STATE of INDIANA

ORIGINAL
DECEMBER 23, 2008

INDIANA UTILITY REGULATORY COMMISSION
101 W. WASHINGTON STREET, SUITE 1500E
INDIANAPOLIS, INDIANA 46204-3407

http://www.in.gov/iurc
Office: (317) 232-2701
Facsimile: (317) 232-6758

AMENDED UTILITY ARTICLES

MEMORANDUM

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

FROM: Bradley K. Borum, Director of Electricity Division
Jane Steinhauer, Director of Natural Gas Division
E. Curtis Gassert, Director of Water/Sewer Division

DATE: December 23, 2008

RE: Utility Articles for Next Conference

The following Final Articles "A", "G", "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 23, 2008.

/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. 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, 2009.

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 costs incurred by Citizens and agreed to by the Parties in the Settlement Agreement.

The proposed CBD factors, based upon expected calendar year 2009 throughput to gas customers is $(0.021) per dekatherm for Gas Rates D1, D2, D3, D4, D5, D7, and D9.

The tariff sheet affected by this filing is:

- First Revised Page No. 503, RIDER C, CUSTOMER BENEFIT DISTRIBUTION

2. City of Indianapolis Department of Waterworks

Utility is proposing to amend Rule 12(Q) of its Rules approved September 11, 2002. The utility believes this amendment is necessary to allow the utility to deviate from its Area Rate Program and enter into special contracts for main extensions pursuant to 170 IAC 6-1.5-40 when justified.

CURRENT:

> All main extensions shall be installed, service connections made and water service rendered by the Department in accordance with all applicable rules and standards prescribed by the Commission and the Department's rates, charges and rules approved by the Commission and in effect from time to time.

PROPOSED:

> All main extensions shall be installed, service connections made and water service rendered by the Department in accordance with all applicable rules and standards prescribed by the Commission and the Department's rates, charges and rules approved by the Commission and in effect from time to time. *Notwithstanding the foregoing, the Department may enter into special contracts for main extensions pursuant to 170 IAC 6-1.5-40 when the Department*

determines that circumstances are such that a special contract for main extension deviating from the Department's rules is justified.

(Emphasis added to highlight proposed change.)

The rule page affected by this filing is:

- Page 43.

3. Columbus Municipal Water Utility

The utility is requesting the Commission's approval to charge the cost of furnishing Public Fire Protection Service directly to its ratepayers in accordance to I.C. § 8-1-2-103(d). Currently, the utility is billing the City of Columbus $289.65 per hydrant, annually. In addition, the utility has proposed to add a 12" monthly meter charge.

Public Fire Protection Surcharge

The City of Columbus adopted an Ordinance on October 21, 2008 to authorize this change under I. C. § 8-1.5.

The following table depicts the proposed rates:

Meter Size	*Proposed Monthly Charge*
5/8"	$ 1.65
3/4"	$ 1.65
1"	$ 4.22
1 1/2"	$ 9.50
2"	$ 16.90
3"	$ 38.02
4"	$ 67.58
6"	$ 152.06
8"	$ 270.34
10"	$ 422.40
12"	$ 608.26

The amount of annual fire protection revenue to be transferred from hydrant rentals currently paid by the City of Columbus to surcharges to be paid by utility customers is $542,225.

12" Monthly Meter Charge

The utility has also requested the Commission's approval to add a 12" monthly meter charge to the utility's tariff.

Tariff Charge	*Current*	*Proposed*
12" Meter Charge	$ -	$ 148.76

- All tariff pages are affected.

4. Duke Energy Indiana , Inc.

Duke Energy Indiana, Inc. is modifying the termination date of its Standard Contract Rider No. 56, *GOGREEN POWER* from December 31, 2008 to March 22, 2009. This change will put the rider in compliance with the three year term of the program pursuant to the Commission's order in Cause No. 42966 on March 22, 2006.

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"G" Final

Revisions to the Fuel Cost Adjustment factor 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 this filing in Commission Order No. 35687 has been met and I recommend approval.

Item No.	*Utility Name*	*Change*	*Filing Number*
1.	Straughn	Decrease	111-08-12

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"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	Utility	Rate Schedule	$/kWh Change	$/kWh Resultant	Filing No.
1.	Knightstown	ALL	0.010935	0.027457	8
2.	Columbia City	R	0.010148	0.033441	60
		RH	0.014069	0.035052	
		GS	0.010762	0.029107	
		GS-H	0.013259	0.035225	
		M	0.012092	0.033515	
		GS-L	0.013788	0.033143	
		GS-I	0.011565	0.029445	
3.	Tipton	RATE – A	0.013954	0.030733	105
		RATE – B	0.013453	0.031825	
		RATE – C	0.020592	0.036768	
		RATE – D	0.016984	0.031959	
4.	Richmond	R	0.001656	0.026467	105
		CL	0.000417	0.039890	
		GP, GEH, EHS	0.003163	0.015605	
		LPS & IS	(0.257584)	4.228143 kW	
			(0.303266)	4.977975 kW	
			0.005717	0.013353	
		OL, M, N	0.005893	0.013414	

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Item	Utility	Rate Schedule	$/kWh Change	$/kWh Resultant	Filing No.
5.	Anderson	RS	0.006758	0.030844	105
		GS 1 phase	0.008298	0.033050	
		GS 3 phase	0.007942	0.031297	
		SP/kW	1.53	5.090000/kW	
		SP/kWH	0.005985	0.012614	
		LP/kVA	2.07	7.190000/kVA	
		LP/kWH	0.017584	0.026448	
		LP Off-Peak/kVA	4.180000	9.320000/kVA	
		LP Off-Peak/kWH	0.009329	0.018193	
		CL	0.010610	0.033109	
		SL	0.010995	0.027035	
		OL	0.009564	0.030098	

January, February, March 2009

"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.	Auburn Municipal	All	0.000304	0.006200	54

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

Bradley K. Borum, Director
Electricity Division

Jane Steinhauer, Director
Natural Gas Division

E. Curtis Gassert, 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

"A" Preliminary

The following new miscellaneous item has been reviewed by staff members of the Commission and we recommend accepting it for filing.

1. Cogeneration and Alternate Energy Production Facilities

The following utility has submitted proposed tariffs for the purchase of power and energy from a qualifying facility as required in Appendix A, Rules and Regulations with Respect to Cogeneration and Alternate Energy Production Facilities, (170 I.A.C. 4-4.1), Cause No. 37494. Review of the rates and the support data reveals that these utilities have complied with the requirements of these Rules.

Item No.	*Utility Name*	*Rate Schedule*	*Energy $/kWh*	*Demand $/kW*
1.	Duke Energy Ind.	Rider No. 50	0.032064	5.11

2. Northeastern Rural Electric Membership Corporation

The Utility proposes to add Schedule NB-I - Residential Net Billing Service to its current tariff. Schedule NB-I will be applicable to residential customers with installed and operational wind, solar or biomass generation equipment with a capacity of 10 kW or less. The net flow of electricity will be measured so that the customer's generation output will directly offset energy consumption. When the customer's net kWh energy use is positive during a month, charges for the energy will be due and payable with the current months billing. When the customer's net energy use is negative, the Utility will purchase the energy and credit the customer's bill for the following month. The same energy charge will apply both ways. At each calendar year end, the Utility will pay the customer any credits remaining.

The Monthly Access Charge and Energy Charge in ScheduleNB-1 differ from Customer Charge and
Energy Charges contained in the Utility's standard residential rate Schedule 10-1. The reason is that allowing net metering under Schedule 10-1 would likely result in under recovery of the Utility's fixed costs and subsidization of generation-owning customers by others. To assure reasonable recovery of its fixed costs, the Utility proposes to shift fixed costs currently recovered through the energy charges to a fixed Monthly Access Charge. The energy blocks are eliminated and the Energy Charge is more closely aligned to the Utility's marginal cost of power.

Since the intent of Schedule NB-I is to allow customers to replace their power purchases with their own generation, the Utility's total revenues will decrease. However, since recovery of distribution costs is fixed in the Monthly Access Charge and the marginal energy rate is in line with power supply cost, the Utility does not believe that an adverse impact on its margins will result from the proposed rate. The proposed tariff includes the interconnection and safety

requirements for the customer's net billing installation. In addition, the Utility provided a sample copy of the application and agreement for interconnection that it intends to use.

The following rates are proposed.

Charge	Unit	Total Rate
Monthly Access Charge	Month	$41.00
Energy Charge (applicable to both sales and purchases from the customer)	kWh	$0.03760

The tariff also contains a "Facilities Charge" if Northeastern is required to install any equipment to accommodate the net billing facility (monthly charge equal to 1/12 of Northeastern's annual fixed costs associated with investment), and is subject to the Power Cost Adjustment found in Appendix A (applies to both energy sold and purchased by Northeastern).

The Utility has demonstrated that its proposed rates will recover its incremental cost of power plus revenue based taxes and fees. The proposed rates are applicable to prospective customers. Accordingly, this proposal does not affect the Utility's present revenues or the charges to any existing customers.

The tariff sheets affected by this filing are: Schedule NB-I

2. Ramsey Water Company, Inc

The utility is proposing to add a Non-Recurring charge for credit and debit card usage to its tariff. The utility started accepting credit and debit cards in December 2007. The proposed per transaction fee of Two Dollars and Twenty-five Cents ($2.25) is to offset the charges and fees from the credit card companies. Cost support has been provided.

Staff noticed that in sections (P) and (Q) of the proposed tariff, the times were changed from the utility's previous schedule. The schedule on the tariff currently in effect shows the time as 8:00 a.m. to 5:00 p.m. in both sections. In a letter dated December 4, 2008, the utility requested to change the stated hours from 8:00 a.m. to 4:00 p.m. in both sections due to the fact that the utility's field employee's workday ends at 4:00 p.m. The utility will be required to pay overtime if the employee works after 4:00 p.m.

The letter also indicated that, in section (Q), the wording is wrong in the current schedule of rates and charges. It states "This charge will be made in addition to the Forty-Eight Dollar General Service Charge for such service on Saturday, Sunday and after 5:00 p.m. weekdays." This should read "This charge will be made instead of the Forty-Eight Dollar General Service Charge for such service on Saturday, Sunday and after 4:00 p.m. weekdays."

The tariff sheet affected by this filing is:

- Page 3 of the Schedule of Rates and Charges.

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Bradley K. Borum, Director
Electricity Division

E. Curtis Gassert, Director
Water/Sewer Division