STATE OF INDIANA

ORIGINAL
NOVEMBER 20, 2008

INDIANA UTILITY REGULATORY COMMISSION
101 W. WASHINGTON STREET, SUITE 1500E
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MEMORANDUM

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

FROM: Bradley K. Borum, Director of Electricity

DATE: November 14, 2008

RE: Conference Utility Articles

The following Final Article "A" is submitted to each of you to acquaint you with the tariff eligible for action or acceptance on or after November 20, 2008.

"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. Vectren Energy Delivery of Indiana, Inc.

Vectren requests permission to create a new rate schedule to remedy a previous schedule that has resulted in unexpectedly high bills for one of its customers.

The City of Evansville's Municipal Levee Authority (MLA) protects the city from flooding by maintaining a levee and operating a series of pumping stations. Heavy rainfall in southern Indiana in the Spring of 2008 caused MLA's electricity demand to increase and its demand charges to double. The Authority's unique rate schedule with Vectren has further resulted in extremely high demand charges since that time.[1]

Vectren's proposal to establish a new Rate MLA will specify a monthly Contract Demand that is based on MLA's historical electricity consumption patterns, excluding the Spring of 2008. MLA's new monthly Billing Demand will be equal to the higher of Actual Demand or Contract Demand.

The new Rate MLA will reduce current MLA Billing Demand Charges by approximately $7,000 per month and will achieve an annual revenue recovery approximately equal to the revenue recovery expected from MLA in Vectren's last rate case. This new rate will be revenue neutral for other customers.

The tariff sheet affected by this filing is:

- Rate MLA, Municipal Levee Authority Service, Sheet No. 20.

[1] The current rate schedule applicable to the MLA, Rate DGS, charges MLA for demand based on the higher of the current month's actual demand or 60% of the highest actual demand occurring in the previous twelve months.

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

Bradley K. Borum

Bradley K. Borum, Director
Electricity 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