ORIGINAL
APRIL 4, 2007

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION
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MEMORANDUM

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

FROM: Jerry L. Webb, Director of Water/Sewer Division

DATE: March 29, 2007

RE: Utility Articles for Next Conference

The following Final A, and Preliminary Articles A are submitted to each of you to acquaint you with the tariffs eligible for action or acceptance on or after April 4, 2007.

JLW/ld

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"A" Finals

The following miscellaneous item(s) will be eligible for final consideration at the next Commission Conference and based upon review by staff members of the Commission, I recommend approval.

1. Stucker Fork Water Utility

The utility is proposing to modify tariff wording in three places to help clarify charge descriptions to customers. The current and proposed language changes can be found below.

1. Fire Protection Charge:

CURRENT:
"Private Fire Hydrant *Rental*"

PROPOSED:
"Private Fire Hydrant *Fee*"

2. Fire Protection Charge:

CURRENT Automatic Sprinkler	*PROPOSED* Automatic Sprinkler
1 connection	1 *inch* connection
2 connection	2 *inch* connection
3 connection	3 *inch* connection
4 connection	4 *inch* connection
6 connection	6 *inch* connection
8 connection	8 *inch* connection
10 connection	10 *inch* connection
12 connection	12 *inch* connection

3. Customer Deposit:

CURRENT:
"Each customer will be required to have a deposit with the waterworks system, in the amount of $70.00, which will be refunded if and when they leave our system and all of their bills are paid in full."

PROPOSED:
"Each customer will be required to have a deposit with the waterworks system, in the amount of $70.00 *per meter*, which will be refunded if and when they leave our system and all of their bills are paid in full."

The tariff page affected by this filing is

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

Jerry L. Webb
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. Indiana Bell Telephone Company, Inc. d/b/a AT&T Indiana

The utility proposes to take an exception to the normal parity procedures contained in the Commission's June 2, 1993 Order in Cause No. 39369 in regard to FCC (Federal Communications Commission) Transmittal No. 1600. This Transmittal introduces AT&T Volume Discount Plan (AVDP) to Section 28 of FCC Tariff No. 2.

This is an interstate only service and does not apply to the Indiana jurisdiction.

The tariff sheets affected by this filing are:

- I.U.R.C. No. 20, Part 21 -
  - Section 1, Sheet 9
  - Section 2, Sheet 52

2. Indiana Michigan Power Company (I&M)

The Utility has submitted for Commission review a request for approval to restore the fiscal Year 7 net merger savings reduction rider factors following the third quarter reconciliation 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 fiscal Year 7 required rate reductions were temporarily adjusted for the February through April 2007 billing months for the reconciliation of fiscal Year 6.

The Settlement Agreement in Cause No. 41210 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.

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. The Company will also make a separate 30-day filing, at the request of Staff, prior to the conclusion of the third quarter reconciliation period, to return the 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.

The tariff sheets affected by this filing are:

- Nineteenth Revised Sheet No. 19
- Twentieth Revised Sheet No. 19.1
- Eighteenth Revised Sheet No. 21
- Twentieth Revised Sheet No. 22
- Eighteenth Revised Sheet No. 23
- Nineteenth Revised Sheet No. 23.1
- Fourteenth Revised Sheet No. 31

3. <u>Southern Indian Gas and Electric Company (electric)</u>

The Utility seeks Commission approval of its Rider CAAA, which reflect the proceeds from the off-system sale of allowances and the Environmental Protection Agency auction of allowances, pursuant to Commission's order in Cause No. 39347 and modifications as approved in the utility's April 1, 1997 Rider CAAA filings.

The Rider CAAA Factors are as follows:

RATE	PER Kwh
A	$ (0.000777)
EH	$ (0.000463)
B	$ (0.000770)
GS	$ (0.000401)
OSS	$ (0.000564)
LP	$ (0.000271)
HLF	$ (0.000277)

The tariff sheet affected by this filing is:

- Sheet No. 62

Jerry L. Webb
Director of Water/Sewer Division