

IURC News Release

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IURC APPROVES ECONOMIC DEVELOPMENT RATES FOR PSI ENERGY

Today, in Cause No. 42664, the Indiana Utility Regulatory Commission (IURC) approved three new economic development rates for PSI Energy, Inc. (PSI).

The Commissioners agree that the settlement agreement reached by the Office of Utility Consumer Counselor and PSI satisfies legal requirements, and will assist the State of Indiana in its economic development efforts.

1. Economic Development Rider 58:

- Allows a 50% reduction of a business customer's electric charges for one year if a new or existing customer adds a minimum new load of 1,000 kW at one delivery point.
- Customer must add a minimum of 25 full-time equivalent employees per 1,000 kW of new load.
- Customer's capital investment in Indiana is at least \$1,000,000 per 1,000kW of new load.

2. Brownfield Redevelopment Rider No. 54:

- Allows business customers locating in qualifying "brownfield" redevelopment areas, served by existing PSI lines to receive reductions in electric demand charges for a five year period.
- A 50% reduction in the first year, declining to a 10% reduction in the 5th year.

3. Urban Redevelopment Rider No. 59:

- Gives business customers who locate in an existing building of at least 25,000 square feet, that is unoccupied or has remained dormant for at least 2-years a 50% reduction in their electric charges for one year, provided that the new load is a minimum of 500 kW at one delivery point and does not require additional transmission or distribution investment.

To the extent that these riders do not cover the company's incremental costs, PSI has agreed that its shareholders, not PSI's other ratepayers, will bear the costs.

The riders expire December 31, 2008. Prior to that time, PSI may file a docketed proceeding to extend the availability of the riders if it chooses to do so.

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