

**STATE OF INDIANA
INDIANA UTILITY REGULATORY COMMISSION**

**VERIFIED PETITION OF THE BOARD OF)
DIRECTORS FOR UTILITIES OF THE)
DEPARTMENT OF PUBLIC UTILITIES OF THE)
CITY OF INDIANAPOLIS, ACTING IN ITS)
CAPACITY AS TRUSTEE OF A PUBLIC)
CHARITABLE TRUST FOR THE PROVISION)
OF ENERGY SERVICES, D/B/A CITIZENS)
THERMAL, FOR (1) AUTHORITY TO ADJUST)
ITS RATES AND CHARGES FOR STEAM)
UTILITY SERVICE, (2) APPROVAL OF A NEW) CAUSE NO. 44781
SCHEDULE OF RATES AND CHARGES)
APPLICABLE THERETO, (3) APPROVALS)
RELATED TO THE DISCONTINUANCE OF THE)
OPERA MECHANISM, (4) APPROVAL OF)
TARIFF CHANGES AUTHORIZING A NORMAL)
TEMPERATURE ADJUSTMENT, PURSUANT)
TO INDIANA CODE § 8-1-2-42(a) OR 8-1-2.5-6,)
AND (5) APPROVAL OF CHANGES TO ITS)
GENERAL TERMS AND CONDITIONS FOR)
STEAM SERVICE)**

STIPULATION AND SETTLEMENT AGREEMENT

On April 22, 2016, the Board of Directors for Utilities of the Department of Public Utilities of the City of Indianapolis, as trustee of a public charitable trust, d/b/a Citizens Thermal (“Citizens Thermal” or “Petitioner”), filed with the Indiana Utility Regulatory Commission (“Commission”) its Verified Petition requesting the relief set forth in the above captioned proceeding along with testimony and exhibits in support of its Verified Petition. On June 17, 2016, the Citizens Customer Group (“Customer Group”) filed a Petition to Intervene, which the Presiding Officers granted by Docket Entry dated July 22, 2016. Prior to the filing of the Indiana Office of Utility Consumer Counselor’s (“OUCC”) and the Customer Group’s respective cases-in-chief, Citizens Thermal, the OUCC and the Customer Group (collectively the “Settling Parties”)

conducted face-to-face meetings and otherwise communicated with each other regarding the potential resolution of the issues in this proceeding through a settlement agreement, subject to Commission approval.

On August 3, 2016, the Settling Parties filed a *Notice of Settlement and Joint Motion to Modify Procedural Schedule Accordingly* indicating that a settlement in principle had been reached resolving all issues in this proceeding. The Settling Parties requested that the Commission establish September 2, 2016 as the date by which a Settlement Agreement and supporting testimony would be filed and proposed the September 27, 2016 evidentiary hearing date be used as the date for conducting a settlement hearing.

The Settling Parties, solely for purposes of compromise and settlement and having been duly advised by their respective staff, experts and counsel, stipulate and agree that the terms and conditions set forth in this Stipulation and Settlement Agreement (“Settlement Agreement”) represent a fair, just and reasonable resolution of all matters raised in this proceeding, subject to their incorporation by the Commission into a final, non-appealable order without modification or further condition that may be unacceptable to any Settling Party (“Final Order”).

I. OPERATING REVENUES AND REVENUE REQUIREMENTS

1. Citizens Thermal’s Operating Revenues. The Settling Parties agree Citizens Thermal’s total *pro forma* operating revenues at present rates are \$71,939,076. Upon the Commission’s adoption of a Final Order approving the terms and conditions of this Settlement Agreement, the Settling Parties agree Citizens Thermal’s *pro forma* operating revenues should be reduced by \$2,441,057 in order to arrive at agreed total

annual operating revenues of \$69,498,019, representing a 3.39% decrease in total operating revenue.

2. Citizens Thermal's Annual Revenue Requirements. Citizens Thermal's annual revenue requirements determined pursuant to Ind. Code § 8-1.5-3-8 on the evidence of record and agreed to by the Settling Parties are as follows:

a. Cost of Fuel. Citizens Thermal's annual revenue requirement for the cost of fuel is \$30,798,610.

b. Other Operating and Maintenance ("O&M") Expenses. Citizens Thermal's annual revenue requirement for O&M expenses is \$23,992,912. In determining the agreed O&M revenue requirement for Citizens Thermal, the Settling Parties started with Petitioner's proposed annual revenue requirement for O&M expenses of \$24,275,647 and through a compromise agreed to decrease Citizens Thermal's *pro forma* O&M expenses by a total of \$282,735 to \$23,992,912, based on the following adjustments: (i) a \$135,052 decrease to labor expense; (ii) a \$10,029 decrease to chemical expenses; (iii) a \$64,231 decrease for rate case expenses; and (iv) a \$73,423 decrease to wastewater expense.

c. Taxes Other Than Income Taxes. Citizens Thermal's annual revenue requirement for taxes other than income taxes is \$1,221,165.

d. Extensions and Replacements. Citizens Thermal's annual revenue requirement for extensions and replacement is \$3,959,398.

e. Debt Service. Citizens Thermal's annual revenue requirement for debt service is \$9,566,131.

f. Non-Operating Revenue. Citizens Thermal’s total cash revenue requirement should be offset by non-operating revenues in the amount of \$6,022.

g. Utility Receipts Tax. Citizens Thermal’s total cash revenue requirement should be decreased by \$34,175 to account for the decrease in Indiana Utility Receipts Tax resulting from the rate decrease.

3. Citizens Thermal’s Aggregate Annual Revenue Requirement. The Settling Parties agree Citizens Thermal’s annual net revenue requirement is \$69,498,019 as detailed below:

Cost of Fuel	\$30,798,610
Other Operation and Maintenance Expense	\$23,992,912
Extensions and Replacements	\$3,959,398
Taxes Other Than Income Taxes	\$1,221,165
Debt Service	<u>\$9,566,131</u>
Total Revenue Requirement	\$69,538,216
Less: Non-Operating Revenues	(\$6,022)
Less: Utility Receipts Tax (1.4% of decrease)	<u>(\$34,175)</u>
Net Revenue Requirement	\$69,498,019

4. Amount of Stipulated Rate Decrease and Approval of Changes to Rate Schedules. The Parties agree Citizens Thermal’s *pro forma* at current rates operating revenues of \$71,939,076 should be reduced upon the Commission’s adoption of a final Order approving the terms and conditions of this Settlement Agreement by \$2,441,057 in order to arrive at agreed total annual operating revenues of \$69,498,019, representing a 3.39% decrease in total operating revenues. The foregoing rates and charges should produce a net operating income of \$8,721,950, as shown in Joint Settlement Attachment 1, which amount should be used as the level of authorized earnings for Citizens Thermal when performing the Fuel Adjustment Calculation (“FAC”) earnings test.

5. Incentive Payments to Customers on the Low-Pressure System. The agreed-upon amount of *pro forma* O&M expenses includes amounts relating to incentive payments made to certain customers during the test year as a part of the low pressure steam optimization initiative described in the testimony of Petitioner's witness Christopher H. Braun. Citizens Thermal expects to make additional incentive payments over the next two to four years to assist customers served by portions of the low-pressure system that are not cost-effective to maintain to move to a new energy source. The Settling Parties have agreed that to the extent Citizens Thermal does not file a base rate case within four years of the issuance of a Final Order in this Cause, Citizens Thermal will adjust its rates to reflect the removal of the amount of the incentive payments reflected in Citizens Thermal's *pro forma* O&M expenses from its revenue requirement. Citizens Thermal will make such adjustment, if necessary, via a thirty-day filing that will be submitted to the Commission prior to the expiration of the four year period following the issuance of a Final Order.

II. COST OF SERVICE AND RATE DESIGN

6. Cost-of-Service Study. Solely for the purposes of settlement, the Settling Parties agree the cost-of-service study prepared by Scott A. Miller, C.P.A. of Umbaugh, which was filed in this Cause on July 15, 2016 as Petitioner's Attachment SAM-1(Corrected), should be used to allocate the agreed revenue requirement among the customer classes, and to develop rates and charges implementing the approved change in operating revenues. The Settling Parties agree that the foregoing will result in the allocation of the revenue requirement to and among Citizens Thermal's customer classes in a fair and reasonable manner, and further agree the Settling Parties reserve all rights to

challenge the allocations agreed to herein in future proceedings, and do not waive any rights to present alternative cost-of-service positions in future proceedings, including those involving Citizens Thermal. Rate schedules derived from updating the cost-of-service study to include the agreed upon revenue requirement are included as Joint Settlement Attachment 2.

7. Normal Temperature Adjustment (“NTA”) to be Applicable to Rate 1. Usage billed on the later of the first day following the approval of the Settlement Agreement or November 1, 2016 will be adjusted to implement a NTA which will operate in a manner consistent with the direct testimony of LaTona S. Prentice except that it shall apply only to Rate 1 customers. The NTA will adjust current billings to each Rate 1 customer on a real-time basis to normalize margins from each customer for the effects of weather. The NTA will not be applicable to Rate 2 or contract customers. For Rate 1 customers, the NTA will be applicable for the months of October through April of each year (bills rendered November through May). Two years after implementation of the NTA, the Settling Parties will meet to review the NTA, assess whether it is working properly, and consider whether enhancements can, and should, be made to improve its performance. At such meetings, Citizens Thermal will agree to provide available information in its possession that the other Settling Parties believe may be necessary to perform such evaluations. As part of the discussion, the Settling Parties agree to discuss Normal Degree Days used in calculating the NTA.

8. Customer Charges. Notwithstanding the results of the cost of service study, Citizens Thermal has agreed that the monthly Customer Charges applicable to Rate 1 customers should remain at the current levels and not be increased, subject to the

Commission's acceptance and approval of the NTA to be applicable to the Rate 1 Customer Class. Therefore, the Rate 1 Customer Charges will remain as set forth in Column 3 below:

1	2	3
Rate 1 (square feet EDR)	Customer Charge from Citizens Thermal's As-Filed Cost-of-Service Study	Agreed Customer Charge
0-1,000 square feet EDR	\$156.40	\$55.00
1,001 to 10,000 square feet EDR	\$391.00	\$145.00
10,001 to 20,000 square feet EDR	\$782.00	\$280.00
20,001 to 30,000 square feet EDR	\$1,564.00	\$555.00

The Settling Parties agree that the provisions of this Settlement Agreement relating to the NTA and Rate 1 Customer Charges are not severable. The Settling Parties further agree to implement the Customer Charge for Rate 2 customers of \$568 per month as proposed in Petitioner's case-in-chief testimony.

9. Copies of Rate Schedules Attached. Rate schedules reflecting the agreed-upon rate design are attached hereto as Joint Settlement Attachment 2.

III. OPERA MECHANISM

10. The Settling Parties agree that the OPERA mechanism will be wound-up in the manner generally described in the testimony of Petitioner's witness Korlon L. Kilpatrick II, with the following additional specifications:

- a. The rate approved in OPERA 4 will be the last OPERA rate placed into effect.
- b. Citizens Thermal will make a Compliance Filing on or before March 17, 2017 to certify any variance associated with the collection of the prior OPERA 3 rate. Presuming a Final Order is issued in this Cause in February 2017

or sooner, the variance detailed in the compliance filing would be included in Citizen Thermal's FAC 46 filing, which is scheduled to be made on May 15, 2017, and recovered in FACs 46 through 49.

c. The OPERA 4 rate would be effective from February 1, 2017 through July 31, 2017. On or before September 15, 2017, Petitioner will make a second compliance filing identifying the variance in OPERA 4. The variance identified in that filing would be included in the FAC 48 filing scheduled to be made on November 15, 2017 and recovered in FACs 48 through 51.

d. In each of the foregoing FAC proceedings, Citizens Thermal will separately track and report variances associated with the OPERA mechanism on Schedule 1.

e. Citizens Thermal agrees that although the variances will be tracked in the FAC filings, the variances will be considered the "first dollars received" and in no account will the OPERA related variances count either for, or against, the FAC Earnings Bank.

IV. OTHER AGREEMENTS

11. Steam Line Loss Report. In October of each year (beginning with October 2017) until Citizens Thermal files its next base rate case, Citizens Thermal will prepare and provide to the OUCC a report containing the following information: (i) the number of low pressure customers that have switched to an alternate fuel during the preceding fiscal year (*i.e.*, October 1 through September 30); (ii) a confidential portion showing the incentives paid by Citizens Thermal during the preceding fiscal year to encourage low pressure system customers to switch to an alternate fuel; (iii) efforts undertaken during

the preceding fiscal year to reduce line losses; and (iv) the actual line loss percentage for the preceding fiscal year.

12. Terms and Conditions for Steam Service. The Settling Parties agree the miscellaneous revisions to Citizens Thermal's General Terms and Conditions for Steam Service set forth in Petitioner's Attachments KLK-2 and KLK-3 and described in the direct testimony of Korlon L. Kilpatrick II are "nondiscriminatory, reasonable, and just," and should be approved by the Commission.

V. SETTLEMENT AGREEMENT -- SCOPE AND APPROVAL

13. Neither the making of this Settlement Agreement nor any of its provisions shall constitute in any respect an admission by any Settling Party in this or any other litigation or proceeding. Neither the making of this Settlement Agreement, nor the provisions thereof, nor the entry by the Commission of a Final Order approving this Settlement Agreement, shall establish any principles or legal precedent applicable to Commission proceedings other than those resolved herein.

14. This Settlement Agreement shall not constitute nor be cited as precedent by any person or deemed an admission by any Settling Party in any other proceeding except as necessary to enforce its terms before the Commission, or any tribunal of competent jurisdiction. This Settlement Agreement is solely the result of compromise in the settlement process and, except as provided herein, is without prejudice to and shall not constitute a waiver of any position that any of the Settling Parties may take with respect to any or all of the issues resolved herein in any future regulatory or other proceedings. Each of the Settling Parties has entered into this Agreement solely to avoid further disputes and litigation with the attendant inconvenience and expenses. As set

forth in the Order in *Re Petition of Richmond Power & Light*, Cause No. 40434, p. 10, the Settling Parties agree and ask the Commission to incorporate as part of its Final Order that this Agreement, or the Order approving it, not be cited as precedent by any person or deemed an admission by any party in any other proceeding except as necessary to enforce its terms before the Commission, or any court of competent jurisdiction on these particular issues.

15. This Settlement Agreement is conditioned upon and subject to Commission acceptance and approval of its terms in their entirety, without any change or condition that is unacceptable to any Settling Party. If the Settlement Agreement is not approved in its entirety by the Commission, the Settling Parties agree that the terms herein shall not be admissible in evidence or discussed by any party in a subsequent proceeding. Moreover, the concurrence of the Settling Parties with the terms of this Settlement Agreement is expressly predicated upon the Commission's approval of the Settlement Agreement in its entirety without any material modification or any material condition deemed unacceptable by any Party. If the Commission does not approve the Settlement Agreement in its entirety, the Agreement shall be null and void and deemed withdrawn, upon notice in writing by any Settling Party within fifteen (15) business days after the date of the Final Order that any modifications made by the Commission are unacceptable to it. In the event the Settlement Agreement is withdrawn, the Settling Parties will request that an Attorneys' Conference be convened to establish a procedural schedule for the continued litigation of this proceeding.

16. The Settling Parties stipulate that the evidence of record presented in this Cause constitutes substantial evidence sufficient to support this Settlement Agreement

and provide an adequate evidentiary basis upon which the Commission can make any findings of fact and conclusions of law necessary for the approval of this Settlement Agreement, as filed. In addition, Citizens Thermal and the OUCC shall, and the Customer Group may, offer supplemental testimony supporting the Commission's approval of this Settlement Agreement and will request that the Commission issue a Final Order incorporating the agreed proposed language of the Settling Parties and accepting and approving the same in accordance with its terms without any modification. Such supportive testimony will be agreed-upon by the Settling Parties. The direct and supplemental testimony filed in this proceeding will be offered into evidence without objection and the Settling Parties hereby waive cross-examination of each other's witnesses.

17. The Settling Parties will support this Settlement Agreement before the Commission and request that the Commission accept and approve the Settlement Agreement. This Settlement Agreement is a complete, interrelated package and is not severable, and shall be accepted or rejected in its entirety without modification or further condition(s) that may be unacceptable to any Settling Party.

18. The Settling Parties will work together to prepare an agreed upon proposed order to be submitted in this Cause. The Settling Parties will request Commission acceptance and approval of this Settlement Agreement in its entirety, without any change or condition that is unacceptable to any party to this Settlement Agreement.

19. The Settling Parties will request that the Commission issue a Final Order promptly accepting and approving this Settlement Agreement in accordance with its

terms. The Settling Parties also will work cooperatively on news releases or other announcements to the public about this Settlement Agreement.

20. The Settling Parties shall not appeal or seek rehearing, reconsideration or a stay of any Final Order entered by the Commission approving the Settlement Agreement in its entirety without changes or condition(s) unacceptable to any Party (or related orders to the extent such orders are specifically and exclusively implementing the provisions hereof) and shall not oppose this Settlement Agreement in the event of any appeal or a request for rehearing, reconsideration or a stay by any person not a party hereto.

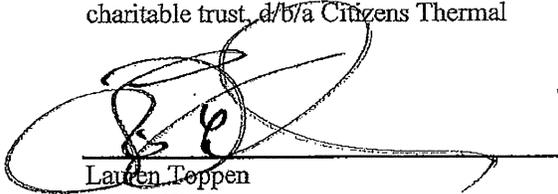
21. The undersigned have represented and agreed that they are fully authorized to execute this Settlement Agreement on behalf of their designated clients, and their successors and assigns, who will be bound thereby.

22. The communications and discussions during the negotiations and conferences have been conducted based on the explicit understanding that said communications and discussions are or relate to offers of settlement and therefore are privileged. All prior drafts of this Settlement Agreement and any settlement proposals and counterproposals also are or relate to offers of settlement and are privileged.

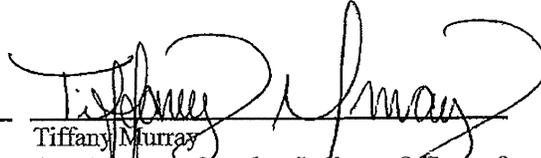
Accepted and Agreed on this 2nd day of September, 2016.

[signature page follows]

The Board of Directors for Utilities of the Indiana Office of Utility Consumer
Department of Public Utilities of the City Counselor
of Indianapolis, as trustee of a public
charitable trust, d/b/a Citizens Thermal

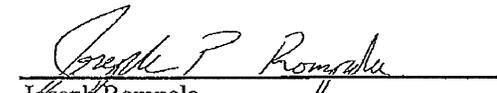


Lauren Toppen
Steven Krohne
An Attorney for Citizens Thermal



Tiffany Murray
An Attorney for the Indiana Office of
Utility Consumer Counselor

Citizens Customer Group



Joseph Rompala
An Attorney for the Citizens Thermal
Customer Group

CITIZENS THERMAL
Comparison of Pro Forma Revenue Requirement

Line No.		A	B	C	D
		Actual per Books	Citizens Thermal Case-in-Chief Pro forma Results Based on Current Rates	Settlement Agreement Pro forma Results Based on Current Rates	Settlement Agreement Pro forma Results Based on Proposed Rates
1	Retail Revenues	\$78,077,686	\$71,872,791	\$71,872,791	\$69,431,734
2	Other Revenues	\$92,569	\$66,285	\$66,285	\$66,285
3	Total Operating Revenues	<u>\$78,170,255</u>	<u>\$71,939,076</u>	<u>\$71,939,076</u>	<u>\$69,498,019</u>
4	Total Fuel Costs	<u>\$37,898,719</u>	<u>\$30,798,610</u>	<u>\$30,798,610</u>	<u>\$30,798,610</u>
5	Gross Margin	<u>\$40,271,536</u>	<u>\$41,140,466</u>	<u>\$41,140,466</u>	<u>\$38,699,409</u>
6	Total Non-Fuel Cost of Goods Sold	\$6,113,419	\$4,761,335	\$4,677,883	\$4,677,883
7	Total Operations & Maintenance	\$20,435,324	\$19,514,312	\$19,315,029	\$19,315,029
8	Depreciation & Amortization	\$4,900,644	\$4,797,557	\$4,797,557	\$4,797,557
9	Total Taxes	<u>\$1,595,626</u>	<u>\$1,221,165</u>	<u>\$1,221,165</u>	<u>\$1,186,990</u>
10	Total Operating Expenses	<u>\$33,045,013</u>	<u>\$30,294,369</u>	<u>\$30,011,634</u>	<u>\$29,977,459</u>
11	Operating Income	<u>\$7,226,523</u>	<u>\$10,846,097</u>	<u>\$11,128,832</u>	<u>\$8,721,950</u>
12	Debt Service		\$9,566,131	\$9,566,131	\$9,566,131
13	Total Other Income, Net		\$6,022	\$6,022	\$6,022
14	Extensions and Replacements		\$3,959,398	\$3,959,398	\$3,959,398
15	<u>Cash Requirement Offsets</u> Depreciation & Amortization		<u>(\$4,797,557)</u>	<u>(\$4,797,557)</u>	<u>(\$4,797,557)</u>
16	Revenue Requirement Increase/(Decrease) Before IURT		<u>(\$2,124,147)</u>	<u>(\$2,406,882)</u>	<u>\$0</u>
17	Incremental IURT		<u>(\$30,160)</u>	<u>(\$34,175)</u>	
18	Revenue Requirement Increase/(Decrease)		<u>(\$2,154,307)</u>	<u>(\$2,441,057)</u>	
19	Proposed Decrease Percent of Retail Revenue		-3.00%	-3.40%	
20	Proposed Decrease Percent of Total Revenue		-2.99%	-3.39%	

**RATE 1
GENERAL STEAM SERVICE**

AVAILABILITY:

Available for space heating and other general service to Customers located adjacent to the Utility's existing steam distribution mains. Not available for Customers having an EDR (Equivalent Direct Radiation) of more than 30,000 square feet.

This service will be supplied on a Year-round basis.

RATE:

The sum of the Customer Charge and the Energy Charge.

Customer Charge		
0-1000 Sq. Ft. EDR		\$ 55.00/Month
1001-10000		145.00
10001-20000		280.00
20001-30000		555.00
Energy Charge		
Any part of the first 1000 Therms		\$1.5480 per Therm
Any part of the next 4000 Therms		1.3170 per Therm
Over 5000 Therms		1.1130 per Therm

MINIMUM BILL PER MONTH:

The minimum bill will be the Customer Charge. Seasonal Customers will receive bills during all Months of the Year even when no Energy Charge is due.

CONTRACT RIDERS APPLICABLE:

No. 1 – See Page 201.

No. 2 – See Page 202.

No. 3 – See Page 203.

PAYMENT:

The above rates and charges are net. If the net bill is not paid within seventeen days after its date of issue, a collection charge will be added in the amount of ten percent of the first three dollars, plus three percent of the excess of three dollars.

CONTRACT TERM:

Contracts, except special contracts, shall be for an initial term of three Years and shall continue in effect thereafter for successive terms of one Year each unless written notice of intention to terminate is given by either party to the other at least sixty days before the end of any term. Special contracts shall be for such term as may be agreed upon by the parties, subject to approval of the Indiana Utility Regulatory Commission.

**RATE 2
DEMAND RATE SERVICE**

AVAILABILITY:

Available to all steam Customers located adjacent to the steam mains of the Utility, providing they contract for a minimum Billing Demand of 50 Therms per hour in the Month of maximum usage during the Year, and providing billing will be continuous throughout all twelve Months of the Year.

RATE:

The sum of the Customer Charge, Demand Charge and the Energy Charge:

Customer Charge:	\$ 568.00 per Month
Demand Charge:	\$ 167.51 per Therm per Hour
Energy Charge:	\$ 0.34700 per Therm

BILLING DEMAND:

The Billing Demand shall be the maximum average Demand for a thirty-minute period, measured in Therms per hour, during the Month for which the bill is rendered, but in no case shall the Billing Demand be less than seventy-five per cent of the maximum thirty-minute Demand during the preceding eleven Months.

Where the character of the load is such that the steam Demands fluctuate violently between maximum and minimum so that determination of an average thirty (30) minute Demand is impractical, then the Billing Demand will be based upon the average of the three highest peaks during the thirty (30) minute period.

MINIMUM BILL PER MONTH:

The minimum bill shall be the Customer Charge plus the Demand Charge and, in no case, less than \$6,281.63 per Month.

CONTRACT RIDERS APPLICABLE:

- No. 1 – See Page 201.
- No. 2 – See Page 202.

**Citizens Thermal
2020 North Meridian Street
Indianapolis, Indiana 46202**

Original Page No. 102-B

PAYMENT:

The above rates and charges are net. If the net bill is not paid within seventeen days after its date of issue, a collection charge will be added in the amount of ten percent of the first three dollars plus three percent of the excess of three dollars.

CONTRACT TERM:

Contracts shall be for an initial term of not less than three Years and shall continue in effect thereafter for successive like terms. The Utility may require a special contract when unusual construction or equipment expense is necessary to furnish the service subject to approval of the Indiana Utility Regulatory Commission.

**Current base rates effective pursuant
to I.U.R.C. Order in Cause No. 44781 Effective:**

**RATE 3
ADDITIONAL SUMMER SERVICE**

AVAILABILITY:

Available to all steam Customers for steam chilling and similar warm weather applications during the Months of April through October and on any day during the Months of November through March, when the mean temperature of the preceding day was 40°F or higher as measured by the National Weather Office at the Indianapolis International Airport, unless the Utility notifies the Customer that such Additional Summer Steam is not available. Customer agrees to contract for a minimum of 50 Therms per hour average usage for at least four Months of Additional Summer Steam during the Months of April through October, and provided further that the Utility will not furnish added capacity in services or mains at its expense under this rate.

In the event that the availability of Additional Summer Steam from the Resource Recovery Facility is not sufficient to supply all Customers served under this rate under Provision A during any period, each Customer will be provided up to the contract maximum hourly usage, in order of contract date, up to the amount of steam available during that period with this steam service billed under Provision B.

RATE:

Provision A:

Steam provided under this rate when available from the Resource Recovery Facility will be the sum of the following rate plus an adjustment for the actual cost of Resource Recovery Facility steam as provided for in the service contract.

ENERGY CHARGE:

\$0.0758 per therm

Provision B: Steam provided under this rate when not available from the Resource Recovery Facility will be:

ENERGY CHARGE:

\$0.0923 per therm

BILLING DEMAND:

No Billing Demand will be charged under this rate whether the steam is supplied under provision A or provision B above.

MINIMUM BILL PER MONTH:

The minimum Monthly charge shall be \$20.00 during the Months of April through October.

CONTRACT RIDERS APPLICABLE:

No. 1 – See Page 201 (Under Provision B Only).

No. 2 – See Page 202 (Under Provision B Only).

CONTRACT:

Contracts shall be for an initial term of not less than three Years and shall continue in effect for successive like terms. The contract shall specify the anticipated maximum hourly usage provided that the amount specified in the contract shall be adjusted after one Year to reflect actual maximum usage. The Utility shall require a special contract in the event any added capacity is required specifying the method of payment for such capacity. Existing contracts shall continue in effect.

**STANDARD CONTRACT RIDER NO. 3
NORMAL TEMPERATURE ADJUSTMENT
(Applicable to Rate 1)**

The billed amount for each Rate No. 1 Customer shall be subject to a Normal Temperature Adjustment (“NTA”) for each bill rendered during the billing Months of November through May inclusive.

The NTA adjusts each Customer’s Monthly billed amount to reverse the impact on margin recovery caused by non-normal temperatures during the billing period, as measured by actual heating degree day variations from normal heating degree days.

NTA COMPUTATION:

The NTA for each Customer’s Monthly billing shall be computed as follows:

$$\text{NTA} = \text{NTA Therms} \times \text{NTA Margin}$$

NTA THERMS:

The NTA Therms usage for each Customer to which the NTA Margin shall be applied is computed as follows:

$$\text{NTA Therms} = \frac{[\text{Actual Therms} - \text{Base Load Therms}] \times [\text{Normal Degree Days} - \text{Actual Degree Days}]}{\text{Actual Degree Days}}$$

NTA MARGIN:

The NTA Margin shall be the margin (i.e., non-fuel cost) component of the Energy Charge. For Rate No. 1, the margin shall be the tail block of the Energy Charge.

BASE LOAD THERMS:

Base Load Therms shall be the Customer’s average daily Therms usage for the previous summer Months (July and August) multiplied by the number of days in the current billing period.

For Customers whose Base Load Therms cannot be accurately determined (e.g., new Customers without two Months of summer usage history), estimated average daily Therms shall be used.

NORMAL AND ACTUAL DEGREE DAYS:

Normal Degree Days for each Customer’s billing period shall be as set forth in the tables on the following pages.

Actual Degree Days for each Customer’s billing period shall be taken from the actual heating degree days reported each day by the National Weather Service.

Normal Degree Days and Actual Degree Days are based on Heating Degree Days as reported for Indianapolis, Indiana.

**NORMAL DEGREE DAYS (NDD)
 NON-LEAP YEAR**

Date	NDD												
Jul 1	0	Aug 22	0	Oct 13	10	Dec 4	30	Jan 25	37	Mar 18	22	May 9	6
Jul 2	0	Aug 23	0	Oct 14	10	Dec 5	30	Jan 26	37	Mar 19	22	May 10	6
Jul 3	0	Aug 24	0	Oct 15	10	Dec 6	31	Jan 27	37	Mar 20	21	May 11	5
Jul 4	0	Aug 25	0	Oct 16	10	Dec 7	31	Jan 28	37	Mar 21	21	May 12	5
Jul 5	0	Aug 26	0	Oct 17	11	Dec 8	31	Jan 29	37	Mar 22	21	May 13	5
Jul 6	0	Aug 27	0	Oct 18	11	Dec 9	32	Jan 30	36	Mar 23	20	May 14	5
Jul 7	0	Aug 28	0	Oct 19	11	Dec 10	32	Jan 31	36	Mar 24	20	May 15	5
Jul 8	0	Aug 29	0	Oct 20	12	Dec 11	32	Feb 1	36	Mar 25	19	May 16	4
Jul 9	0	Aug 30	0	Oct 21	12	Dec 12	33	Feb 2	36	Mar 26	19	May 17	4
Jul 10	0	Aug 31	0	Oct 22	12	Dec 13	33	Feb 3	36	Mar 27	19	May 18	4
Jul 11	0	Sep 1	0	Oct 23	12	Dec 14	33	Feb 4	36	Mar 28	18	May 19	4
Jul 12	0	Sep 2	0	Oct 24	13	Dec 15	34	Feb 5	35	Mar 29	18	May 20	4
Jul 13	0	Sep 3	0	Oct 25	13	Dec 16	34	Feb 6	35	Mar 30	18	May 21	4
Jul 14	1	Sep 4	0	Oct 26	13	Dec 17	34	Feb 7	35	Mar 31	17	May 22	3
Jul 15	1	Sep 5	1	Oct 27	14	Dec 18	34	Feb 8	35	Apr 1	17	May 23	3
Jul 16	0	Sep 6	1	Oct 28	14	Dec 19	35	Feb 9	35	Apr 2	17	May 24	3
Jul 17	0	Sep 7	1	Oct 29	14	Dec 20	35	Feb 10	34	Apr 3	16	May 25	3
Jul 18	0	Sep 8	1	Oct 30	15	Dec 21	35	Feb 11	34	Apr 4	16	May 26	3
Jul 19	0	Sep 9	1	Oct 31	15	Dec 22	35	Feb 12	34	Apr 5	16	May 27	3
Jul 20	0	Sep 10	1	Nov 1	15	Dec 23	35	Feb 13	34	Apr 6	15	May 28	2
Jul 21	0	Sep 11	1	Nov 2	16	Dec 24	36	Feb 14	33	Apr 7	15	May 29	2
Jul 22	0	Sep 12	1	Nov 3	16	Dec 25	36	Feb 15	33	Apr 8	15	May 30	2
Jul 23	0	Sep 13	1	Nov 4	16	Dec 26	36	Feb 16	33	Apr 9	14	May 31	2
Jul 24	0	Sep 14	2	Nov 5	17	Dec 27	36	Feb 17	32	Apr 10	14	Jun 1	2
Jul 25	0	Sep 15	2	Nov 6	17	Dec 28	36	Feb 18	32	Apr 11	14	Jun 2	2
Jul 26	0	Sep 16	2	Nov 7	18	Dec 29	36	Feb 19	32	Apr 12	13	Jun 3	1
Jul 27	0	Sep 17	2	Nov 8	18	Dec 30	36	Feb 20	32	Apr 13	13	Jun 4	1
Jul 28	0	Sep 18	2	Nov 9	18	Dec 31	36	Feb 21	31	Apr 14	13	Jun 5	1
Jul 29	0	Sep 19	3	Nov 10	19	Jan 1	37	Feb 22	31	Apr 15	12	Jun 6	1
Jul 30	0	Sep 20	3	Nov 11	19	Jan 2	37	Feb 23	31	Apr 16	12	Jun 7	1
Jul 31	0	Sep 21	3	Nov 12	20	Jan 3	37	Feb 24	30	Apr 17	12	Jun 8	1
Aug 1	0	Sep 22	3	Nov 13	20	Jan 4	37	Feb 25	30	Apr 18	12	Jun 9	1
Aug 2	0	Sep 23	4	Nov 14	20	Jan 5	37	Feb 26	29	Apr 19	11	Jun 10	1
Aug 3	0	Sep 24	4	Nov 15	21	Jan 6	37	Feb 27	29	Apr 20	11	Jun 11	1
Aug 4	0	Sep 25	4	Nov 16	21	Jan 7	37	Feb 28	29	Apr 21	11	Jun 12	0
Aug 5	0	Sep 26	5	Nov 17	22	Jan 8	37	Mar 1	28	Apr 22	10	Jun 13	0
Aug 6	0	Sep 27	5	Nov 18	22	Jan 9	37	Mar 2	28	Apr 23	10	Jun 14	0
Aug 7	0	Sep 28	5	Nov 19	23	Jan 10	37	Mar 3	28	Apr 24	10	Jun 15	0
Aug 8	0	Sep 29	6	Nov 20	23	Jan 11	37	Mar 4	27	Apr 25	9	Jun 16	0
Aug 9	0	Sep 30	6	Nov 21	24	Jan 12	37	Mar 5	27	Apr 26	9	Jun 17	0
Aug 10	0	Oct 1	6	Nov 22	24	Jan 13	37	Mar 6	27	Apr 27	9	Jun 18	0
Aug 11	0	Oct 2	7	Nov 23	25	Jan 14	37	Mar 7	26	Apr 28	8	Jun 19	0
Aug 12	0	Oct 3	7	Nov 24	25	Jan 15	37	Mar 8	26	Apr 29	8	Jun 20	0
Aug 13	0	Oct 4	7	Nov 25	26	Jan 16	37	Mar 9	25	Apr 30	8	Jun 21	0
Aug 14	0	Oct 5	7	Nov 26	26	Jan 17	37	Mar 10	25	May 1	8	Jun 22	0
Aug 15	0	Oct 6	8	Nov 27	27	Jan 18	37	Mar 11	25	May 2	7	Jun 23	0
Aug 16	0	Oct 7	8	Nov 28	27	Jan 19	37	Mar 12	24	May 3	7	Jun 24	0
Aug 17	0	Oct 8	8	Nov 29	28	Jan 20	37	Mar 13	24	May 4	7	Jun 25	0
Aug 18	0	Oct 9	9	Nov 30	28	Jan 21	37	Mar 14	23	May 5	7	Jun 26	0
Aug 19	0	Oct 10	9	Dec 1	28	Jan 22	37	Mar 15	23	May 6	6	Jun 27	0
Aug 20	0	Oct 11	9	Dec 2	29	Jan 23	37	Mar 16	23	May 7	6	Jun 28	0
Aug 21	0	Oct 12	9	Dec 3	29	Jan 24	37	Mar 17	22	May 8	6	Jun 29	0
												Jun 30	0

**NORMAL DEGREE DAYS (NDD)
 LEAP YEAR**

Date	NDD												
Jul 1	0	Aug 22	0	Oct 13	10	Dec 4	30	Jan 25	37	Mar 17	22	May 8	6
Jul 2	0	Aug 23	0	Oct 14	10	Dec 5	30	Jan 26	37	Mar 18	22	May 9	6
Jul 3	0	Aug 24	0	Oct 15	10	Dec 6	31	Jan 27	37	Mar 19	22	May 10	6
Jul 4	0	Aug 25	0	Oct 16	10	Dec 7	31	Jan 28	37	Mar 20	21	May 11	5
Jul 5	0	Aug 26	0	Oct 17	11	Dec 8	31	Jan 29	37	Mar 21	21	May 12	5
Jul 6	0	Aug 27	0	Oct 18	11	Dec 9	32	Jan 30	36	Mar 22	21	May 13	5
Jul 7	0	Aug 28	0	Oct 19	11	Dec 10	32	Jan 31	36	Mar 23	20	May 14	5
Jul 8	0	Aug 29	0	Oct 20	12	Dec 11	32	Feb 1	36	Mar 24	20	May 15	5
Jul 9	0	Aug 30	0	Oct 21	12	Dec 12	33	Feb 2	36	Mar 25	19	May 16	4
Jul 10	0	Aug 31	0	Oct 22	12	Dec 13	33	Feb 3	36	Mar 26	19	May 17	4
Jul 11	0	Sep 1	0	Oct 23	12	Dec 14	33	Feb 4	36	Mar 27	19	May 18	4
Jul 12	0	Sep 2	0	Oct 24	13	Dec 15	34	Feb 5	35	Mar 28	18	May 19	4
Jul 13	0	Sep 3	0	Oct 25	13	Dec 16	34	Feb 6	35	Mar 29	18	May 20	4
Jul 14	1	Sep 4	0	Oct 26	13	Dec 17	34	Feb 7	35	Mar 30	18	May 21	4
Jul 15	1	Sep 5	1	Oct 27	14	Dec 18	34	Feb 8	35	Mar 31	17	May 22	3
Jul 16	0	Sep 6	1	Oct 28	14	Dec 19	35	Feb 9	35	Apr 1	17	May 23	3
Jul 17	0	Sep 7	1	Oct 29	14	Dec 20	35	Feb 10	34	Apr 2	17	May 24	3
Jul 18	0	Sep 8	1	Oct 30	15	Dec 21	35	Feb 11	34	Apr 3	16	May 25	3
Jul 19	0	Sep 9	1	Oct 31	15	Dec 22	35	Feb 12	34	Apr 4	16	May 26	3
Jul 20	0	Sep 10	1	Nov 1	15	Dec 23	35	Feb 13	34	Apr 5	16	May 27	3
Jul 21	0	Sep 11	1	Nov 2	16	Dec 24	36	Feb 14	33	Apr 6	15	May 28	2
Jul 22	0	Sep 12	1	Nov 3	16	Dec 25	36	Feb 15	33	Apr 7	15	May 29	2
Jul 23	0	Sep 13	1	Nov 4	16	Dec 26	36	Feb 16	33	Apr 8	15	May 30	2
Jul 24	0	Sep 14	2	Nov 5	17	Dec 27	36	Feb 17	32	Apr 9	14	May 31	2
Jul 25	0	Sep 15	2	Nov 6	17	Dec 28	36	Feb 18	32	Apr 10	14	Jun 1	2
Jul 26	0	Sep 16	2	Nov 7	18	Dec 29	36	Feb 19	32	Apr 11	14	Jun 2	2
Jul 27	0	Sep 17	2	Nov 8	18	Dec 30	36	Feb 20	32	Apr 12	13	Jun 3	1
Jul 28	0	Sep 18	2	Nov 9	18	Dec 31	36	Feb 21	31	Apr 13	13	Jun 4	1
Jul 29	0	Sep 19	3	Nov 10	19	Jan 1	37	Feb 22	31	Apr 14	13	Jun 5	1
Jul 30	0	Sep 20	3	Nov 11	19	Jan 2	37	Feb 23	31	Apr 15	12	Jun 6	1
Jul 31	0	Sep 21	3	Nov 12	20	Jan 3	37	Feb 24	30	Apr 16	12	Jun 7	1
Aug 1	0	Sep 22	3	Nov 13	20	Jan 4	37	Feb 25	30	Apr 17	12	Jun 8	1
Aug 2	0	Sep 23	4	Nov 14	20	Jan 5	37	Feb 26	29	Apr 18	12	Jun 9	1
Aug 3	0	Sep 24	4	Nov 15	21	Jan 6	37	Feb 27	29	Apr 19	11	Jun 10	1
Aug 4	0	Sep 25	4	Nov 16	21	Jan 7	37	Feb 28	29	Apr 20	11	Jun 11	1
Aug 5	0	Sep 26	5	Nov 17	22	Jan 8	37	Feb 29	29	Apr 21	11	Jun 12	0
Aug 6	0	Sep 27	5	Nov 18	22	Jan 9	37	Mar 1	28	Apr 22	10	Jun 13	0
Aug 7	0	Sep 28	5	Nov 19	23	Jan 10	37	Mar 2	28	Apr 23	10	Jun 14	0
Aug 8	0	Sep 29	6	Nov 20	23	Jan 11	37	Mar 3	28	Apr 24	10	Jun 15	0
Aug 9	0	Sep 30	6	Nov 21	24	Jan 12	37	Mar 4	27	Apr 25	9	Jun 16	0
Aug 10	0	Oct 1	6	Nov 22	24	Jan 13	37	Mar 5	27	Apr 26	9	Jun 17	0
Aug 11	0	Oct 2	7	Nov 23	25	Jan 14	37	Mar 6	27	Apr 27	9	Jun 18	0
Aug 12	0	Oct 3	7	Nov 24	25	Jan 15	37	Mar 7	26	Apr 28	8	Jun 19	0
Aug 13	0	Oct 4	7	Nov 25	26	Jan 16	37	Mar 8	26	Apr 29	8	Jun 20	0
Aug 14	0	Oct 5	7	Nov 26	26	Jan 17	37	Mar 9	25	Apr 30	8	Jun 21	0
Aug 15	0	Oct 6	8	Nov 27	27	Jan 18	37	Mar 10	25	May 1	8	Jun 22	0
Aug 16	0	Oct 7	8	Nov 28	27	Jan 19	37	Mar 11	25	May 2	7	Jun 23	0
Aug 17	0	Oct 8	8	Nov 29	28	Jan 20	37	Mar 12	24	May 3	7	Jun 24	0
Aug 18	0	Oct 9	9	Nov 30	28	Jan 21	37	Mar 13	24	May 4	7	Jun 25	0
Aug 19	0	Oct 10	9	Dec 1	28	Jan 22	37	Mar 14	23	May 5	7	Jun 26	0
Aug 20	0	Oct 11	9	Dec 2	29	Jan 23	37	Mar 15	23	May 6	6	Jun 27	0
Aug 21	0	Oct 12	9	Dec 3	29	Jan 24	37	Mar 16	23	May 7	6	Jun 28	0
												Jun 29	0
												Jun 30	0

APPENDIX A

NON-RECURRING CHARGES

APPLICABILITY

Applicable to all customers in the Utility's service area.

Charges

Bad Check Charge (from Section 16.7)	\$14.00 per check
Reconnect/Disconnect Charge (from Sections 6.2 and 16.6)	\$44.00 per meter
Deposit (from Section 5.1)	\$40.00 minimum
Trip Charge (from Section 16.5)	\$14.00 per meter
Fraud Charge (tampering) (from Section 16.8)	\$200.00 minimum