

ORIGINAL

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

IN THE MATTER OF THE VERIFIED JOINT)
 PETITION OF WHITE COUNTY REMC AND)
 INDIANA MICHIGAN POWER COMPANY)
 FILED PURSUANT TO IND. CODE §8-1-2.3-)
 4(a) FOR APPROVAL OF WRITTEN) CAUSE NO. 43907
 CONSENT FOR INDIANA MICHIGAN)
 POWER COMPANY TO PROVIDE) APPROVED: AUG 18 2010
 ELECTRIC SERVICE TO THE MEADOW)
 LAKE WIND FARM LOCATED WITHIN THE)
 SERVICE AREA OF WHITE COUNTY)
 REMC.)

BY THE COMMISSION:
David E. Ziegner, Commissioner
Jeffery A. Earl, Administrative Law Judge

On June 2, 2010, White County Rural Electric Membership Corporation (the “REMC”) and Indiana Michigan Power Company (“I&M”) (collectively “Joint Petitioners”) filed a Verified Joint Petition with the Indiana Utility Regulatory Commission (the “Commission”). Pursuant to Indiana Code section 8-1-2.3-4(a), the Joint Petition seeks Commission approval of a Limited and Conditional Consent to Serve Agreements (the “Consent Agreements”) entered into by the REMC and I&M with Meadow Lake Wind Farm II LLC, Meadow Lake Wind Farm III LLC, and Meadow Lake Wind Farm IV LLC respectively (collectively “Meadow Lake”), allowing I&M to provide retail electric service on a limited and conditional basis to Meadow Lake within the REMC’s assigned service area in White County, Indiana. A copy of the Consent Agreements and the Legal Description of Meadow Lake Switching Station were attached to the Joint Petition.

On June 10, 2010, Meadow Lake filed its Petition to Intervene, which the Commission granted by Docket Entry on June 24, 2010. On July 1, 2010, the Indiana Office of Utility Consumer Counselor (“OUCC”) prefiled the testimony of Ronald L. Keen, Senior Analyst in the Resource Planning and Communications Division.

Pursuant to notice published as required by law, proof of which was incorporated into the record by reference and placed in the official files of the Commission, a public hearing was held in this Cause on July 27, 2010, at 10:00 a.m., in Judicial Courtroom 224 of the PNC Center, 101 West Washington Street, Indianapolis, Indiana. Joint Petitioners, Meadow Lake, and the OUCC appeared at and participated in the hearing, and Joint Petitioners and the OUCC presented evidence. No members of the general public appeared or sought to testify at the hearing.

Based upon the applicable law and the evidence presented, the Commission now finds:

1. Commission Jurisdiction. The REMC is a rural electric membership corporation organized and existing under the laws of the State of Indiana, with its principal office and place of business located in Monticello, Indiana. The REMC is engaged in the business of distributing, furnishing, and selling retail electric service to the public in various counties in the State of Indiana, including White County, and has charter authority to do so.

I&M is a corporation organized under the laws of the State of Indiana. I&M qualifies as a “public utility” under Indiana Code section 8-1-2-1 and is engaged in the business of generating, transmitting, distributing, and selling retail electric service to the public within the State of Indiana, including White County, and has charter authority to do so. Each Joint Petitioner is an “electricity supplier” within the meaning of Indiana Code section 8-1-2.3-2(b).

Joint Petitioners request approval of consent to serve agreements under Indiana Code section 8-1-2.3-4(a). Therefore, the Commission has jurisdiction over the parties and the subject matter of this Cause.

2. Relief Sought. Pursuant to a written consent to serve agreement approved by the Commission in its January 20, 2010, Order in Cause number 43813, I&M currently acts as a third-party supplier of station power for Phase I of the Meadow Lake Wind Farm, owned and operated by Meadow Lake Wind Farm LLC. Joint Petitioners request Commission approval of the REMC’s consent for I&M to serve as a third-party supplier of “station power” for Phases II, Phase III, and Phase IV of the Meadow Lake Wind Farm in the event Meadow Lake is not able to self-supply station power for the generating facilities. Pursuant to the Consent Agreements, the REMC consents to I&M providing retail electric service for station power to the Meadow Lake Wind Farm generating facilities for an initial term expiring on September 14, 2014, with up to three (3) successive five-year renewal terms.

Joint Petitioners state a consent to serve under Indiana Code section 8-1-2.3-4(a) would be beneficial in this instance, rather than a service territory boundary change under Indiana Code section 8-1-2.3-6 because the Wind Farm is interspersed among other retail customers of the REMC, making a boundary modification impractical. The Joint Petitioners further state the Consent Agreements for which approval is requested in this proceeding are limited in duration and will not cause the duplication of electric utility facilities; waste of materials or resources; or uneconomic, inefficient, or inadequate electric service to the public. The Consent Agreements will not require a change in the electricity supplier for existing customers of either utility. There is no evidence to the contrary before the Commission in this proceeding.

3. Approval of Written Consent. Joint Petitioners seek relief pursuant to Indiana Code section 8-1-2.3-4(a) which, in part, provides:

As long as an electricity supplier continues to provide adequate retail service, it shall have the sole right to furnish retail electric service to each present and future consumer within the boundaries of its assigned service area and no other electricity supplier shall render or extend retail electric service within its assigned service area unless the electricity supplier with the sole right consents thereto in writing and the commission approves.

The REMC has the sole right to furnish retail electric service within its service territory. However, Joint Petitioners state the REMC will consent to I&M's provision of electricity to the Meadow Lake Wind Farm generating facilities in the event Meadow Lake is not able to self-supply station power for the generating facilities.

Based upon the law and the evidence discussed above, the Commission finds the REMC's consent to allow I&M to provide electricity to the Meadow Lake Wind Farm under the terms of the Consent Agreements, as set forth in the Joint Petition, should be approved.

According to the Verified Joint Petition, under PJM's FERC-approved netting rules, the only time Meadow Lake will have retail usage is in months when Meadow Lake's cumulative net kWh usage for the month as measured at the interconnection from I&M is greater than 0 kWh. According to the Verified Petition, Meadow Lake represents the likelihood of this occurring is very low. In the event Meadow Lake ever has positive net usage for the month, I&M proposes to bill Meadow Lake's usage under the provisions of Tariff M.G.S (Subtransmission Voltage). If multiple such events occur and Meadow Lake's 12-month average demands exceed 1,000 kVA, Meadow Lake would be required to take service under Tariff I.P. (Transmission Voltage). On that basis, I&M and Meadow Lake request the Commission approve the provision of retail service by I&M to Meadow Lake under the above-referenced tariffs.

Based upon the foregoing, the Commission finds the REMC's consent to allow I&M to provide electric service on a limited and conditional basis to Meadow Lake Phase II, Phase III, and Phase IV located within the REMC's assigned service area in White County, Indiana, should be approved. More specifically, the Commission finds the Consent Agreements' terms are reasonable and the Consent Agreements should be approved. The Commission further finds the terms of I&M's provision of service to Meadow Lake, as described above and in the Verified Joint Petition, are reasonable and should be approved.

IT IS THEREFORE ORDERED BY THE INDIANA UTILITY REGULATORY COMMISSION that:

1. White County REMC's consent to allow Indiana Michigan Power Company to provide electric service on a limited and conditional basis to Meadow Lake Wind Farm Phase II, Phase III, and Phase IV within the REMC's assigned service area in White County, Indiana, is APPROVED.

2. The Limited and Conditional Consent to Serve Agreements between White County REMC and Indiana Michigan Power Company and Meadow Lake II LLC, Meadow Lake III LLC, and Meadow Lake IV LLC respectively are APPROVED.

3. Indiana Michigan Power Company is authorized to provide service to Meadow Lake Wind Farm Phase II, Phase III, and Phase IV pursuant to Tariff M.G.S. (Subtransmission Voltage) and Tariff I.P. (Transmission Voltage) as described above in paragraph 3 above and in the Verified Joint Petition.

4. Within thirty (30) days of the date that service is transferred from White County REMC to Indiana Michigan Power Company pursuant to the Limited and Conditional Consent to Serve Agreements, White County REMC shall file notice with the Commission that it is no longer providing electric service to Meadow Lake Wind Farm Phase II, Phase III, and Phase IV.

5. White County REMC and Indiana Michigan Power Company shall file in this Cause, at least twelve (12) months prior to September 14, 2014, and the expiration date of any subsequent renewals, a notice indicating whether the Consent to Serve Agreement referenced above has been renewed or terminated.

6. This Order shall be effective on and after the date of its approval.

HARDY, ATTERHOLT, MAYS AND ZIEGNER CONCUR; LANDIS ABSENT:

APPROVED: AUG 18 2010

**I hereby certify that the above is a true
and correct copy of the Order as approved.**



Brenda A. Howe
Secretary to the Commission