAIL SYSTEM PEAK
DEMAND AS DEVELOPED FOR COST OF SERVICE PURPOSES IN CAUSE NO. 42359**

<u>Line No.</u>	<u>Rate Groups</u>	<u>KW Share of System Peak (A)</u>	<u>Percent Share Of System Peak (B)</u>	<u>Line No.</u>
1	Rate RS	1,582,005	36.727%	1
2	Rates CS and FOC	224,244	5.206%	2
3	Rate LLF	628,152	14.583%	3
4	Rate HLF	1,808,886	41.994%	4
5	Customer L	10,481	0.243%	5
6	Customer D	7,860	0.182%	6
7	Customer O	19,045	0.442%	7
8	Rate OL	4,855	0.113%	8
9	Rate WP	17,235	0.400%	9
10	Rate SL	2,185	0.051%	10
11	Rate AL	272	0.006%	11
12	Rate MHLS	282	0.007%	12
13	Rates MOLS and UOLS	69	0.002%	13
14	Rates TS, FS and MS	<u>1,893</u>	<u>0.044%</u>	14
15	TOTAL RETAIL	<u>4,307,464</u>	<u>100.000%</u>	15

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**BILLING CYCLE KWH SALES FOR THE COMPANY'S
RETAIL CUSTOMERS BY RATE GROUP BASED
ON THE SIX-MONTH PERIOD ENDED JUNE 30, 2011**

<u>Line No.</u>	<u>Rate Groups</u>	<u>Billing Cycle KWH Sales (A)</u>	<u>Sum Of Monthly Non-Coincident Peak Demands (B)</u>	<u>Line No.</u>
1	Rate RS	4,803,566,119		1
2	Rates CS and FOC	570,978,315		2
3	Rate LLF	2,078,423,177		3
4	Rate HLF	5,474,571,538	10,605,218	4
5	Customer L	63,252,676		5
6	Customer D	17,284,209		6
7	Customer O	78,624,000		7
8	Rate OL	41,570,513		8
9	Rate WP	68,407,045		9
10	Rate SL	21,099,538		10
11	Rate AL	2,915,852		11
12	Rate MHLS	3,093,823		12
13	Rates MOLS and UOLS	11,673,904		13
14	Rates TS, FS and MS	<u>5,505,640</u>		14
15	TOTAL RETAIL	<u>13,240,966,349</u>		15

Issued: January 25, 2012

Effective: January 26, 2012