



INDIANA UTILITY REGULATORY COMMISSION  
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MEMORANDUM

TO: Commissioners Hardy, Golc, Landis, Server and Ziegner

FROM: Curt Gassett, Assistant Director of Water/Sewer Division

DATE: July 5, 2007

RE: Utility Articles for Next Conference

The following Final Article "I" and Preliminary Articles "A" are submitted to each of you to acquaint you with the tariffs eligible for action or acceptance on or after July 11, 2007.

CG/ld

**"I" Final**

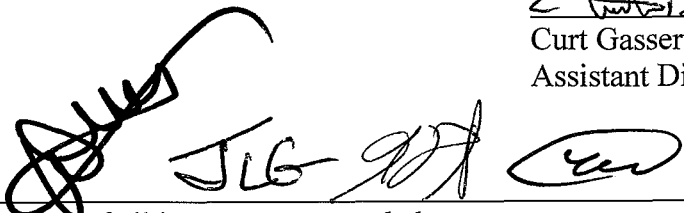
A revision to the tracking costs from the Indiana Municipal Power Agency members has been reviewed by staff members of the Commission and found to be in compliance with the orders of the Commission. The requirements prescribed for these filings in Commission Order No. 36835-S1 approved January 11, 1983, and/or Order No. 36835-S2 approved May 2, 1984, and 36835-S3 approved December 13, 1989, have been met and I recommend approval.

<b>Item No.</b>	<b>Utility Name</b>	<b>Rate Schedule</b>	<b>\$/kWh Change</b>	<b>\$/kWh Resultant</b>	<b>Filing No.</b>
1.	Richmond Power & Light	R	(0.003458)	0.014761	99
		CL	(0.002064)	0.027961	
		GP, GEH, EHS	0.003539	0.012567	
		LPS & IS	0.458698	4.551129	/kVA
			0.540083	5.358240	/kW
			0.000671	0.005086	
		OL, M, N	0.001183	0.005006	

Please indicate your consideration and action of the preceding items on the appropriate lines provided below.



\_\_\_\_\_  
Curt Gassert  
Assistant Director of Water/Sewer Division



\_\_\_\_\_  
I approve of all items as presented above

\_\_\_\_\_  
I approve of all items as presented above except

\_\_\_\_\_  
Not participating in the following items

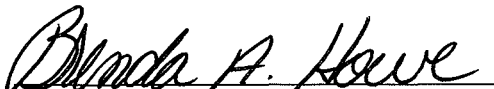
I, \_\_\_\_\_, Disapprove Items

No.

I, \_\_\_\_\_, Wish to Defer Items

No.

I hereby certify that the above is a true and correct copy of the action on the articles.



Brenda A. Howe  
Secretary to the Commission

**“A” Preliminary**

*The following new miscellaneous items have been reviewed by staff members of the Commission and we recommend accepting them for filing.*

**1. Battle Ground Conservancy District (Water)**

The utility is proposing to increase its tap-on fee for a 5/8 inch meter from \$775 to \$1,092, to increase its reconnection charge from \$10 to \$28, and to establish a returned check fee of \$23. Each of the requested fee changes are a result of increased costs. Battle Ground provided cost support for each of its proposed changes.

Description	Current Charge	Proposed Charge
Tap-on fee for 5/8” or 3/4” meters	\$ 775	\$ 1,092
Reconnection Charge	\$ 10	\$ 28
Returned Check Charge	\$ 0	\$ 23

The tariff page affected by this filing is:

- Page 2 of 2.

**2. Lawrenceburg Gas Company**

The Utility proposes establishing the following tariff additions: 1) School Transportation Service – Rate STS; and 2) Nomination and Balancing Provisions – Appendix D. These additions will make transportation service available to any public school corporation (K through 12) facility or multiple public school corporations acting as a group. Summary billing will also be provided to allow each school corporation to receive one bill for all facilities under this new rate.

Customers under this rate will purchase gas supply and pipeline capacity from a supplier other than the Utility. The proposed rate schedule requires the Rate STS customer to:

- a. Pay the Utility for the cost of purchasing and installing electronic gas measurement devices and related communications equipment; and
- b. Provide and maintain on the premises at the meter location electric and telephone service and related communications equipment.

**Rates and Charges**

The Customer and Distribution Charges for Rate STS will be equal to the Customer and Distribution Charges for General Service. The rates and charges for Rate STS are as follows:

Customer Charge per month:

- \$12.00 per Group 1 meter (Meters having a rated capacity not exceeding 450 cubic feet per hour)
- \$24.00 per Group 2 meter (Meters having a rated capacity greater than 450 cubic feet per hour but not exceeding 5,000 cubic feet per hour)
- \$75.00 per Group 3 meter (Meters having a rated capacity of greater than 5,000 cubic feet per hour)

Distribution Charge: Company will deliver the arranged for gas, less shrinkage which is equal to the Company's system average unaccounted for percentage, at the following rates:

- First 30 therms at \$0.5472 per therm
- Next 70 therms at \$0.4405 per therm
- Next 900 therms at \$0.3218 per therm
- Next 4,000 therms at \$0.2609 per therm
- Over 5,000 therms at \$0.2145 per therm

Monitoring Charge: Customer shall pay a Monitoring Charge of \$30.50 per month to cover remote metering requirements.

The following tariff sheet has been modified by this filing:

- Index to Tariff for Gas Service – Original Sheet No. 10, Page 1 of 1

The following tariff sheets have been created by this filing:

- School Transportation Service - Original Sheet No. 55, Page 1 of 3 through Original Sheet No. 55, Page 3 of 3
- Appendix D Nomination and Balancing Provisions – Original Sheet No. 74, Page 1 of 4 through Original Sheet No. 74, Page 4 of 4.

### **3. Indiana Michigan Power Company, d/b/a American Electric Power**

The Utility has submitted for Commission review a request for approval of fiscal Year 8 net merger savings reduction rider factors pursuant to the Commission's April 26, 1999 Order in Cause No. 41210 relating to the merger of American Electric Power Company, Inc. and Central and South West Corporation (Order). The purpose of the factors is to reduce bills to customers pursuant to Attachment A (also Attachment A to this filing) of the Stipulation and Settlement Agreement (Agreement) approved by the Commission in Cause No. 41210.

The Agreement specified that the annual bill reduction amounts would be allocated to rate classes based upon total revenues, excluding fuel cost adjustment, and credited to customers' bills through the application of a per kilowatt-hour (kWh) factor specific to each rate class. The Agreement also stated that each individual year's bill reduction would apply for a twelve-month period except for an adjustment during each third quarter to reconcile actual kWh sales and

projected kWh sales for the prior year. The Utility stated that in accordance with I&M's testimony in Cause No. 41210, the calculations of the proposed AEP/CSW net merger savings reduction rider factors were based upon the latest available total revenues, excluding fuel cost adjustment, and billed kWh taking into account that calendar year data are more readily accessible, not as cumbersome to accumulate, and subject to a reconciliation process.

As also described in I&M's testimony in Cause No. 41210, prior to the beginning of each fiscal year following consummation of the merger, I&M will make a 30-day filing to establish the net merger savings reduction rider factors to effect that fiscal year's customer bill reduction. Prior to the third quarter of each fiscal year (except the first fiscal year), a 30-day filing will be made to establish the adjustment to the riders, as required by the Agreement, to reconcile actual kWh sales and projected kWh sales for the prior fiscal year. The adjusted rider factors will be in effect for the seventh through the ninth billing months of each fiscal year (except the first fiscal year) after which the factors will return to the unadjusted levels. I&M will also make a 30-day filing, at the request of Staff, prior to the conclusion of the third quarter reconciliation period, that returns factors to the current fiscal year unadjusted levels following the reconciliation period. This process will be repeated annually through the reconciliation of the eighth fiscal year. The last reconciled reduction will continue to apply in years following the end of the eighth fiscal year until I&M's Indiana base rates are changed.

Attachment B to the Utility's filing provided the calculations of the proposed AEP/CSW net merger savings reduction rider factors. For each rate class, the annual merger savings per average customer is 1.38%. The calculations were made in accordance with the Agreement in Cause No. 41210. The annual merger savings per average residential customer is \$10.61; per average commercial customer is \$130.21; and per average industrial customer is \$9,717.86.

Also included with the Utility's filing, as required by the Commission's April 26, 1999 Order in Cause No. 41210, was a verified statement indicating that the facts contained in the filing were true to the best of the affiant's knowledge and that a copy of this 30-day filing was served on each party to Cause No. 41210.

The tariff sheets affected by this filing are:

- Twenty-First Revised Sheet No. 19
- Twenty-Second Revised Sheet No. 19.1
- Twentieth Revised Sheet No. 21
- Twenty-Second Revised Sheet No. 22
- Twentieth Revised Sheet No. 23
- Twenty-First Revised Sheet No. 23.1
- Sixteenth Revised Sheet No. 31



Curt Gassert  
Assistant Director of Water/Sewer Division