

February 11, 2011

Mr. Brad Borum, Electric Director  
Indiana Utility Regulatory Commission  
101 West Washington Street  
~~Suite 1500E~~  
Indianapolis, Indiana 46204

**RE: WHOLESALE POWER FACTOR**

Dear Mr. Borum:

1. The City of Auburn, Indiana, 210 East Ninth Street, Auburn, Indiana, under and pursuant to the Public Service Commission Act, as amended, and the Indiana Utility Regulatory Commission's (Commission) Order in Cause No. 40095, hereby files with the Commission for its approval, an average increase in its schedules of rates for electricity sold in the amount of .000832 per kilowatt-hour (KWH).
2. The accompanying changes in schedules of rates are based solely upon the changes in the cost of power and energy, purchased and generated by this utility.
3. All of the matters and facts stated herein and in the attached exhibits are true and correct. If approved, this change of rate shall take effect beginning with the April 2011 billing cycle.

City of Auburn, Indiana

By: Patricia M. Miller

STATE OF INDIANA     )  
  )  
COUNTY OF DEKALB    )

Personally appeared before me, a Notary Public in and for said county and State, this Patricia M. Miller, who, after having been duly sworn according to law, stated that he/she is an officer of the City of Auburn, Indiana, that he/she has read the matters and facts stated above, and in all exhibits attached hereto, and that the same are true; that he/she is duly authorized to execute this instrument for and on behalf of the applicant herein.



Ina M. Shippe  
NOTARY PUBLIC

My Commission Expires:  
July 25, 2015

My County of Residence  
DeKalb

AUBURN MUNICIPAL ELECTRIC UTILITY  
Auburn, Indiana

Appendix A – Wholesale Power Factor

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Rate Adjustments

The Rate adjustments shall be on the basis of a Power Cost Adjustment Tracking Factor occasioned solely by changes in the costs of purchased and generated power and energy, in accordance with the Order of the Indiana Utility Regulatory Commission, approved April 5, 1995 in Cause No. 40095, as follows:

Rate Adjustments applicable to the above listed Rates Schedules:

\$ .012531 per KWH per month (Positive Factor)

February 11, 2011

April, May and June 2011

AUBURN MUNICIPAL ELECTRIC UTILITY  
Auburn, Indiana

Appendix A - Wholesale Power Factor

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Rate Adjustments

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February 11, 2011

April, May and June 2011

**AUBURN MUNICIPAL  
ELECTRIC UTILITY**  
Auburn, Indiana

**2011  
2<sup>nd</sup> Qtr. Wholesale Power Tracker**

February 11, 2011



**Financial  
Solutions  
Group,  
Inc.**

AUBURN MUNICIPAL ELECTRIC UTILITY

DETERMINATION OF RATE ADJUSTMENT FOR THE  
 THREE MONTHS OF  
 APRIL, MAY AND JUNE 2011

LINE NO.		DEMAND RELATED	ENERGY RELATED
1	INCREMENTAL CHANGE IN BASE RATE PURCHASED POWER COST (a)	0.000000	0.0155590
2	ESTIMATED PURCHASED POWER ENERGY COST ADJUSTMENT (b)	<u>0.000000</u>	<u>0.000000</u>
3	ESTIMATED TOTAL CHANGE IN PURCHASED POWER COST (c)	<u>0.000000</u>	<u>0.015559</u>
4	ESTIMATED CHANGE IN PURCHASED POWER COST ADJUSTED FOR LOSSES & UTILITY RECEIPTS TAX (d)	0.000000	0.016349
5	PLUS TRACKING FACTOR EFFECTIVE PRIOR TO AEP'S RATE CHANGE (e)	<u>0.000000</u>	<u>0.000000</u>
6	ESTIMATED TOTAL RATE ADJUSTMENT (f)	0.000000	0.016349
7	ESTIMATED AVERAGE BILLING UNITS (g)	<u>0</u>	<u>36,743,333</u>
8	ESTIMATED INCREMENTAL CHANGE IN PURCHASED POWER COST (h)	<u><u>0.000000</u></u>	<u><u>600,713.08</u></u>

AUBURN MUNICIPAL ELECTRIC UTILITY

DETERMINATION OF RATE ADJUSTMENT FOR THE  
 THREE MONTHS OF  
 APRIL, MAY AND JUNE 2011

LINE NO.	ESTIMATED KW	ESTIMATED KWH	INCREMENTAL CHANGE IN PURCHASED POWER COST ADJUSTED FOR LINE LOSS & UTILITY RECEIPTS		
	<u>PURCHASED</u>	<u>PURCHASED</u>	<u>DEMAND</u>	<u>ENERGY</u>	<u>TOTAL</u>
1	- (a)	36,743,333 (b)	- (c)	600,713.08 (d)	600,713.08 (e)

AUBURN MUNICIPAL ELECTRIC UTILITY

DETERMINATION OF RATE ADJUSTMENT FOR THE  
 THREE MONTHS OF  
 APRIL, MAY AND JUNE 2011

LINE NO.	PLUS VARIANCE WITH LINE LOSS & GROSS REC.		TOTAL CHANGE IN PURCHASED POWER COST ADJ. FOR LINE LOSS & GROSS RECEIPTS TAX		RATE ADJUSTMENT FACTOR PER KWH				
	DEMAND	ENERGY	DEMAND	ENERGY	DEMAND	ENERGY	TOTAL		
1	-	(a) (140,291.42)	-	(c) 460,421.66	(d) 460,421.66	(e) 0.012531	(f) 0.012531	(g) 0.012531	(h)

AUBURN MUNICIPAL ELECTRIC UTILITY

DETERMINATION OF RATE ADJUSTMENT FOR THE  
 THREE MONTHS OF  
 APRIL, MAY AND JUNE 2011

ESTIMATED POWER PURCHASES AND COSTS FROM AEP

LINE NO.		April 2011	May 2011	June 2011	TOTAL	ESTIMATED 3-MONTH AVERAGE
<b><u>PURCHASE</u></b>						
1	DEMAND (KW) (a)	1,941	1,941	1,941	5,823	1,941
2	ENERGY (KWH) (b)	33,470,000	37,000,000	39,760,000	110,230,000	36,743,333
<b><u>COST</u></b>						
3	Capacity Rate (c)	174.29	174.29	174.29		
4	Fixed Energy Rate (d)	40.460	40.460	40.460		
<b><u>COST</u></b>						
5	Capacity Cost (e)	\$ 338,296.89	\$ 338,296.89	\$ 338,296.89	1,014,890.67	338,297.00
6	Fixed Energy Cost (f)	1,354,196.20	1,497,020.00	1,608,689.60	4,459,905.80	1,486,635.00
7	Net Estimated PJM Settlement (g)	179,000.00	179,000.00	179,000.00	537,000.00	179,000.00
8	Total Amount (h)	<u>\$ 1,871,493.09</u>	<u>\$ 2,014,316.89</u>	<u>\$ 2,125,986.49</u>	<u>\$ 6,011,796.47</u>	<u>\$ 2,003,932.00</u>
9	2009 Test Year Average Cost for Initial Tracker (i)					<u>\$ 1,452,141.12</u>
10	Increase (j)				<u>38.00%</u>	<u>\$ 551,790.88</u>
11	Increase per KWH (k)					<u>\$ 0.015559</u>

AUBURN MUNICIPAL ELECTRIC UTILITY  
RECONCILIATION OF VARIANCES FOR THE  
THREE MONTHS OF  
OCTOBER, NOVEMBER AND DECEMBER 2010

<u>LINE NO.</u>		<u>DEMAND RELATED</u>	<u>ENERGY RELATED</u>
1	ACTUAL PURCHASED POWER ENERGY COST ADJUSTMENT (a)	0.000000	0.0110320
2	PLUS TRACKING FACTOR EFFECTIVE PRIOR TO (b)	<u>0.000000</u>	<u>0.000000</u>
3	TOTAL RATE ADJUSTMENT (c)	0.000000	0.0110320
4	ACTUAL AVERAGE BILLING UNITS (d)	<u>1,910</u>	<u>32,423,000</u>
5	ACTUAL INCREMENTAL CHANGE IN PURCHASED POWER COST (e)	<u>0.000000</u>	<u>\$ 357,690.54</u>

AUBURN MUNICIPAL ELECTRIC UTILITY  
 RECONCILIATION OF VARIANCES FOR THE  
 THREE MONTHS OF  
 OCTOBER, NOVEMBER AND DECEMBER 2010

LINE NO.	ACTUAL KW PURCHASED	ACTUAL KWH PURCHASED	INCREMENTAL CHANGE IN PURCHASED POWER COST		TOTAL
			DEMAND	ENERGY	
1	1,910.00 (a)	32,423,000 (b)	- (c)	357,690.54 (d)	357,690.54 (e)

AUBURN MUNICIPAL ELECTRIC UTILITY  
 RECONCILIATION OF VARIANCES FOR THE  
 THREE MONTHS OF  
 OCTOBER, NOVEMBER AND DECEMBER 2010

LINE NO.	ACTUAL AVERAGE KWH SALES	DEMAND ADJUSTMENT		ENERGY ADJUSTMENT		INCREMENTAL KW DEMAND		INCREMENTAL KWH ENERGY		LESS PREVIOUS VARIANCE			
		FACTOR PER KWH	FACTOR PER KWH	FACTOR PER KWH	BY UTILITY	COST BILLED	BY UTILITY	COST BILLED	BY UTILITY	DEMAND	ENERGY		
1	32,388,517	(a)	-	(b)	0.0136500	(c)	-	(d)	435,913.89	(1)	(f)	(55,290.20)	(g)
										(e)			

(1) See Attachment B for detail.

AUBURN MUNICIPAL ELECTRIC UTILITY  
 RECONCILIATION OF VARIANCES FOR THE  
 THREE MONTHS OF  
 OCTOBER, NOVEMBER AND DECEMBER 2010

LINE NO.	NET INCREMENTAL COST BILLED BY UTILITY			VARIANCE		
	DEMAND	ENERGY	TOTAL	DEMAND	ENERGY	TOTAL
1	- (a)	491,204.09 (b)	491,204.09 (c)	- (d)	(133,513.55) (e)	(133,513.55) (f)

AUBURN MUNICIPAL ELECTRIC UTILITY

RECONCILIATION OF RATE ADJUSTMENT FOR THE  
 THREE MONTHS OF  
 OCTOBER, NOVEMBER AND DECEMBER 2010

ACTUAL POWER PURCHASES AND COSTS FROM AEP

LINE NO.		October 2010	November 2010	December 2010	TOTAL	3-MONTH AVERAGE
	<b><u>PURCHASE</u></b>					
1	DEMAND (KW)	1,941.18	1,878.56	1,941.18	5,760.91	1,910.00
2	ENERGY (KWH)	33,405,000	31,441,000	31,280,000	96,126,000	32,423,000
	<b><u>COST</u></b>					
3	Capacity Rate (c)	\$ 174.29000	\$ 174.29000	\$ 174.29000		
4	Fixed Energy Rate (d)	40.460	40.460	40.460		
	<b><u>COST</u></b>					
5	Capacity Cost (e)	\$ 338,327.39	\$ 327,413.53	\$ 338,327.39	1,004,068.31	334,689.00
6	Fixed Energy Cost (f)	1,351,566.30	1,272,102.86	1,265,588.80	3,889,257.96	1,296,419.00
7	Net PJM Settlement (g)	92,421.29	132,747.62	311,037.99	536,206.90	178,736.00
8	Total Billed (h)	<u>\$ 1,782,314.98</u>	<u>\$ 1,732,264.01</u>	<u>\$ 1,914,954.18</u>	<u>\$ 5,429,533.17</u>	<u>\$ 1,809,844.00</u>
9	2009 Test Year Average Cost for Tracker (i)					<u>1,452,141.12</u>
10	Increase (j)				<u>24.63%</u>	<u>\$ 357,702.88</u>
11	Factor (k)					<u>0.011032</u>

AUBURN MUNICIPAL ELECTRIC UTILITY

RECONCILIATION OF VARIANCES FOR THE  
THREE MONTHS OF  
OCTOBER, NOVEMBER AND DECEMBER 2010

ACTUAL AVERAGE KWH SALES

<u>LINE NO.</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>Total</u>	<u>Average</u>
1	31,457,010 (a)	31,127,243 (b)	34,581,299 (c)	97,165,552 (d)	32,388,517 (e)

AUBURN MUNICIPAL ELECTRIC UTILITY

DETERMINATION OF RATE ADJUSTMENT FOR THE  
THREE MONTHS OF  
APRIL, MAY AND JUNE 2011

ESTIMATED UNITS TO BE PURCHASED AND SOLD

LINE NO.		April	May	June	Total	Average
1	Units Purchased (a)	33,470,000	37,000,000	39,760,000	110,230,000	36,743,333
2	Line Loss (b)	3.48%	3.48%	3.48%		
3	Units Sold (c)	32,305,244	35,712,400	38,376,352	106,393,996	35,464,665

AUBURN MUNICIPAL ELECTRIC UTILITY

DETERMINATION OF RATE ADJUSTMENT FOR THE  
THREE MONTHS OF  
APRIL, MAY AND JUNE 2011

CALCULATION OF INCREMENTAL ENERGY COST  
BILLED BY AUBURN

<u>MONTHS</u>	<u>KWH</u>		<u>FACTOR</u>		<u>DOLLAR</u>
2010	SALES	(a)		(b)	AMOUNT (c)
October	31,457,010		0.0136500		\$ 429,388.00
November	31,127,243		0.0136500		424,887.00
December	34,581,299		0.0136500		472,035.00
Total	97,165,552				\$ 1,326,310.00
Average	32,388,517				\$ 442,103.33
Utility Receipts Tax					\$ 0.986
Monthly Amount without Utility Receipts					\$ 435,913.89

AUBURN MUNICIPAL ELECTRIC UTILITY

DETERMINATION OF RATE ADJUSTMENT FOR THE  
 THREE MONTHS OF  
 APRIL, MAY AND JUNE 2011

Impact of Tracker

	<u>Average Usage</u> (a)	<u>Current Tracker</u> (b)	<u>Proposed Tracker</u> (c)	<u>Difference</u> (d)
		0.011699 (e)	0.012531 (f)	0.000832
Residential	2,000	\$ 23.40	\$ 25.06	\$ 1.66
Commercial	8,500	99.44	106.51	7.07
Industrial (Small)	88,300	1,033.02	1,106.49	73.47
Industrial (Large)	15,025,000	175,777.48	188,278.28	12,500.80

ATTACHMENT D

AUBURN MUNICIPAL ELECTRIC UTILITY  
 DETERMINATION OF RATE ADJUSTMENT FOR THE  
 ACTUAL COST FOR JANUARY THROUGH DECEMBER 2010

(Note: New Rates in Effect during This Time)

Billing Date Month	KWH (a)	KW (b)	Capacity		Fixed Energy		PJM Settlement		PJM Settlement		Total Bill (\$)		Cost per KWH (h)	
			Charge		Charge		Charge	Credit	Charge	Credit				Increase
January 2010	38,320,000	2,456.29	\$ 257,460.96	\$ 1,542,380.00	\$ 1,550,489.00	\$ (1,691,406.02)	\$ 1,658,923.94	0.04329						
February 2010	29,460,000	2,218.59	232,545.38	1,191,951.60	1,375,040.89	(1,200,810.23)	1,598,727.64	0.05427						25.35%
March 2010	28,467,000	2,456.29	257,460.96	1,151,774.82	1,250,439.51	(985,610.53)	1,674,064.76	0.05881						8.36%
April 2010	30,304,000	2,377.06	249,155.77	1,226,099.84	1,108,559.72	(996,221.76)	1,587,593.57	0.05239						-10.91%
May 2010	29,812,000	2,456.29	257,460.96	1,206,193.52	1,272,082.02	(1,040,162.14)	1,695,574.36	0.05688						8.56%
June 2010	30,304,000	1,878.56	327,413.60	1,226,099.84	1,649,707.98	(1,255,383.39)	1,947,838.03	0.06428						13.01%
July 2010	30,387,000	1,941.18	338,327.38	1,229,458.02	1,917,635.31	(1,423,443.37)	2,061,977.34	0.06786						5.57%
August 2010	32,896,000	1,941.18	338,327.38	1,330,972.16	1,932,739.28	(1,491,111.91)	2,110,926.91	0.06417						-5.43%
September 2010	34,077,000	1,878.56	327,413.60	1,378,755.42	1,189,476.65	(1,143,971.84)	1,751,673.83	0.05140						-19.89%
October 2010	33,405,000	1,941.18	338,327.38	1,351,566.30	1,154,528.10	(1,062,106.81)	1,782,314.97	0.05335						3.80%
November 2010	31,441,000	1,878.56	327,413.60	1,272,102.86	1,202,655.33	(1,069,907.71)	1,732,264.08	0.05510						3.26%
December 2010	31,280,000	1,941.18	338,327.38	1,265,588.80	1,636,490.12	(1,325,452.13)	1,914,954.17	0.06122						11.12%
<b>Total</b>	<b>380,153,000</b>	<b>25,364.90</b>	<b>\$ 3,589,634.35</b>	<b>\$ 15,372,943.18</b>	<b>\$ 17,239,843.91</b>	<b>\$ (14,685,587.84)</b>	<b>\$ 21,516,833.60</b>							<b>41.41%</b>

AUBURN MUNICIPAL ELECTRIC UTILITY

TRACKER HISTORY

	<u>Tracker</u>	<u>Change</u>
1st Quarter 2010	0.010707	Estimated
2nd Quarter 2010	0.010707	Estimated
3rd Quarter 2010	0.018982	77.29%
4th Quarter 2010	0.013650	-28.09%
1st Quarter 2011	0.011699	-14.29%
2nd Quarter 2011	0.012531	7.11%

**Tina Shipe**

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**From:** Tina Shipe  
**Sent:** Friday, February 11, 2011 2:10 PM  
**To:** 'Legals'  
**Subject:** Wholesale Power Legal Notice  
**Attachments:** Ad for 2nd Qtr 2011 WPF Tracker.doc

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Please advertise this Wholesale Power legal notice on 2/17/2011. Thank you!

*Tina M. Shipe*  
*Deputy Clerk-Treasurer*  
*City of Auburn, IN*  
*260.925.6450 x 1102 (phone)*  
*260.920.3358 (fax)*  
*[tmshipe@ci.auburn.in.us](mailto:tmshipe@ci.auburn.in.us)*

## NOTICE OF PROPOSED RATE CHANGE BY AUBURN CITY ELECTRIC UTILITY

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Notice is hereby given to rate payers of the municipally owned electric utility and other interested persons of the following Wholesale Power Factor Tracker change for April 1 – June 30, 2011. The City of Auburn, Indiana under and pursuant to the Public Service Commission Act, as amended, and the Indiana Utility Regulatory Commission's Order in Cause No 40095 and Cause No 43638, hereby files with the Commission for its approval and average increase in its schedule of rates for the Wholesale Power Factor for electricity sold in the amount of .000832 per kilowatt hours (KWH) for a new rate of .012531 per KWH.

The utility has made a filing with the Indiana Utility Regulatory Commission for approval of the Rate Change. If approved, the rate change will take effect for bills to be rendered beginning with April 1, 2011 billing.

Objections should be submitted to: The Indiana Utility Regulatory Commission, 101 W Washington Street, Suite 1500 East, Indianapolis IN 46204 and/or Office of Utility Consumer Counselor, 115 W Washington Street, Suite 1500 South, Indianapolis IN 46204.

Patricia M. Miller  
Clerk-Treasurer  
City of Auburn, IN