ORIGINAL
AUGUST 15, 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: August 10, 2007

RE: Utility Articles for Next Conference

The following Final Articles "A" and "M", and Preliminary Articles "A" are submitted to each of you to acquaint you with the tariffs eligible for action or acceptance on or after August 15, 2007.

JLW/ld

"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. Driftwood Utilities, Inc. (sewer)

The utility is proposing to add three reconnection fees; $405 for a basic reconnection, $560 for a mobile home reconnection and $1,560 for an extensive service reconnection. The establishment of these fees is to encourage payment for services rendered. Driftwood provided cost support for each of its proposed changes.

Description Types of Reconnections	Current Charge	Proposed Charge
Basic Service [1]	$ 0	$ 405
Mobile Home Service [2]	$ 0	$ 560
Extensive Service [3]	$ 0	$1,560

Driftwood has also modified its rules to adopt all applicable commission rules for service. The proposed rules will replace the utility's current rules on file with the commission and consists of only one page.

The tariff page affected by this filing is:

- Page 2 of 2.

2. Northern Indiana Public Service Company

The utility is proposing a revision to its General Rules and Regulations – Interconnection Standards Appendix D to Rule 51. This revision follows the Commission's previous approval of the utility's form of applications and interconnection agreements and is necessary to amend the utility's Electric Service Tariff. Appendix D is being revised to allow the customer an additional option to pay for excess facilities before construction in addition to the Excess Facilities charge under Rule 41 included in the utility's Rules and Regulations.

The tariff sheet affected by this filing is:

- Appendix D to Rule 51 - Interconnection Agreement Level 2 or Level 3.

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[1] This is a home with existing and functioning cleanout.
[2] This includes removing skirt from trailer, disconnecting current trailer-lateral connection and plugging both the trailer pipe and the lateral.
[3] Rates apply where customer has no existing above-ground cleanout that would permit disconnection without excavation. Service involves excavation of lateral sewer line to install new cleanout service. Service includes utility locates, material and equipment to install proper cleanout, and restoration of excavated site.

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"M" Final

A revision to the power cost tracker for electric utilities 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. 40095 have been met and I recommend approval.

Item No.	*Utility Name*	*Rate Schedule*	*Change $/kWh*	*Resultant $/kWh*	*Filing No.*
1.	Mishawaka Municipal	Residential	0.002550	0.025338	49
		Commercial	0.001663	0.026888	
		Commercial Power	(0.001947)	0.020990	
		Comm. Elec. Heat	0.005405	0.035683	
		Municipal	(0.001929)	0.021048	

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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" Preliminaries

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

1. Duke Energy Indiana, Inc.

Duke Energy Indiana seeks approval of a change in its Standard Contract Rider 63, Emission Allowance Adjustment, in accordance with Commission Order in Cause No. 42359, dated May 18, 2004. This Order reaffirmed Duke Energy Indiana's authorization to recover SO_2 and NO_x emission allowance costs via Standard Contract Rider No. 63. Additionally, in Cause No. 42718, dated May 24, 2006, the Commission approved an amendment to Duke Energy Indiana's Standard Contract Rider 63, authorizing recovery of mercury (Hg) emissions allowance costs.

The proposed emission allowance charge factor is $0.001050 per kilowatt-hour and is applicable to all retail electric rate schedules for the months of October, November, and December 2007. This factor includes the emission allowance cost variance of ($1,430,718) from March through May 2007. The proposed factor will be effective the later of the date of Commission's approval or the first billing cycle of October 2007.

The tariff sheet affected by this filing is:

- Standard Contract Rider No. 63.

2. Indiana Michigan Power Company

The Utility has submitted for Commission review and approval, under the Commission's 30-day filing procedure and the provisions of Tariff CS-IRP (Contract Service Interruptible Power), an amendment (the Fourth Amendment) to the Tariff CS-IRP Contract between Air Products & Chemicals, Inc. (Air Products) and the Utility. The contract was approved by the Commission on April 30, 1997. Use of the Commission's 30-day filing procedure for this contract amendment is appropriate based on the Commission's Order issued August 23, 1995, in Cause No. 40201.

The Fourth Amendment supplants the provisions of the Capacity Reservation portion of the contract to reflect the additional capacity needs of Air Products. The changes to the Contract provided by this Fourth Amendment were agreed to by mutual consent of the parties.

The Amendment negotiations were at "arm's length" resulting in the Amendment being executed by the Utility and Air Products on July 9, 2007. The principal aspects of the amendment provide as follows:

1. Air Products has requested a change in the Capacity Reservation established in the Fourth Amendment.

2. All other rates, terms and conditions, obligations and responsibilities set forth in the original contract remain unchanged.

The Utility and Air Products have also requested that the Commission treat specific terms of the Amendment as confidential and protect them from disclosure. Accordingly, an unredacted amendment was filed under seal with the requisite affidavit along with a redacted copy of the Amendment.

A review of the affidavit and supporting material indicates that the provisions concerning requests for confidentiality specified in the Commission's Order in Cause No. 40201, Tariff CS-IRP, and the Docket Entry of September 8, 1995, have been complied with and the material sought to be treated as confidential is being so treated consistent with I.C. 8-1-2-29 and I.C. 5-et seq.

The Amendment submitted for approval is entitled Fourth Amendment to the Contract for Electric Service Between Indiana Michigan Power Company and Air Products & Chemicals, Inc. dated March 26, 1997, consisting of a cover and two pages in redacted form and a cover and two pages in unredacted form.

3. <u>Indianapolis Power & Light Company</u>

The utility seeks to revise its tariff sheets (tariffs listed below) to reflect the current Standard Contract Riders applicable to each rate (e.g., Rider No. 21) and incorporate some additional administrative items (e.g., reflecting the correct name of the DSM Adjustment).

Tariffs affected by this filing are:

- Rate RS – Residential Service
- Rate UW – Water Heating – Uncontrolled Service
- Rate CW – Water Heating – Controlled Service
- Rate SS – Secondary Service (Small)
- Rate SH – Secondary Service – Electric Space Conditioning Separately Metered
- Rate OES – Off-Peak Energy Storage Separately Metered
- Rate SL – Secondary Service (Large)
- Rate PL – Primary Service (Large)
- Rate PH – Process Heating
- Rate HL – High Load Factor – Primary Distribution, Sub-Transmission, and Transmission Voltages

Jerry L. Webb
Director of Water/Sewer Division