

June 7, 2010

Mr. Brad Borum, Electric Director  
Indiana Utility Regulatory Commission  
101 West Washington Street  
Suite 1500E  
Indianapolis, Indiana 46204

**RE: WHOLESALE POWER FACTOR**

Dear Mr. Borum:

1. The City of Auburn, Indiana, 210 East Ninth Street, Auburn, Indiana, under and pursuant to the Public Service Commission Act, as amended, and the Indiana Utility Regulatory Commission's Orders, hereby files with the Commission for its approval of the establishment of a wholesale power tracker rate of .018982 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.
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 take effect beginning with the August 2010 billing cycle.

City of Auburn, Indiana

By: Patricia M. Miller

STATE OF INDIANA     )  
  )  
COUNTY OF DEKALB    )

Personally appeared before me, a Notary Public in and for said county and State, this Patricia M. Miller, who, after having been duly sworn according to law, stated that he/she is an officer of the City of Auburn, Indiana, that he/she has read the matters and facts stated above, and in all exhibits attached hereto, and that the same are true; that he/she is duly authorized to execute this instrument for and on behalf of the applicant herein.



Janam Shipe  
NOTARY PUBLIC

My County of Residence

DeKalb

My Commission Expires:

July 25, 2015

RECEIVED ON: JUNE 11, 2010  
IURC 30-DAY FILING NO.: 2716  
Indiana Utility Regulatory Commission

AUBURN MUNICIPAL ELECTRIC UTILITY  
Auburn, Indiana

Appendix A - Wholesale Power Factor

Rate Adjustments

The Rate adjustments shall be on the basis of a Power Cost Adjustment Tracking Factor occasioned solely by changes in the costs of purchased and generated power and energy, in accordance with the Order of the Indiana Utility Regulatory Commission, approved April 5, 1995 in Cause No. 40095, as follows:

Rate Adjustments applicable to the above listed Rates Schedules:

\$.018982 per KWH per month (Positive Factor)

June 7, 2010

August and September 2010

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IURC 30-DAY FILING NO.: 2716  
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**AUBURN MUNICIPAL  
ELECTRIC UTILITY**  
Auburn, Indiana

**Wholesale Power Tracker**

May 28, 2010

The logo consists of the letters 'F', 'S', and 'G' in a stylized, cursive, handwritten font. The letters are dark and have a slight shadow or gradient effect, giving them a three-dimensional appearance.

Financial

**Solutions**

Group,

Inc.

**AUBURN MUNICIPAL ELECTRIC UTILITY**

DETERMINATION OF RATE ADJUSTMENT FOR THE  
 THREE MONTHS OF  
 JULY, AUGUST AND SEPTEMBER 2010

<u>LINE NO.</u>		<u>DEMAND RELATED</u>	<u>ENERGY RELATED</u>
1	INCREMENTAL CHANGE IN BASE RATE PURCHASED POWER COST (a)	0.000000	0.0157140
2	ESTIMATED PURCHASED POWER ENERGY COST ADJUSTMENT (b)	<u>0.000000</u>	<u>0.000000</u>
3	ESTIMATED TOTAL CHANGE IN PURCHASED POWER COST (c)	<u>0.000000</u>	<u>0.015714</u>
4	ESTIMATED CHANGE IN PURCHASED POWER COST ADJUSTED FOR LOSSES & UTILITY RECEIPTS TAX (d)	0.000000	0.016512
5	PLUS TRACKING FACTOR EFFECTIVE PRIOR TO AEP'S RATE CHANGE (e)	<u>0.000000</u>	<u>0.000000</u>
6	ESTIMATED TOTAL RATE ADJUSTMENT (f)	0.000000	0.016512
7	ESTIMATED AVERAGE BILLING UNITS (g)	<u>0</u>	<u>32,520,484</u>
8	ESTIMATED INCREMENTAL CHANGE IN PURCHASED POWER COST (h)	<u><u>0.000000</u></u>	<u><u>536,968.47</u></u>

**AUBURN MUNICIPAL ELECTRIC UTILITY**  
 DETERMINATION OF RATE ADJUSTMENT FOR THE  
 THREE MONTHS OF  
 JULY, AUGUST AND SEPTEMBER 2010

LINE NO.	ESTIMATED KW PURCHASED	ESTIMATED KWH PURCHASED	INCREMENTAL CHANGE IN PURCHASED POWER COST ADJUSTED FOR LINE LOSS & UTILITY RECEIPTS		
			DEMAND	ENERGY	TOTAL
1	- (a)	33,693,000 (b)	- (c)	536,968.47 (d)	536,968.47 (e)

**AUBURN MUNICIPAL ELECTRIC UTILITY**

DETERMINATION OF RATE ADJUSTMENT FOR THE  
 THREE MONTHS OF  
 JULY, AUGUST AND SEPTEMBER 2010

LINE NO.	PLUS VARIANCE WITH LINE LOSS & GROSS REC.		TOTAL CHANGE IN PURCHASED POWER COST			RATE ADJUSTMENT FACTOR PER KWH		
	DEMAND	ENERGY	DEMAND	ENERGY	TOTAL	DEMAND	ENERGY	TOTAL
1	-	(a) 102,594.04 (b)	-	(c) 639,562.51 (d)	639,562.51 (e)	-	(f) 0.018982 (g)	0.018982 (h)

**AUBURN MUNICIPAL ELECTRIC UTILITY**

DETERMINATION OF RATE ADJUSTMENT FOR THE  
 THREE MONTHS OF  
 JULY, AUGUST AND SEPTEMBER 2010

**ESTIMATED POWER PURCHASES AND COSTS FROM AEP**

LINE NO.		July 2010	August 2010	September 2010	TOTAL	ESTIMATED 3-MONTH AVERAGE
	<b><u>PURCHASE</u></b>					
1	DEMAND (KW) (a)	2,456	2,456	2,456	7,368	2,456
2	ENERGY (KWH) (b)	32,450,000	33,976,000	34,653,000	101,079,000	33,693,000
	<b><u>COST</u></b>					
3	Capacity Rate (c)	104.82	104.82	104.82		
4	Fixed Energy Rate (d)	40.460	40.460	40.460		
	<b><u>COST</u></b>					
5	Capacity Cost (e)	\$ 257,437.92	\$ 257,437.92	\$ 257,437.92	772,313.76	257,438.00
6	Fixed Energy Cost (f)	1,312,927.00	1,374,668.96	1,402,060.38	4,089,656.34	1,363,219.00
7	Net Estimated PJM Settlement (g)	99,380.00	99,380.00	99,380.00	298,140.00	99,380.00
8	Total Amount (h)	<u>\$ 1,669,744.92</u>	<u>\$ 1,731,486.88</u>	<u>\$ 1,758,878.30</u>	<u>\$ 5,160,110.10</u>	<u>\$ 1,720,037.00</u>
9	2009 Test Year Average Cost for Initial Tracker (i)					<u>\$ 1,209,002.39</u>
10	Increase (j)					<u>\$ 511,034.61</u>
11	Increase per KWH (k)					<u>\$ 0.015714</u>

AUBURN MUNICIPAL ELECTRIC UTILITY  
RECONCILIATION OF VARIANCES FOR THE  
THREE MONTHS OF  
JANUARY, FEBRUARY AND MARCH 2010

<u>LINE NO.</u>		<u>DEMAND RELATED</u>	<u>ENERGY RELATED</u>
1	ACTUAL PURCHASED POWER ENERGY COST ADJUSTMENT (a)	0.000000	0.0133730
2	PLUS TRACKING FACTOR EFFECTIVE PRIOR TO (b)	<u>0.000000</u>	<u>0.000000</u>
3	TOTAL RATE ADJUSTMENT (c)	0.000000	0.0133730
4	ACTUAL AVERAGE BILLING UNITS (d)	<u>2,337</u>	<u>32,520,484</u>
5	ACTUAL INCREMENTAL CHANGE IN PURCHASED POWER COST (e)	<u>0.000000</u>	<u>\$ 434,896.43</u>



AUBURN MUNICIPAL ELECTRIC UTILITY  
 RECONCILIATION OF VARIANCES FOR THE  
 THREE MONTHS OF  
 JANUARY, FEBRUARY AND MARCH 2010

<u>LINE NO.</u>	<u>ACTUAL KW PURCHASED</u>	<u>ACTUAL KWH PURCHASED</u>	<u>INCREMENTAL CHANGE IN PURCHASED POWER COST</u>		
			<u>DEMAND</u>	<u>ENERGY</u>	<u>TOTAL</u>
1	2,337.00 (a)	32,520,484 (b)	- (c)	434,896.43 (d)	434,896.43 (e)

AUBURN MUNICIPAL ELECTRIC UTILITY  
 RECONCILIATION OF VARIANCES FOR THE  
 THREE MONTHS OF  
 JANUARY, FEBRUARY AND MARCH 2010

LINE NO.	ACTUAL AVERAGE KWH SALES	DEMAND ADJUSTMENT FACTOR PER KWH	ENERGY ADJUSTMENT FACTOR PER KWH	INCREMENTAL KW DEMAND COST BILLED BY UTILITY	INCREMENTAL KWH ENERGY COST BILLED BY UTILITY	<u>LESS PREVIOUS VARIANCE</u>	
						DEMAND	ENERGY
1	31,946,172 (a)	- (b)	0.0107070 (c)	- (d)	337,259.00 (1) (e)	- (f)	- (g)

(1) See Attachment B for detail.

AUBURN MUNICIPAL ELECTRIC UTILITY  
RECONCILIATION OF VARIANCES FOR THE  
THREE MONTHS OF  
JANUARY, FEBRUARY AND MARCH 2010

LINE NO.	NET INCREMENTAL COST BILLED BY UTILITY			VARIANCE		
	DEMAND	ENERGY	TOTAL	DEMAND	ENERGY	TOTAL
1	- (a)	337,259.00 (b)	337,259.00 (c)	- (d)	97,637.43 (e)	97,637.43 (f)

**AUBURN MUNICIPAL ELECTRIC UTILITY**

RECONCILIATION OF RATE ADJUSTMENT FOR THE  
THREE MONTHS OF  
JANUARY, FEBRUARY AND MARCH 2010

**ACTUAL POWER PURCHASES AND COSTS FROM AEP**

LINE NO.		January 2010	February 2010	March 2010	TOTAL	3-MONTH AVERAGE
	<b><u>PURCHASE</u></b>					
1	DEMAND (KW)	2,456.29	2,218.59	2,456.29	7,131.18	2,337.00
2	ENERGY (KWH)	38,320,000	29,460,000	28,467,000	96,247,000	33,890,000
	<b><u>COST</u></b>					
3	Capacity Rate (c)	104.82	104.82	104.82		
4	Fixed Energy Rate (d)	40.250	40.460	40.460		
	<b><u>COST</u></b>					
5	Capacity Cost (e)	\$ 257,468.74	\$ 232,552.39	\$ 257,468.74	747,489.87	249,163.00
6	Fixed Energy Cost (f)	1,542,380.00	1,191,951.60	1,151,774.82	3,886,106.42	1,295,369.00
7	Net Estimated PJM Settlement (g)	(140,917.00)	174,230.66	264,828.98	298,142.64	99,381.00
8	Total Billed (h)	<u>\$1,658,931.74</u>	<u>\$1,598,734.65</u>	<u>\$1,674,072.54</u>	<u>\$4,931,738.93</u>	<u>\$1,643,913.00</u>
9	2009 Test Year Average Cost for Tracker (i)					<u>1,209,002.39</u>
10	Increase (j)					<u>\$ 434,910.61</u>
11	Factor (k)					<u>0.013373</u>

AUBURN MUNICIPAL ELECTRIC UTILITY  
RECONCILIATION OF VARIANCES FOR THE  
THREE MONTHS OF  
JANUARY, FEBRUARY AND MARCH 2010  
ACTUAL AVERAGE KWH SALES

<u>LINE NO.</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>Total</u>	<u>Average</u>
1	32,705,711 (a)	31,441,468 (b)	31,691,338 (c)	95,838,517 (d)	31,946,172 (e)

**AUBURN MUNICIPAL ELECTRIC UTILITY**

DETERMINATION OF RATE ADJUSTMENT FOR THE  
THREE MONTHS OF  
JULY, AUGUST AND SEPTEMBER 2010

**ESTIMATED UNITS TO BE PURCHASED AND SOLD**

<u>LINE NO.</u>		<u>July</u>	<u>August</u>	<u>September</u>	<u>Total</u>	<u>Average</u>
1	Units Purchased (a)	<u>32,450,000</u>	<u>33,976,000</u>	<u>34,653,000</u>	<u>101,079,000</u>	<u>33,693,000</u>
2	Line Loss (b)	<u>3.48%</u>	<u>3.48%</u>	<u>3.48%</u>		
3	Units Sold '©	<u><u>31,320,740</u></u>	<u><u>32,793,635</u></u>	<u><u>33,447,076</u></u>	<u><u>97,561,451</u></u>	<u><u>32,520,484</u></u>

**AUBURN MUNICIPAL ELECTRIC UTILITY**

**DETERMINATION OF RATE ADJUSTMENT FOR THE  
THREE MONTHS OF  
JULY, AUGUST AND SEPTEMBER 2010**

**CALCULATION OF INCREMENTAL ENERGY COST  
BILLED BY AUBURN**

<u>MONTHS</u>	<u>KWH</u> <u>SALES</u>	(a)	<u>FACTOR</u>	(b)	<u>DOLLAR</u> <u>AMOUNT</u>	(c)
2010						
January	32,705,711		0.0107070		\$ 350,180.00	
February	31,441,468		0.0107070		336,644.00	
March	31,691,338		0.0107070		339,319.00	
Total	<u>95,838,517</u>				<u>\$ 1,026,143.00</u>	
Average	<u>31,946,172</u>				<u>\$ 342,047.67</u>	
Utility Receipts Tax					<u>\$ 0.986</u>	
Monthly Amount without Utility Receipts					<u>\$ 337,259.00</u>	

**AUBURN MUNICIPAL ELECTRIC UTILITY**

DETERMINATION OF RATE ADJUSTMENT FOR THE  
 THREE MONTHS OF  
 JULY, AUGUST AND SEPTEMBER 2010

**Impact of Tracker**

	<u>Average Usage</u> (a)	<u>Current Tracker</u> (b)	<u>Proposed Tracker</u> (c)	<u>Difference</u> (d)
		0.010707 (e)	0.018982 (f)	0.008275
Residential	2,000	\$ 21.41	\$ 37.96	\$ 16.55
Commercial	8,500	91.01	161.35	70.34
Industrial (Small)	88,300	945.43	1,676.11	730.68
Industrial (Large)	15,025,000	160,872.68	285,204.55	124,331.88



**AUBURN MUNICIPAL ELECTRIC UTILITY**  
 DETERMINATION OF RATE ADJUSTMENT FOR THE  
 ACTUAL COST FOR JANUARY, FEBRUARY AND MARCH 2010

Billing Date Month	KWH (a)	KW (b)	Capacity Charge	Fixed Energy Charge	PJM Settlement Charge	PJM Settlement Credit	Total Bill (g)	Cost per KWH (h)
January 2010	38,320,000	2,456	\$ 257,460.96	\$ 1,542,380.00	\$ 1,550,489.00	\$(1,691,406.02)	\$ 1,658,923.94	0.04329
February 2010	29,460,000	2,219	232,545.38	1,191,951.60	1,375,040.89	(1,200,810.23)	1,598,727.64	0.05427
March 2010	28,467,000	2,456	257,460.96	1,151,774.82	1,250,439.51	(985,610.53)	1,674,064.76	0.05881
Total	96,247,000	7,131	\$ 747,467.30	\$ 3,886,106.42	\$ 4,175,969.40	\$(3,877,826.78)	\$ 4,931,716.34	

RECEIVED ON: JUNE 11, 2010  
IURC 30-DAY FILING NO.: 2716  
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ATTACHMENT E

**AUBURN MUNICIPAL ELECTRIC UTILITY**  
TRACKER HISTORY

1st Quarter 2010	0.010707
2nd Quarter 2010	0.010707
3rd Quarter 2010	0.018982

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## NOTICE OF PROPOSED RATE CHANGE BY AUBURN CITY ELECTRIC UTILITY

Notice is hereby given to rate payers of the municipally owned electric utility and other interested persons of the following Wholesale Power Factor Tracker change for August 1 – September 30, 2010. The City of Auburn, Indiana under and pursuant to the Public Service Commission Act, as amended, and the Indiana Utility Regulatory Commission's Order in Cause No 40095 and Cause No 43638, hereby files with the Commission for its approval and average increase in its schedule of rates for the Wholesale Power Factor for electricity sold in the amount of .008275 per kilowatt hours (KWH) for a new rate of .018982 per KWH.

The utility has made a filing with the Indiana Utility Regulatory Commission for approval of the Rate Change. If approved, the rate change will take effect for bills to be rendered beginning with August 1, 2010 billing.

Patricia M. Miller  
Clerk-Treasurer  
City of Auburn, IN

**Tina Shipe**

RECEIVED ON: JUNE 11, 2010  
IURC 30-DAY FILING NO.: 2716  
Indiana Utility Regulatory Commission

**From:** Tina Shipe  
**Sent:** Tuesday, June 08, 2010 3:33 PM  
**To:** 'legals@kpcnews.net'  
**Subject:** Legal Notices  
**Attachments:** Ad for 3rd Qtr 2010 FAC Tracker.doc; Ad for 3rd Qtr 2010 WPF Tracker.doc

Please advertise these two notices on June 15, 2010. If there is a problem with this, please let me know. Thank you!

*Tina M. Shipe*  
*Deputy Clerk-Treasurer*  
*City of Auburn, IN*  
*260.925.6450 x 1102 (phone)*  
*260.920.3358 (fax)*  
*[tmscipe@ci.auburn.in.us](mailto:tmscipe@ci.auburn.in.us)*