



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 *Jerry L. Webb*

DATE: December 13, 2007

RE: Utility Article for Next Conference

The following Final Articles "A", "I", "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 December 19, 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. Citizens Gas & Coke Utility

The Utility proposes to change Rider E – Energy Efficiency Adjustment (EEA), consistent with the Commission’s Order on Rehearing in Cause No. 42767.

The EEA contains an Energy Efficiency Funding Component (EEFC) and a Sales Reconciliation Component (SRC). The purpose of the EEA is to adjust the delivery charges for Gas Rates Nos. D1, D2, D3, and D4 for (1) the EEFC which provides for the recovery of costs of funding energy efficiency efforts throughout the Utility’s service area and (2) the SRC which provides for the recovery of the differences between Actual Margins and Adjusted Order Granted Margins for the applicable rate schedules.

The proposed net Rider E - Energy Efficiency Adjustment factors per therm, based upon expected calendar year 2008 throughput to gas customers in Gas Rate Nos. D1, D2, D3, and D4 are:

<i>Rate Schedule</i>	<i>(A) Energy Efficiency Funding Component</i>	<i>(B) Sales Reconciliation Component</i>	<i>(A) + (B) Energy Efficiency Adjustment Rate</i>
Gas Rate D1	\$0.0000/therm	\$0.0020/therm	\$0.0020/therm
Gas Rate D2	\$0.0000/therm	(\$0.0002)/therm	(\$0.0002)/therm
Gas Rate D3	\$0.0000/therm	(\$0.0006)/therm	(\$0.0006)/therm
Gas Rate D4	\$0.0000/therm	\$0.0000/therm	\$0.0000/therm

The following pages of Citizens’ tariff affected by this filing are:

- Page Nos. 505 and 505A, Rider E.

2. Citizens Gas & Coke Utility

In compliance with the Stipulation and Settlement Agreement in Cause No. 41605 ("Settlement Agreement"), the Utility has proposed a change to the Customer Benefit Distribution ("CBD") to be effective January 1, 2008.

The purpose of the CBD is (1) to provide as a benefit to the Utility's gas customers available funds from its unregulated businesses and affiliates or subsidiaries and (2) provide a means for

Citizens to recover certain FAS106 and FAS71 costs incurred by Citizens and agreed to by the Parties in the Settlement Agreement.

The proposed CBD factor, based upon expected calendar year 2008 throughput to gas customers, is \$(0.047) per dekatherm for Gas Rates D1, D2, D3, D4, D5, D6, D7, and D9.

The tariff sheet affected by this filing is:

- Page No. 503, Rider C, Customer Benefit Distribution.

3. Vectren South (Gas)

Vectren South ("Vectren") is proposing to update the Unaccounted For Gas Percentage in Appendix F from 1.2% to 0.9%. Appendix F is applicable to all Transportation Customers, School Suppliers, and Pool Operators. Vectren retains a percentage of the quantities received from those customers to compensate for unaccounted for gas. Vectren adjusts the Unaccounted For Gas Percentage periodically, reflecting any changes in the percentage. The utility provided support for the change.

The tariff sheet affected by this filing is:

- Sheet No. 35, Appendix F.

"I" Finals

A revision to the tracking costs from the Indiana Municipal Power Agency members 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. 36835-S1 approved January 11, 1983, and/or Order Nos. 36835-S2 approved May 2, 1984, Order No. 36835-S3 approved December 13, 1989, have been met and I recommend approval.

Item No.	Utility Name	Rate Schedule	Change \$/kWh	Resultant \$/kWh	Filing No.
1.	Anderson Municipal Light & Power	RS	0.000810	0.017874	101
		GS 1 phase	0.002678	0.019880	
		3 phase	0.002254	0.019881	
		SP	0.45	4.23	/kW
			0.002180	0.007810	
		LP	0.29	4.55	/kVA
			0.002033	0.008045	
		LP Off Peak	(3.469161)	(0.20)	/kVA
			0.002280	0.007019	
		CL	0.005261	0.019307	
SL	0.004052	0.015325			
OL	0.003816	0.017468			
2.	Knightstown Municipal Electricity	All	0.005912	0.020124	4
3.	Peru Municipal Electric Department	RS	0.001902	0.013098	102
		GSA-1	0.004000	0.015322	
		PS	0.004460	0.014091	
		MSL-1	0.004134	0.010013	
		TL	0.006204	0.014975	
4.	Richmond Municipal Power & Light	R	0.001575	0.023028	101
		CL	0.003041	0.040076	
		GP, GEH, EHS	0.000604	0.012620	
		LPS & IS	0.719475	5.908076	/kVA
			0.847069	6.955833	/kW
			0.002783	0.007370	
OL, M, N	0.002959	0.007618			

- Effective: January, February, and March 2008.

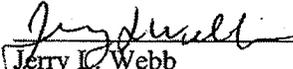
"M" Final

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.

<i>Item No.</i>	<i>Utility Name</i>	<i>Rate Schedule</i>	<i>Change \$/kWh</i>	<i>Resultant \$/kWh</i>	<i>Filing No.</i>
1.	Auburn Municipal Electric Utility	All	0.000508	0.002881	50

- Effective: January, February, March 2008.

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" Preliminaries

This preliminary items have been reviewed and the filings are hereby recommended by Commission staff for acceptance.

1. Indiana Michigan Power Company

The utility has submitted for Commission review a request for approval of fiscal Year 8, third quarter, net merger savings reduction rider factors 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). These factors reflect the fiscal Year 8 required rate reduction adjusted for the fiscal Year 7 reconciliation of actual versus projected kWh sales.

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 the utility's testimony in Cause No. 41210, prior to the beginning of each fiscal year following consummation of the merger, the utility 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 utility will also make a separate 30-day filing, at the request of Staff, prior to the conclusion of the third quarter reconciliation period, that returns 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 the utility's Indiana base rates are changed.

Attachment A 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 for the third quarter of fiscal Year 8 are:

- Twenty-Second Revised Sheet No. 21
- Twenty-Fourth Revised Sheet No. 22
- Twenty-Second Revised Sheet No. 23
- Twenty-Second Revised Sheet No. 23.1
- Seventeenth Revised Sheet No. 31

2. Morgan County Rural Water Corporation

The utility is proposing to increase its Connection Charge (Tap Fee) for a 5/8 inch meter from \$1,060.00 to \$1,460.00. The reason for this increase is due to increased costs associated with providing these services. The current and proposed charges can be found below. Cost support has been provided.

<i>Description of Service</i>	<i>Current Charge</i>	<i>Proposed Charge</i>
Connection Charge (tap fee)	\$1,060.00	\$1,460.00

The tariff page affected by this filing is:

- Page 2, Item (d).

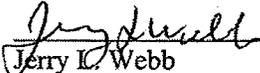
3. Rhorer, Harrell & Schacht Roads Water Corporation

The utility is proposing to increase its reconnect charge and is adding a disconnect charge for disconnection of service due to non-payment of bills. The reason for these changes is due to changes in the service contract between the outside contractor and the utility. The current and proposed charges can be found below. Cost support has been provided.

<i>Tariff Charge</i>	<i>Current</i>	<i>Proposed</i>
Reconnect Charge	\$ 20.00	\$ 25.00
Disconnect Charge	\$ 0.00	\$ 25.00

The tariff page affected by this filing is:

- Page 3.


Jerry K. Webb
Director of Water/Sewer Division