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INDIANA UTILITY
REGULATORY COMMISSION

February, 2009

Indiana Utility Regulatory Commission
Electricity Division
101 W. Washington St. Suite 1500 E.
Indianapolis, IN 46204-3407

TO THE INDIANA UTILITY REGULATORY COMMISSION:

1. The City of Mishawaka, Indiana, 126 North Church Street, Mishawaka, Indiana, under and pursuant to the Public Service Commission Act, as amended, and Commission Order in Cause No. 40095, hereby files with the Indiana Utility Regulatory Commission for its approval, an average increase in its schedules of rates for electricity sold in the amount of \$0.004140 per kilowatt-hour (KWH).
2. The accompanying changes in schedules of rates are based solely upon the changes in the cost of power and energy, purchased and generated by this utility computed in accordance with the Indiana Utility Regulatory Commission Order in Cause Number 40095, dated April 5, 1995.
3. All of the matters and facts stated herein and in the attached exhibits are true and correct. If approved, this change of rate shall be applied to bills beginning March 1, 2009 and continuing through June 30, 2009.

City of Mishawaka, Indiana

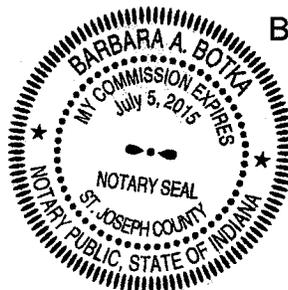
By: _____

STATE OF INDIANA)
) SS.
COUNTY OF ST. JOSEPH)

Personally appeared before me, a Notary Public in and for said county and state, the 5th day of February, 2009, James M. Schrader, who, after having been duly sworn according to law, stated that he is an officer of the City of Mishawaka, Indiana, that e has read the matters and facts stated above, and in all exhibits attached hereto, and that the same are true; that she is duly authorized to execute this instrument for and on behalf of the applicant herein.

By: Barbara A. Botka
Barbara A. Botka, Notary Public

My Commission Expires:
July 5, 2015



My County of Residence
St. Joseph

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INDIANA UTILITY
REGULATORY COMMISSION

Mishawaka Municipal Electric Utility

Appendix A

Rate Adjustments

The Rate Adjustments shall be on the basis of a Power Cost Adjustment Tracking Factor occasioned solely by changes in the cost of purchased and generated power and energy, in accordance with the Order of the Indiana Utility Regulatory Commission, approved April 5, 1995 in Cause Number 40095, as follows:

Rate Adjustments applicable to the below listed Rate Schedules are as follows:

| | | |
|--------------------------|---|---------------------|
| Residential | - | \$ 0.029957 per KWH |
| Commercial | - | \$ 0.031885 per KWH |
| Commercial Power | - | \$ 0.022283 per KWH |
| Commercial Electric Heat | - | \$ 0.057876 per KWH |
| Municipal | - | \$ 0.019383 per KWH |

To be applied to bills beginning April 1, 2009 and continuing through June 31, 2009

Mishawaka Utilities

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 INDIANA UTILITY
 REGULATORY COMMISSION

DETERMINATION OF RATE ADJUSTMENT FOR THE
 THREE MONTHS OF: April May June 2009

| LINE NO. | DESCRIPTION | DEMAND RELATED (A) | ENERGY RELATED (B) | LINE NO. |
|----------|---|-----------------------|-----------------------|----------|
| 1 | INCREMENTAL CHANGE IN BASE RATE PURCHASED POWER COST (a) | (0.943) | (0.002886) | 1 |
| 2 | ESTIMATED PURCHASED POWER ENERGY COST ADJUSTMENT (b) | 0.000 | 0.022075 | 2 |
| 3 | ESTIMATED TOTAL CHANGE IN PURCHASED POWER COST | (0.943) | 0.019189 | 3 |
| 4 | EST CHANGE IN PURCHASED POWER COST ADJ. FOR LOSSES & GROSS RECEIPTS TAX (c) | (1.023) | 0.020822 | 4 |
| 5 | PLUS TRACKING FACTOR EFFECTIVE PRIOR TC July, 1995 | 0.000 | (0.000125) | 5 |
| 6 | ESTIMATED TOTAL RATE ADJUSTMENT | (1.023) | 0.020697 | 6 |
| 7 | ESTIMATED AVERAGE BILLING UNITS (e) | 85,427 | 45,959,939 | 7 |
| 8 | ESTIMATED INCREMENTAL CHANGE IN PURCHASED POWER COST (f) | (\$87,391.82) | \$951,232.86 | 8 |

- (a) Exhibit I, Line 3
- (b) Exhibit II, Line 11

| | |
|-----------|----------------|
| Line Loss | Gross Receipts |
| 0.934625 | 98.60% |

- (c) Line 3 divided by (1 - line loss factor)(Gross receipts)
- (d) Tracking Factor effective prior to July, 1995
 factor is zero if new rates have been filed and approved since July, 1995
- (e) Exhibit II, Column E, Lines 1 and 2
- (f) Line 6 times Line 7

0.921540250

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INDIANA UTILITY
 REGULATORY COMMISSION

Mishawaka Utilities

DETERMINATION OF RATE ADJUSTMENT FOR THE
 THREE MONTHS OF: April May June 2009

| LINE NO. | RATE SCHEDULE | KW DEMAND ALLOCATOR (%) (a) | KWH ENERGY ALLOCATOR (%) (a) | ALLOCATED ESTIMATED KW PURCHASED (b) | ALLOCATED ESTIMATED KWH PURCHASED (c) | INCREMENTAL CHANGE IN PURCHASED POWER COST ADJ FOR LINE LOSSES & GROSS RECEIPTS TAX | | | LINE NO. |
|----------|------------------|-----------------------------|------------------------------|--------------------------------------|---------------------------------------|---|--------------|--------------|----------|
| | | | | | | DEMAND (d) | ENERGY (e) | TOTAL | |
| | | (A) | (B) | (C) | (D) | (E) | (F) | (G) | |
| 1 | Residential | 38.30500 | 33.03900 | 32,722.8 | 15,184,704 | (\$33,475.44) | \$314,277.82 | \$280,802.38 | 1 |
| 2 | Commercial | 9.60100 | 9.84200 | 8,201.8 | 4,523,377 | (\$8,390.49) | \$93,620.34 | \$85,229.85 | 2 |
| 3 | Commercial Power | 43.39500 | 48.85800 | 37,071.0 | 22,455,107 | (\$37,923.68) | \$464,753.35 | \$426,829.67 | 3 |
| 4 | Comm. Elec. Heat | 2.83100 | 2.87900 | 2,418.4 | 1,323,187 | (\$2,474.06) | \$27,385.99 | \$24,911.93 | 4 |
| 5 | Municipal | 4.44400 | 3.74900 | 3,796.4 | 1,723,038 | (\$3,883.69) | \$35,661.72 | \$31,778.03 | 5 |
| 6 | Flat rates | 1.42400 | 1.63300 | 1,216.5 | 750,526 | (\$1,244.46) | \$15,533.63 | \$14,289.17 | 6 |
| 7 | Rate 7 | 0.00000 | 0.00000 | 0.0 | 0 | \$0.00 | \$0.00 | \$0.00 | 7 |
| 8 | Rate 8 | 0.00000 | 0.00000 | 0.0 | 0 | \$0.00 | \$0.00 | \$0.00 | 8 |
| 9 | Rate 9 | 0.00000 | 0.00000 | 0.0 | 0 | \$0.00 | \$0.00 | \$0.00 | 9 |
| 10 | TOTAL | 100.000 | 100.000 | 85,427.0 | 45,959,939 | (\$87,391.82) | \$951,232.86 | \$863,841.04 | 10 |

(a) Taken From Cost of Service Study Based on Twelve Month Period Ended Dec. 1992 IURC Cause No. 39719
 (b) Page 1 of 3, Column A, Line 7 times Page 2 of 3, Column A
 (c) Page 1 of 3, Column B, Line 7 times Page 2 of 3, Column B
 (d) Page 1 of 3, Column A, Line 8 times Page 2 of 3, Column A
 (e) Page 1 of 3, Column B, Line 8 times Page 2 of 3, Column B

Mishawaka Utilities

DETERMINATION OF RATE ADJUSTMENT FOR THE
THREE MONTHS OF: April May June 2009

| LINE NO. | RATE SCHEDULE | PLUS VARIANCE (a) | | TOTAL CHANGE IN PURCHASED POWER COST ADJ FOR LINE LOSSES & GROSS RECEIPTS TAX | | | RATE ADJUSTMENT FACTOR PER KWH (d) | | | LINE NO. |
|----------|------------------|-------------------|--------------|---|----------------|----------------|------------------------------------|----------|----------|----------|
| | | DEMAND | ENERGY | DEMAND (b) | ENERGY (c) | TOTAL | DEMAND | ENERGY | TOTAL | |
| | | (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | |
| 1 | Residential | (\$4,635.64) | \$178,725.49 | (\$38,111.08) | \$493,003.31 | \$454,892.23 | (0.002510) | 0.032467 | 0.029957 | 1 |
| 2 | Commercial | (\$1,753.36) | \$60,752.59 | (\$10,143.85) | \$154,372.93 | \$144,229.09 | (0.002243) | 0.034128 | 0.031885 | 2 |
| 3 | Commercial Power | \$6,384.34 | \$67,160.02 | (\$31,539.34) | \$531,913.37 | \$500,374.03 | (0.001405) | 0.023688 | 0.022283 | 3 |
| 4 | Comm. Elec. Heat | (\$2,911.08) | \$54,580.27 | (\$5,385.14) | \$81,966.26 | \$76,581.12 | (0.004070) | 0.061946 | 0.057876 | 4 |
| 5 | Municipal | \$1,007.77 | \$612.26 | (\$2,875.92) | \$36,273.98 | \$33,398.06 | (0.001669) | 0.021052 | 0.019383 | 5 |
| 6 | Flat rates | (\$5,021.80) | \$72,950.81 | (\$6,266.26) | \$88,484.44 | \$82,218.18 | (0.008349) | 0.117897 | 0.109548 | 6 |
| 7 | Rate 7 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | 0.000000 | 0.000000 | 0.000000 | 7 |
| 8 | Rate 8 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | 0.000000 | 0.000000 | 0.000000 | 8 |
| 9 | Rate 9 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | 0.000000 | 0.000000 | 0.000000 | 9 |
| 10 | TOTAL | (\$6,929.77) | \$434,781.44 | (\$94,321.59) | \$1,386,014.29 | \$1,291,692.71 | (0.002052) | 0.030157 | 0.028105 | 10 |

(a) Exhibit III, Page 4 of 6, Columns D and E divided by (1 - loss factor)(Gross Receipts) =
 (b) Page 2 of 3, Column E plus Page 3 of 3, Column A
 (c) Page 2 of 3, Column F plus Page 3 of 3, Column B
 (d) Page 3 of 3, Columns C, D and E divided by Page 2 of 3, Column D

| | | |
|-----------|----------------|-------------|
| Line Loss | Gross Receipts | |
| 0.934625 | 98.60% | 0.921540250 |

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Exhibit I

Mishawaka Utilities

DETERMINATION OF INCREMENTAL CHANGE IN BASE RATE
PURCHASED POWER COST

| <u>LINE NO.</u> | <u>DESCRIPTION</u> | <u>DEMAND RELATED (A)</u> | <u>ENERGY RELATED (B)</u> | <u>LINE NO.</u> |
|-----------------|-------------------------------------|---------------------------|---------------------------|-----------------|
| 1 | BASE RATE EFFECTIVE 6/1/2008 (a) | 12.757 | 0.009714 | 1 |
| 2 | BASE RATE EFFECTIVE 10/21/90 | 13.700 (b) | 0.012600 (c) | 2 |
| 3 | INCREMENTAL CHANGE IN BASE RATE (d) | (0.943) | (0.002886) | 3 |

- (a) Supplier's base rate effective for the period covered by this filing.
(b) Recalculated demand rate imbedded in Retail Rates
(c) Base purchased power rate in effect at the time of Utility's last approved rate case or the base purchased power rate included in present tracker factor, whichever is more recent.
(d) Line 1 - Line 2

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Exhibit II

Mishawaka Utilities

ESTIMATION OF ENERGY COST ADJUSTMENT FOR THE
 THREE MONTHS OF: April May June 2009

| LINE NO. | DESCRIPTION | April | May | June | TOTAL | ESTIMATED 3 MONTH AVERAGE | LINE NO. |
|----------|---|---------------|--------------|---------------|----------------|---------------------------|----------|
| | | (A) | (B) | (C) | (D) | (E) | |
| | PURCHASED POWER FROM SUPPLIER | | | | | | |
| 1 | KW DEMAND | 82,500 | 84,715 | 89,065 | 256,280 | 85,427 | 1 |
| 2 | KWH ENERGY | 45,225,637 | 45,809,143 | 46,845,037 | 137,879,817 | 45,959,939 | 2 |
| | INCREMENTAL ENERGY RELATED PURCHASED POWER COST | | | | | | |
| 3 (a) | Fuel Charge | 0.0089492 | 0.0089492 | 0.0089492 | | | 3 (a) |
| 3 (b) | Fuel Adjustment | 0.0044 | 0.0044 | 0.0044 | | | 3 (b) |
| 3 (c) | FACTOR PER KWH (a) | 0.0133492 | 0.0133492 | 0.0133492 | | 0.013349 | 3 (c) |
| 4 | CHARGE (b) | \$603,726.07 | \$611,515.41 | \$625,343.77 | \$1,840,585.25 | \$613,528.42 | 4 |
| 5 | TRANSMISSION TARIFF CHARGE (c) | \$ 250,553.63 | \$250,553.63 | \$ 250,553.63 | \$751,660.89 | \$250,553.63 | 5 |
| 6 | FACTOR PER KWH (d) | 0.0055401 | 0.0054695 | 0.0053486 | | 0.005452 | 6 |
| 7 | FUEL ADJUSTMENT TRUE-UP (e) | \$ - | \$ - | \$ - | \$0.00 | \$0.00 | 7 |
| 8 | FACTOR PER KWH (f) | 0.0000000 | 0.0000000 | 0.0000000 | | 0.0000000 | 8 |
| 9 | ANNUAL FORMULA RATE TRUE-UP (g) | \$ 150,472.87 | \$150,472.87 | \$ 150,472.87 | \$451,418.61 | \$150,472.87 | 9 |
| 10 | FACTOR PER KWH (h) | 0.0033272 | 0.0032848 | 0.0032121 | | 0.003274 | 10 |
| 11 | TOTAL FACTOR PER KWH (i) | | | | | 0.022075 | 11 |

(a) Includes Fuel Cost Charge and System Sales Clause, if applicable.
 (b) Line 2 times Line 3
 (c) Includes PJM Open Access Transmission Tariff beginning with new AEP contract of July, 2006
 (d) Line 5 divided by Line 2
 (e) Includes true-up of actual fuel adjustment beginning with new AEP contract of July, 2006
 (f) Line 7 divided by Line 2
 (g) Annual Formula Rate True-Up - see attached bills
 (h) Line 9 divided by Line 2
 (i) Line 3 plus line 6 plus line 8 plus line 10

Mishawaka Utilities

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RECONCILIATION OF VARIANCES FOR THE
THREE MONTHS OF
October November December 2008

| LINE NO. | DESCRIPTION | DEMAND RELATED (A) | ENERGY RELATED (B) | LINE NO. |
|----------|---|-----------------------|-----------------------|----------|
| 1 | ACTUAL PURCHASED POWER ENERGY COST ADJUSTMENT (a) | (0.943) | 0.020080 | 1 |
| 2 | PLUS TRACKING FACTOR EFFECTIVE PRIOR TO (b) | 0.000 | (0.000125) | 2 |
| 3 | TOTAL RATE ADJUSTMENT (c) | (0.943) | 0.019955 | 3 |
| 4 | ACTUAL AVERAGE BILLING UNITS (d) | 89,449 | 48,794,229 | 4 |
| 5 | ACTUAL INCREMENTAL CHANGE IN PURCHASED POWER COST (e) | (\$84,350.41) | \$973,674.14 | 5 |

- (a) Exhibit III, Page 5 of 6, Column E, Line 3 and 13
- (b) Tracking Factor effective prior to
This factor is zero if new rates have been filed and approved since (See Attachment A)
- (c) Sum of Lines 1 and 2
- (d) Exhibit III, Page 5 of 6, Column E, Lines 1 and 2
- (e) Line 3 times Line 4

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INDIANA UTILITY
REGULATORY COMMISSION

Exhibit III
Page 2 of 6

Mishawaka Utilities

RECONCILIATION OF VARIANCES FOR THE
THREE MONTHS OF
October November December 2008

| LINE NO. | RATE SCHEDULE | KW DEMAND ALLOCATOR (%) (a) | KWH ENERGY ALLOCATOR (%) (a) | ALLOCATED ACTUAL KW PURCHASED (b) | ALLOCATED ACTUAL KWH PURCHASED (c) | INCREMENTAL CHANGE IN PURCHASED POWER COST | | | LINE NO. |
|----------|------------------|-----------------------------|------------------------------|-----------------------------------|------------------------------------|--|--------------|--------------|----------|
| | | | | | | DEMAND (d) | ENERGY (e) | TOTAL | |
| | | (A) | (B) | (C) | (D) | (E) | (F) | (G) | |
| 1 | Residential | 38.305 | 33.039 | 34,263.4 | 16,121,125 | (\$32,310.42) | \$321,692.20 | \$289,381.78 | 1 |
| 2 | Commercial | 9.601 | 9.842 | 8,588.0 | 4,802,328 | (\$8,098.48) | \$95,829.01 | \$87,730.53 | 2 |
| 3 | Commercial Power | 43.395 | 48.858 | 38,816.4 | 23,839,885 | (\$36,603.86) | \$475,717.71 | \$439,113.85 | 3 |
| 4 | Comm. Elec. Heat | 2.831 | 2.879 | 2,532.3 | 1,404,786 | (\$2,387.96) | \$28,032.08 | \$25,644.12 | 4 |
| 5 | Municipal | 4.444 | 3.749 | 3,975.1 | 1,829,296 | (\$3,748.53) | \$36,503.04 | \$32,754.51 | 5 |
| 6 | Flat rates | 1.424 | 1.633 | 1,273.8 | 796,810 | (\$1,201.15) | \$15,900.10 | \$14,698.95 | 6 |
| 7 | Rate 7 | 0.000 | 0.000 | 0.0 | 0 | \$0.00 | \$0.00 | \$0.00 | 7 |
| 8 | Rate 8 | 0.000 | 0.000 | 0.0 | 0 | \$0.00 | \$0.00 | \$0.00 | 8 |
| 9 | Rate 9 | 0.000 | 0.000 | 0.0 | 0 | \$0.00 | \$0.00 | \$0.00 | 9 |
| 10 | TOTAL | 100.000 | 100.000 | 89,449.0 | 48,794,229 | (\$84,350.41) | \$973,674.14 | \$889,323.74 | 10 |

(a) Page 2 of 3, Columns A and B of tracker filed for the months of October November December 2008
 (b) Exhibit III, Page 5 of 6, Column E, Line 1 times Exhibit III, Page 2 of 6, Column A
 (c) Exhibit III, Page 5 of 6, Column E, Line 2 times Exhibit III, Page 2 of 6, Column B
 (d) Exhibit III, Page 1 of 6, Column A, Line 5 times Exhibit III, Page 2 of 6, Column A
 (e) Exhibit III, Page 1 of 6, Column B, Line 5 times Exhibit III, Page 2 of 6, Column B

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INDIANA UTILITY
REGULATORY COMMISSION

Exhibit III
Page 3 of 6

Mishawaka Utilities

RECONCILIATION OF VARIANCES FOR THE
THREE MONTHS OF
October November December 2008

| LINE NO. | RATE SCHEDULE | ACTUAL AVERAGE KWH SALES (a) | DEMAND ADJUSTMENT FACTOR PER KWH (b) | ENERGY ADJUSTMENT FACTOR PER KWH (c) | INCREMENTAL KW DEMAND COST BILLED BY UTILITY (d) | INCREMENTAL KWH ENERGY COST BILLED BY UTILITY (e) | LESS PREVIOUS VARIANCE | | | LINE NO. |
|----------|------------------|------------------------------|--------------------------------------|--------------------------------------|--|---|------------------------|--------------|----------|----------|
| | | | | | | | October | November | December | |
| | | (A) | (B) | (C) | (D) | (E) | (F) | (G) | | |
| 1 | Residential | 11,599,457 | (0.002066) | 0.025361 | (\$23,628.98) | \$290,055.40 | 4,409.51 | 133,065.93 | 1 | |
| 2 | Commercial | 3,364,490 | (0.002038) | 0.028948 | (\$6,760.83) | \$96,031.72 | (278.14) | 56,188.67 | 2 | |
| 3 | Commercial Power | 24,837,843 | (0.000776) | 0.018750 | (\$19,004.33) | \$459,189.62 | 23,482.96 | 45,362.57 | 3 | |
| 4 | Comm. Elec. Heat | 474,631 | (0.003386) | 0.050923 | (\$1,584.60) | \$23,831.26 | (1,879.32) | 46,097.10 | 4 | |
| 5 | Municipal | 2,092,195 | (0.001484) | 0.021174 | (\$3,061.35) | \$43,679.94 | 1,615.88 | 7,741.12 | 5 | |
| 6 | Flat rates | 0 | (0.006244) | 0.083814 | \$0.00 | \$0.00 | (3,426.64) | 51,327.01 | 6 | |
| 7 | Rate 7 | 0 | 0.000000 | 0.000000 | \$0.00 | \$0.00 | - | - | 7 | |
| 8 | Rate 8 | 0 | 0.000000 | 0.000000 | \$0.00 | \$0.00 | - | - | 8 | |
| 9 | Rate 9 | 0 | 0.000000 | 0.000000 | \$0.00 | \$0.00 | - | - | 9 | |
| 10 | TOTAL | 42,368,616 | | | (\$54,040.09) | \$912,787.94 | \$23,924.25 | \$339,782.40 | 10 | |

- (a) Exhibit III, Page 6 of 6, Column E
 (b) Page 3 of 3, Column F of Tracker Filing for the three months of October November December 2008
 (c) Page 3 of 3, Column G of Tracker Filing for the three months of October November December 2008
 (d) Column A times Column B times the Gross Receipts Tax Factor of 0.986
 (e) Column A times Column C times the Gross Receipts Tax Factor of 0.986
 (f) Exhibit III, Page 4 of 6, Column D of Tracker Filing for the three months of October November December 2008
 (g) Exhibit III, Page 4 of 6, Column E of Tracker Filing for the three months of October November December 2008

Mishawaka Utilities

RECONCILIATION OF VARIANCES FOR THE
 THREE MONTHS OF
 October November December 2008

| LINE NO. | RATE SCHEDULE | NET INCREMENTAL COST BILLED BY UTILITY | | | VARIANCE | | | LINE NO. |
|----------|------------------|--|---------------|---------------|--------------|--------------|--------------|----------|
| | | DEMAND (a) | ENERGY (b) | TOTAL | DEMAND (c) | ENERGY (c) | TOTAL (c) | |
| | | (A) | (B) | (C) | (D) | (E) | (F) | |
| 1 | Residential | (\$28,038.49) | \$156,989.47 | \$128,950.98 | (\$4,271.93) | \$164,702.73 | \$160,430.80 | 1 |
| 2 | Commercial | (\$6,482.69) | \$39,843.05 | \$33,360.36 | (\$1,615.79) | \$55,985.96 | \$54,370.17 | 2 |
| 3 | Commercial Power | (\$42,487.29) | \$413,827.05 | \$371,339.76 | \$5,883.43 | \$61,890.66 | \$67,774.09 | 3 |
| 4 | Comm. Elec. Heat | \$294.72 | (\$22,265.84) | (\$21,971.12) | (\$2,682.68) | \$50,297.92 | \$47,615.24 | 4 |
| 5 | Municipal | (\$4,677.23) | \$35,938.82 | \$31,261.59 | \$928.70 | \$564.22 | \$1,492.92 | 5 |
| 6 | Flat rates | \$3,426.64 | (\$51,327.01) | (\$47,900.37) | (\$4,627.79) | \$67,227.11 | \$62,599.32 | 6 |
| 7 | Rate 7 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | 7 |
| 8 | Rate 8 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | 8 |
| 9 | Rate 9 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | 9 |
| 10 | TOTAL | (\$77,964.34) | \$573,005.54 | \$495,041.20 | (\$6,386.06) | \$400,668.60 | \$394,282.54 | 10 |

(a) Column D minus Column F from Exhibit III, Page 3 of 6
 (b) Column E minus Column G from Exhibit III, Page 3 of 6
 (c) Columns E, F, and G from Exhibit III, Page 2 of 6 minus Columns A, B, and C from Exhibit III, Page 4 of 6

DETERMINATION OF ACTUAL ENERGY COST ADJUSTMENT
FOR THE THREE MONTHS OF
October November December 2008

| LINE NO. | DESCRIPTION | October | November | December | TOTAL | ACTUAL 3 MONTH AVERAGE | LINE NO. |
|----------|---------------------------------------|------------------|---------------|----------------|----------------|------------------------|----------|
| | | (A) | (B) | (C) | (D) | (E) | |
| | PURCHASED POWER FROM SUPPLIER | | | | | | |
| 1 | KW DEMAND (a) | 89,065 | 85,531 | 93,751 | 268,347 | 89,449 | 1 |
| 2 | KWH ENERGY (a) | 46,845,037 | 46,515,639 | 53,022,012 | 146,382,688 | 48,794,229 | 2 |
| | INCREMENTAL PURCHASED POWER COSTS | | | | | | |
| 3 | BASE RATE ADJUSTMENT (b) | (0.943) | (0.943) | (0.943) | | (0.943) | 3 |
| 4 | CHARGE (c) | (\$83,988.30) | (\$80,655.73) | (\$88,407.19) | (\$253,051.22) | (\$84,350.41) | 4 |
| | ENERGY RELATED | | | | | | |
| | | Base Rate Change | (0.0028861) | (0.0028861) | (0.0028861) | | |
| | | Fuel Charge | 0.0089492 | 0.0089492 | 0.0089492 | | |
| | | Fuel Adjustment | 0.0041744 | 0.0052597 | 0.0036586 | | |
| 5 | FACTOR PER KWH (d) | 0.0102375 | 0.0113228 | 0.0097217 | | 0.010396 | 5 |
| 6 | CHARGE (e) | \$479,576.07 | \$526,687.28 | \$515,464.09 | \$1,521,727.44 | \$507,242.48 | 6 |
| 7 | TRANSMISSION TARRIFF CHARGE (f) | \$ 254,931.47 | \$ 244,304.42 | \$ 252,425.01 | \$751,660.90 | \$250,553.63 | 7 |
| 8 | FACTOR PER KWH (g) | 0.0054420 | 0.0052521 | 0.0047608 | | 0.005135 | 8 |
| 9 | TRUE UP OF ACTUAL FUEL ADJUSTMENT (h) | \$ 125,162.75 | \$ 113,513.24 | \$ (24,162.67) | \$214,513.32 | \$71,504.44 | 9 |
| 10 | FACTOR PER KWH (i) | 0.0026718 | 0.0024403 | (0.0004557) | | 0.001465 | 10 |
| 11 | FORMULA RATE TRUE-UP (j) | \$ 150,472.87 | \$ 150,472.87 | \$ 150,472.87 | \$451,418.61 | \$150,472.87 | 11 |
| 12 | FACTOR PER KWH (k) | 0.0032121 | 0.0032349 | 0.0028379 | | 0.003084 | 12 |
| 13 | TOTAL FACTOR PER KWH (l) | | | | | 0.020080 | 13 |

- (a) From Supplier's bills for the months October November December 2008
- (b) Incremental change in base rate demand related - Exhibit I
- (c) Line 1 times Line 3
- (d) Incremental change in base rate energy related - Exhibit I plus fuel cost charge and system sales clause, if applicable.
- (e) Line 2 times Line 5
- (f) Includes PJM Open Access Transmission Tariff as of July, 2006 bill
- (g) Line 7 divided by Line 2
- (h) True up of actual Fuel Adjustment from AEP - see attached bills
- (i) Line 9 divided by Line 2
- (j) Annual Formula Rate True-Up - see attached bills
- (k) Line 11 divided by Line 2
- (l) Line 5 + Line 8 + Line 10 + Line 12

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Exhibit III
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Mishawaka Utilities

DETERMINATION OF ACTUAL AVERAGE KWH SALES
 FOR THE THREE MONTHS OF 2008 (a)

| LINE NO. | RATE SCHEDULE | October | November | December | TOTAL | AVERAGE | LINE NO. |
|----------|------------------|------------|------------|------------|-------------|------------|----------|
| | | (A) | (B) | (C) | (D) | (E) | |
| 1 | Residential | 12,659,542 | 12,848,312 | 9,290,517 | 34,798,371 | 11,599,457 | 1 |
| 2 | Commercial | 3,229,098 | 3,310,424 | 3,553,949 | 10,093,471 | 3,364,490 | 2 |
| 3 | Commercial Power | 25,999,070 | 24,463,576 | 24,050,883 | 74,513,529 | 24,837,843 | 3 |
| 4 | Comm. Elec. Heat | 405,439 | 488,411 | 530,043 | 1,423,893 | 474,631 | 4 |
| 5 | Municipal | 2,090,848 | 2,191,768 | 1,993,970 | 6,276,586 | 2,092,195 | 5 |
| 6 | Flat rates | 0 | 0 | 0 | 0 | 0 | 6 |
| 7 | Rate 7 | 0 | 0 | 0 | 0 | 0 | 7 |
| 8 | Rate 8 | 0 | 0 | 0 | 0 | 0 | 8 |
| 9 | Rate 9 | 0 | 0 | 0 | 0 | 0 | 9 |
| 10 | TOTAL | 44,383,997 | 43,302,491 | 39,419,362 | 127,105,850 | 42,368,616 | 10 |

(a) Taken from Utilities Books and Records.

Mishawaka Utilities

ATTACHMENT A
PAGE 2 OF 2

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DETERMINATION OF DEMAND RELATED AND ENERGY RELATED
COSTS INCLUDED IN TRACKING FACTOR PRIOR TO

| Line No. | Description | Demand Related | Energy Related | Total | Line No. |
|----------|---|----------------|----------------|-----------|----------|
| | System Sales Clause | | 0.000299 | 0.000299 | |
| | Billed During Last Month | | | | |
| | Total System Sales Clause Costs Tracker Per KWH | | 0.000299 | 0.000299 | |
| | Average Weighted Fuel Cost Adjustment Charge | | | | |
| | Attachment A, Page 1 of 2 | | -0.000424 | -0.000424 | |
| | Total Present Tracking Factor | | -0.000125 | -0.000125 | |

Mishawaka Utilities

DETERMINATION OF AVERAGE WEIGHTED FUEL COST
CHARGE FOR THE TWELVE MONTH PERIOD ENDED JUNE, 1995

| MONTH | SUPPLIER'S FUEL COST CHARGE (a) | EFFECTIVE FUEL ADJUSTMENT CHARGE (b) | ENERGY SALES | MUNICIPAL FUEL COST CHARGE |
|-----------------|--|---|-----------------|-------------------------------------|
| | (Mills/KWH) | (Mills/KWH) | (KWH) | (\$) |
| July, 1994 | (0.000483) | (0.000509) | 43,948,198 | (\$22,369.63) |
| August, 1994 | 0.000868 | 0.000914 | 41,614,701 | \$38,035.84 |
| September, 1994 | 0.000130 | 0.000137 | 42,047,475 | \$5,760.50 |
| October, 1994 | 0.000481 | 0.000507 | 39,317,211 | \$19,933.83 |
| November, 1994 | 0.000916 | 0.000965 | 34,377,797 | \$33,174.57 |
| December, 1994 | 0.000325 | 0.000342 | 39,854,824 | \$13,630.35 |
| January, 1995 | (0.001121) | (0.001181) | 40,854,949 | (\$48,249.69) |
| February, 1995 | (0.001127) | (0.001188) | 35,270,459 | (\$41,901.31) |
| March, 1995 | (0.001977) | (0.002082) | 36,579,860 | (\$76,159.27) |
| April, 1995 | (0.000868) | (0.000914) | 37,697,854 | (\$34,455.84) |
| May, 1995 | (0.001330) | (0.001401) | 35,323,723 | (\$49,488.54) |
| June, 1995 | (0.000889) | (0.000936) | 36,860,908 | (\$34,501.81) |
| Total | | | 463,747,959 | (\$196,591.00) |

$$\text{Average Weighted Fuel Cost Charge} = \frac{\text{Total Municipal Fuel Cost Charge}}{\text{Total Energy Sales}}$$

$$\text{Average Weighted Fuel Cost Charge} = (0.000424)$$

(a) Synchronized Fuel Cost Charge From Supplier,
If Applicable, Should Also Include System Sales Clause.

$$\text{(b) Effective Fuel Adjustment Charge} = \frac{\text{(Suppliers Fuel Cost Charge - Fuel Cost Base)}}{\text{(1-Line Loss Of Municipal)}}$$

$$\begin{aligned} \text{Current Fuel Cost Base} &= 0 \\ \text{Current Line Loss} &= 0.949170 \end{aligned}$$

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