STATE OF INDIANA

ORIGINAL
APRIL 23, 2008

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: April 15, 2008

RE: Utility Articles for Next Conference

The following Final Articles "A" and Preliminary Article "A" are submitted to each of you to acquaint you with the tariffs eligible for action or acceptance on or after April 23, 2008.

JLW/ld

"A" Final

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. Marshall County Rural Electric Membership Corporation

Marshall County REMC seeks Commission approval to add a new rate for irrigation service, Schedule 1-7.1 Irrigation Service. The proposed new rate will make it more economically feasible for the customer to keep the irrigation equipment connected during the off season. Some customers on the present Irrigation Rate, Schedule I-7, have been experiencing copper wire theft during the off season. It is hoped that keeping the irrigation equipment connected during the off season will prevent the theft. The new rate has been derived from the revenues of the existing Schedule I-7 for Irrigation Service, and has been designed for revenue neutrality of the two rates. In addition to the proposed new rate, the utility has amended the language in Schedule I-7 to note the choice of schedules for eligible customers; and has renamed the rate Schedule I-7-R. Irrigation customers can choose between the two rates by May 1 of each year, and must remain on the rate for 12 months. The utility provided cost justification for the new rate.

The tariff sheets affected by this filing are:

- Schedule I-7-R Irrigation Service
- Schedule I-7.1 Irrigation Service

2. Stucker Fork Conservancy District

The utility is requesting the Commission's approval to charge the cost of furnishing Public Fire Protection Service directly to the ratepayers in accordance to IC 8-1-2-103(d). Currently, the utility is billing the City of Austin $266.36 per hydrant, annually.

IC 8-1-2-103(d) states in part that:

"If the governing body of any municipality within the service area of the utility adopts an ordinance providing that costs shall be recovered under this subsection, the charges for the production, storage, transmission, sale and delivery, or furnishing of water for public fire protection purposes shall be included in the basic rates of all customers of the utility within the municipality. The change in the recovery of current revenue authorized by the ordinance shall be reflected in a new schedule of rates to be filed with commission at least thirty (30) days before the time the new schedule of rates is to take effect. The new schedule of rates shall:

(1) eliminate fire protection charges billed directly to governmental units, other than charges for the construction cost for new hydrants installed on and after the date specified in the ordinance; and

(2) increase the rates charged each customer of the utility, based on equivalent meter size, by an amount equal to:

a. the revenues lost from the elimination of such fire protection charges; divided by
b. the current number of equivalent five-eighths (5/8) inch meters.

This change in the recovery of public fire protection costs shall not be considered to be a general increase in basic rates and charges of the utility and is not subject to the notice and hearing requirements applicable to general rate proceedings. The commission shall approve the new schedule of rates that are to be effective on a date specified in the ordinance."

The City of Austin adopted Ordinance No. 2008-02 to authorize this change under IC 8-1.5-4-14 to comply with the above statutory requirement.

The customers' rates were calculated based on the meter ratios and the equivalent number of connections derived from the American Water Works Association (AWWA) Manual. The Commission has accepted the AWWA factors in similar requests. The following table depicts the proposed rates:

Meter Size	Proposed Monthly Charge
5/8"	$ 1.97
3/4"	$ 2.95
1"	$ 4.92
1 1/4 "	$ 7.86
1 1/2"	$ 9.83
2"	$ 15.73
3"	$ 29.49
4"	$ 49.15
6"	$ 98.29
8"	$157.27
10"	$226.07

The amount of annual fire protection revenue to be transferred from hydrant rentals currently paid by the City of Austin to surcharges to be paid by customers of the utility is $43,150.00.

The tariff pages affected by this filing are:

- Pages 1 to 4.

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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

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"A" Preliminary

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

1. Indianapolis Power & Light Company

The utility seeks to revise its Municipal Tariff (MU-1) in order to allow service to municipal devices other than street lights and traffic signals. This revision is responsive to requests from municipalities who have a need for electricity for devices such as antennas, cameras and wireless communication equipment used for public purposes. Since this filing utilizes the existing flat rate traffic signal and safety lighting service, no cost justification was necessary in this filing. The utility has contacted affected customers regarding the proposed change.

The tariff sheets affected are:

- Rate MU-1 – Municipal Lighting and Other Devices, sheet No. 90
- Rate MU-1 – Municipal Lighting and Other Devices, sheet No. 93
- Rate MU-1 – Municipal Lighting and Other Devices, sheet No. 94
- Table of Contents – Sheet No. 2.

Jerry L. Webb
Director of Water/Sewer Division