

RESOLUTION 02-2009

**A RESOLUTION OF THE
AUBURN BOARD OF PUBLIC WORKS AND SAFETY
RECOMMENDING THE ADOPTION OF A TIME OF USE RATE APPLICABLE
TO QUALIFYING INDUSTRIAL SERVICE CUSTOMERS**

SUMMARY

This resolution recommends that the Common Council approve Rate Schedule EHPT, which is a "time of use" rate schedule providing favorable electric rates and charges to certain qualifying industrial service customers receiving electric service from the Auburn Electric Department during off-peak hours. This resolution further recommends that the General Manager file a petition with the Indiana Utility Regulatory Commission for approval of Rate Schedule EHPT.

_____ Records Office

_____ Auditors Office

_____ Clerk's Office

_____ Other:

_____ Publish Public Hearing

_____ Publish O/R after adoption

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AUBURN BOARD OF PUBLIC WORKS AND SAFETY
RECOMMENDING THE ADOPTION OF A TIME OF USE RATE APPLICABLE
TO QUALIFYING INDUSTRIAL SERVICE CUSTOMERS**

WHEREAS, the City of Auburn, Indiana owns and operates the Auburn Electric Department (the "Utility"), a municipal electric utility which provides electric service to the City and to residential, commercial and industrial customers located in its assigned service area boundaries within and around the City in DeKalb County, Indiana; and

WHEREAS, a customer with a large industrial power load requested the Utility develop a "time of use" rate that will provide an incentive for industrial service customers to use power during off-peak hours; and

WHEREAS, the Utility, with the assistance of Spectrum Engineering Corporation, has undertaken to develop Rate Schedule EHPT, which is attached hereto as Exhibit "A" and is intended to improve system load factor and promote economic development within the City by providing favorable electric rates and charges to certain qualifying industrial service customers receiving electric service at off-peak hours; and

WHEREAS, proposed Rate Schedule EHPT would apply to all industrial service customers where the customer has: (i) monthly on-peak billing demands in excess of 5,000 KvA, but not more than 20,000 KvA; and (ii) furnished a complete substation and is able to take three phase service at 69,000 volts; and

WHEREAS, under proposed Rate Schedule EHPT, the eligible industrial service customer can pay a reduced demand charge by shifting its usage from on-peak hours (*i.e.*, from 0700 to 1900 hours, non-holidays, Monday through Friday, local time) to off-peak hours; and

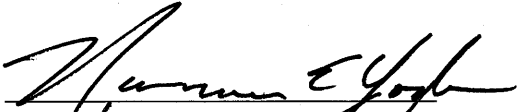
WHEREAS, pursuant to IC 8-1.5-3-4(a)(7) and IC 8-1.5-3-8(f)(2) the Board now finds that proposed Rate Schedule EHPT is a reasonable and just rate for service and will promote economic development within the City and accordingly (i) the Utility's proposed Rate Schedule EHPT, attached hereto, should be approved by Ordinance of the Common Council; and (ii) proposed Rate Schedule EHPT should be submitted to the Indiana Utility Regulatory Commission ("Commission") for its approval.

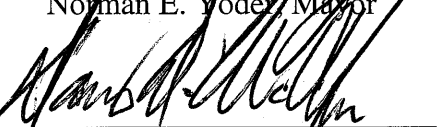
NOW, THEREFORE, BE IT RESOLVED by the Auburn Board of Public Works and Safety that the Board recommends to the Common Council that it approve by Ordinance the Utility's proposed Rate Schedule EHPT attached hereto.

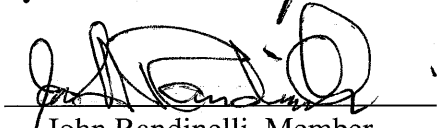
BE IT FURTHER RESOLVED, that the necessary and appropriate officials of the Utility are authorized to file a Petition with the Commission seeking approval of proposed Rate Schedule EHPT and to take all other actions they may determine to be advisable in order to successfully prosecute the proceeding before the Commission.

PASSED AND ADOPTED by the Auburn Board of Public Works and Safety, this
22 day of January, 2009.

**CITY OF AUBURN
BOARD OF PUBLIC WORKS AND SAFETY**

By: 
Norman E. Yoder, Mayor

By: 
Danny McAfee, Member

By: 
John Randinelli, Member

ATTEST:

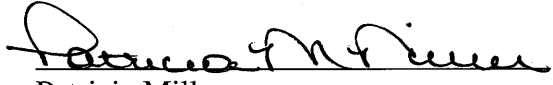

Patricia Miller
Clerk-Treasurer

EXHIBIT "A"

AUBURN INDIANA MUNICIPAL ELECTRIC DEPARTMENT

Rate Schedule EHPT
(Rate Code 45T)

High Voltage Large Power Service Test Rate

Availability: To all industrial service customers located in the assigned service area of the Municipal Electric Department of the City of Auburn, Indiana, where the monthly billing demand exceeds 5,000 KVA, but does not exceed 20,000 KVA.

Application: This time of use test rate schedule will become effective upon its approval by the Indiana Utility Regulatory Commission and remain in effect until 2400 hours, October 31, 2009.

Character of Service: Service available under this rate schedule will be supplied to a single meter location. The service shall be at 69,000 volts, three phase, where the customer furnishes a complete substation and where service is metered at 69,000 volts.

Definition: On-Peak means usage occurring between 0700 to 1900 hours, non-holidays, Monday through Friday, local time (including E.D.S.T., when applicable).

Monthly Rate per Metered Service Location:

Customer charge: \$100.00 per Metered Service Location

Demand charge: Shall be \$12.38 per KVA applied to the higher of either:

On-Peak billing demand; or

Off-Peak billing demand, to the extent it exceeds 1.2 times On-Peak billing demand.

Under this rate schedule, the demand charge will not be applied to that portion of an industrial service customer's Off-Peak billing demand that is between 1.0 and 1.2 times On-Peak billing demand.

Energy charge: \$0.016711 per kwh for all kwh

Minimum charge: The sum of the monthly customer charge and the monthly demand charge shall be the minimum charge each month regardless of kwh consumption.

Determination of KVA Billing Demand:

The monthly KVA billing demand shall be determined by taking the highest 15 minute integrated KW demand, either On-Peak or Off-Peak, or equivalent thermal KW capacity and dividing same by the average monthly power factor. All KVA billing demand shall be determined to the nearest whole KVA.

The monthly billing demand shall be the KVA capacity as determined above, but in no event shall the monthly billing demand be less than the highest of 5,000 KVA or 60% of the highest KVA monthly billing demand established during the previous eleven (11) months. Metering and billing also may be subject to adjustments described in Appendix C, Parts I and II.

Rate Adjustments

The above rates are subject to a Purchased Power Cost Adjustment Tracking Factor, in accordance with the Order of the Public Service Commission of Indiana approved December 17, 1976 in Cause No. 34614. The Purchased Power Cost Adjustment Tracking Factor stated in Appendix A, Part I, is applicable hereto and is issued and effective at the dates shown in Appendix A, Part I.

Fuel Cost Adjustment

The above rates are subject to a Fuel Cost Adjustment Factor that tracks the Fuel Cost Adjustment Factor of the Electric Department's supplier of electricity. The Fuel Cost Adjustment Factor applicable hereto is derived in Appendix A, Part II.

System Sales Clause Adjustment

The rates are subject to a System Sales Clause Adjustment Factor that tracks the System Sales Clause Factor of the Electric Department's supplier of electricity. The System Sales Clause Adjustment Factor applicable hereto is derived in Appendix A, Part III.

Non-recurring Charges

Certain services shall be provided by the Electric Department subject to the non-recurring charges as stated in Appendix B.