



INDIANA UTILITY REGULATORY COMMISSION
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MEMORANDUM

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

FROM: Bradley K. Borum, Director of Electricity Division ^{BKB}
Jane Steinhauer, Director of Natural Gas Division _{JS}

DATE: December 18, 2008

RE: Utility Articles for Next Conference

The following Final Articles "A", "G", "I", "M" and Preliminary Article "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. 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.

"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.

<i>Item No.</i>	<i>Utility Name</i>	<i>Change</i>	<i>Filing Number</i>
1.	Straughn	Decrease	111-08-12

"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.

<u>Item</u>	<u>Utility</u>	<u>Rate Schedule</u>	<u>\$/kWh Change</u>	<u>\$/kWh Resultant</u>	<u>Filing No.</u>
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	
			(0.303266)	4.977975	
			0.005717	0.013353	
	OL, M, N	0.005893	0.013414		

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.

<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	All	0.000304	0.006200	54

January, February, March 2009

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

Bradley K. Baum

Bradley K. Baum, Director
Electricity Division

Jane Steinhauer

Jane Steinhauer, Director
Natural Gas 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.

<i>Item No.</i>	<i>Utility Name</i>	<i>Rate Schedule</i>	<i>Energy \$/kWh</i>	<i>Demand \$/kWh</i>
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 Schedule NB-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



Bradley K. Borum, Director
Electricity Division