

August 13, 2010

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

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 (Commission) Order in Cause No. 40095, hereby files with the Commission for its approval, an average decrease in its schedules of rates for electricity sold in the amount of .000348 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 Commission Order in Cause No. 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 take effect beginning with the October 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.



Amam Shupe
NOTARY PUBLIC

My Commission Expires:
7/25/2015

My County of Residence
DeKalb

AUBURN MUNICIPAL ELECTRIC UTILITY
Auburn, Indiana

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 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:

(\$0.004439) per KWH per month (Negative Factor)

August 13, 2010

October, November and December 2010

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 Rate Adjustment Factor change for October 1 – December 31, 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, hereby files with the Commission for its approval and average decrease in its schedule of rates for the Rate Adjustment Factor for electricity sold in the amount of .000384 per kilowatt hours (KWH) for a new rate of (.004439) 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 October 1, 2010 billing.

Objections should be submitted to: The Indiana Utility Regulatory Commission, 101 W Washington Street, Suite 1500 East, Indianapolis IN 46204 and/or Office of Utility Consumer Counselor, 115 W Washington Street, Suite 1500 South, Indianapolis IN 46204

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

**AUBURN MUNICIPAL
ELECTRIC UTILITY**
Auburn, Indiana

**2010
4th Qtr. FAC Tracker**

August 13, 2010

A handwritten signature in black ink, consisting of the letters 'F', 'S', and 'G' in a stylized, cursive font. The 'F' and 'S' are connected, and the 'G' is written below them.

Financial
Solutions
Group,
Inc.

AUBURN MUNICIPAL ELECTRIC UTILITY

DETERMINATION OF RATE ADJUSTMENT FOR THE
THREE MONTHS OF
OCTOBER, NOVEMBER AND DECEMBER 2010

LINE NO.		DEMAND RELATED	ENERGY RELATED
1	INCREMENTAL CHANGE IN BASE RATE PURCHASED POWER COST (a)	0.000000	0.0000000
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>0.000000</u>
4	ESTIMATED CHANGE IN PURCHASED POWER COST ADJUSTED FOR LOSSES & UTILITY RECEIPTS TAX (d)	0.000000	0.000000
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	0.000000
7	ESTIMATED AVERAGE BILLING UNITS (g)	<u>2,456</u>	<u>34,435,199</u>
8	INCREMENTAL CHANGE	<u>0.000000</u>	<u>0.000000</u>
9	PROJECTED PJM COST	<u> </u>	<u>- (1)</u>
10	ESTIMATED INCREMENTAL CHANGE IN PURCHASED POWER COST (h)	<u> </u>	<u>-</u>

(1) This item is contained on Attachment E.

AUBURN MUNICIPAL ELECTRIC UTILITY
 DETERMINATION OF RATE ADJUSTMENT FOR THE
 THREE MONTHS OF
 OCTOBER, NOVEMBER AND DECEMBER 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	2,456.00 (a)	35,676,750 (b)	- (c)	- (d)	- (e)

AUBURN MUNICIPAL ELECTRIC UTILITY
 DETERMINATION OF RATE ADJUSTMENT FOR THE
 THREE MONTHS OF
 OCTOBER, NOVEMBER AND DECEMBER 2010

LINE NO.	PLUS VARIANCE WITH LINE LOSS & GROSS REC.		TOTAL CHANGE IN PURCHASED POWER COST ADJ. FOR LINE LOSS & GROSS RECEIPTS TAX			RATE ADJUSTMENT FACTOR PER KWH		
	DEMAND	ENERGY	DEMAND	ENERGY	TOTAL	DEMAND	ENERGY	TOTAL
1	-	(a) (158,364.97) (b)	-	(c) (158,364.97) (d)	(158,364.97) (e)	-	(f) (0.004439) (g)	(0.004439) (h)

AUBURN MUNICIPAL ELECTRIC UTILITY

DETERMINATION OF RATE ADJUSTMENT FOR THE
THREE MONTHS OF
OCTOBER, NOVEMBER AND DECEMBER 2010

<u>LINE NO.</u>		<u>DEMAND RELATED</u>	<u>ENERGY RELATED</u>
1	BASE RATE EFFECTIVE	\$ 13.060	\$ 0.01252
2	BASE RATE EFFECTIVE	<u>13.060</u>	<u>0.01252</u>
3	INCREMENTAL CHANGE IN BASE RATE	<u>\$ -</u>	<u>\$ -</u>

**NOTE: MARKET RATE STARTING DECEMBER 1, 2009; THEREFORE, THIS PAGE
WILL BE REPLACED BY A WHOLESALE POWER TRACKER.**

AUBURN MUNICIPAL ELECTRIC UTILITY

**DETERMINATION OF RATE ADJUSTMENT FOR THE
 THREE MONTHS OF
 OCTOBER, NOVEMBER AND DECEMBER 2010**

ESTIMATED POWER PURCHASES AND COSTS FROM AEP

<u>LINE NO.</u>		<u>October 2010</u>	<u>November 2010</u>	<u>December 2010</u>	<u>TOTAL</u>	<u>ESTIMATED 3-MONTH AVERAGE</u>
	<u>PURCHASE</u>					
1	DEMAND (KW) (a)	2,456	2,456	2,456	7,368	2,456
2	ENERGY (KWH) (b)	37,487,328	34,468,203	35,074,719	107,030,250	35,676,750
	<u>COST</u>					
3	FACTOR PER KWH (c)	0.0000000	0.0000000	0.0000000		
4	CHARGE (d)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE: NO FUEL IS EXPECTED IN 2010.

AUBURN MUNICIPAL ELECTRIC UTILITY
RECONCILIATION OF VARIANCES FOR THE
THREE MONTHS OF
APRIL, MAY AND JUNE 2010

<u>LINE NO.</u>		<u>DEMAND RELATED</u>	<u>ENERGY RELATED</u>
1	ACTUAL PURCHASED POWER ENERGY COST ADJUSTMENT (a)	0.000000	0.0000000
2	PLUS TRACKING FACTOR EFFECTIVE PRIOR TO (b)	<u>0.000000</u>	<u>0.000000</u>
3	TOTAL RATE ADJUSTMENT (c)	0.000000	0.0000000
4	ACTUAL AVERAGE BILLING UNITS (d)	<u>2,417</u>	<u>30,058,000</u>
5	ACTUAL INCREMENTAL CHANGE IN PURCHASED POWER COST (e)	<u>0.000000</u>	<u>\$ -</u>

AUBURN MUNICIPAL ELECTRIC UTILITY
RECONCILIATION OF VARIANCES FOR THE
THREE MONTHS OF
APRIL, MAY AND JUNE 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	2,417 (a)	30,058,000 (b)	- (c)	- (d)	- (e)

AUBURN MUNICIPAL ELECTRIC UTILITY
 RECONCILIATION OF VARIANCES FOR THE
 THREE MONTHS OF
 APRIL, MAY AND JUNE 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	32,851,682 (a)	- (b)	0.0042930 (1) (c)	- (d)	139,057.88 (1) (e)	- (f)	(15,637.80) (g)

(1) See Attachment B for detail.

AUBURN MUNICIPAL ELECTRIC UTILITY
RECONCILIATION OF VARIANCES FOR THE
THREE MONTHS OF
APRIL, MAY AND JUNE 2010

LINE NO.	NET INCREMENTAL COST BILLED BY UTILITY			VARIANCE		
	DEMAND	ENERGY	TOTAL	DEMAND	ENERGY	TOTAL
1	- (a)	154,695.68 (b)	154,695.68 (c)	- (d)	(154,695.68) (e)	(154,695.68) (f)

AUBURN MUNICIPAL ELECTRIC UTILITY

RECONCILIATION OF RATE ADJUSTMENT FOR THE
 THREE MONTHS OF
 APRIL, MAY AND JUNE 2010

ACTUAL POWER PURCHASES AND COSTS FROM AEP

LINE NO.			True Up Only April 2010	True Up Only May 2010	True Up Only June 2010	TOTAL	ESTIMATED 3-MONTH AVERAGE
<u>PURCHASE</u>							
1	DEMAND (KW)	(a)	2,377.06	2,456.29	1,878.56	6,711.91	2,417.00
2	ENERGY (KWH)	(b)	30,304,000	29,812,000	30,304,000	90,420,000	30,058,000
<u>COST</u>							
3	BASE RATE ADJUSTMENT	(c)	-	-	-	-	-
4	CHARGE	(d)	\$ -	\$ -	\$ -	\$ -	\$ -
5	FACTOR PER KWH	(e)	-	-	-	-	-
6	CHARGE	(f)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	Average Factor	(g)					<u>-</u>

AUBURN MUNICIPAL ELECTRIC UTILITY
RECONCILIATION OF VARIANCES FOR THE
THREE MONTHS OF
APRIL, MAY AND JUNE 2010
ACTUAL AVERAGE KWH SALES

<u>LINE NO.</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>Total</u>	<u>Average</u>
1	35,320,585 (a)	31,111,561 (b)	32,122,900 (c)	98,555,046 (d)	32,851,682 (e)

AUBURN MUNICIPAL ELECTRIC UTILITY

**DETERMINATION OF RATE ADJUSTMENT FOR THE
THREE MONTHS OF
OCTOBER, NOVEMBER AND DECEMBER 2010**

**CALCULATION OF INCREMENTAL ENERGY RELATED
PURCHASED POWER COST FACTOR**

		<u>October</u>	<u>November</u>	<u>December</u>
FUEL COST ESTIMATE BY				
I&M PER KWH	(a)	0.0000000	0.0000000	0.0000000

A separate charge will no longer show on the bill after December 1, 2009.

AUBURN MUNICIPAL ELECTRIC UTILITY

**DETERMINATION OF RATE ADJUSTMENT FOR THE
THREE MONTHS OF
OCTOBER, NOVEMBER AND DECEMBER 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						
April	35,320,585		0.0042930		\$ 151,631.00	
May	31,111,561		0.0042930		133,562.00	
June	<u>32,122,900</u>		0.0042930		<u>137,904.00</u>	
Total	<u>98,555,046</u>				<u>\$ 423,097.00</u>	
Average	<u>32,851,682</u>				<u>\$ 141,032.33</u>	
Utility Receipts Tax					<u>\$ 0.986</u>	
Monthly Amount without Utility Receipts					<u>\$ 139,057.88</u>	

AUBURN MUNICIPAL ELECTRIC UTILITY

**DETERMINATION OF RATE ADJUSTMENT FOR THE
 THREE MONTHS OF
 OCTOBER, NOVEMBER AND DECEMBER 2010**

Impact of Tracker

	<u>Average Usage</u> (a)	<u>Current Tracker</u> (b)	<u>Proposed Tracker</u> (c)	<u>Difference</u> (d)
		(0.004091) (e)	(0.004439) (f)	(0.000348)
Residential	2,000	\$ (8.18)	\$ (8.88)	\$ (0.70)
Commercial	8,500	(34.77)	(37.73)	(2.96)
Industrial (Small)	88,300	(361.24)	(391.96)	(30.73)
Industrial (Large)	15,025,000	(61,467.28)	(66,695.98)	(5,228.70)

AUBURN MUNICIPAL ELECTRIC UTILITY
 DETERMINATION OF RATE ADJUSTMENT FOR THE
 ACTUAL COST FOR JANUARY THROUGH JUNE 2010

(Note: New Rates in Effect during This Time)

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)	Increase
January 2010	38,320,000	2,456.29	\$ 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	2,218.59	232,545.38	1,191,951.60	1,375,040.89	(1,200,810.23)	1,598,727.64	0.05427	25.35%
March 2010	28,467,000	2,456.29	257,460.96	1,151,774.82	1,250,439.51	(985,610.53)	1,674,064.76	0.05881	8.36%
April 2010	30,304,000	2,377.06	249,155.77	1,226,099.84	1,108,559.72	(996,221.76)	1,587,593.57	0.05239	-10.91%
May 2010	29,812,000	2,456.29	257,460.96	1,206,193.52	1,272,082.02	(1,040,162.14)	1,695,574.36	0.05688	8.56%
June 2010	30,304,000	1,878.56	327,413.60	1,226,099.84	1,649,707.98	(1,255,383.39)	1,947,838.03	0.06428	13.01%
Total	186,667,000	13,843.09	\$ 1,581,497.63	\$ 7,544,499.62	\$ 8,206,319.12	\$(7,169,594.07)	\$ 10,162,722.30		48.47%

AUBURN MUNICIPAL ELECTRIC UTILITY
Auburn, Indiana

PJM Cost (Estimated)
THREE MONTHS OF
OCTOBER, NOVEMBER AND DECEMBER 2010

<u>LINE NO.</u>			
1	October 2010	\$	-
2	November 2010		-
3	December 2010		-
4	Estimated Monthly Average PJM Cost	\$	-

Note: Included in Wholesale Tracker as of 3rd Quarter 2010

AUBURN MUNICIPAL ELECTRIC UTILITY
TRACKER HISTORY

1st Quarter 2003	0.000169
2nd Quarter 2003	0.000162
3rd Quarter 2003	0.000177
4th Quarter 2003	0.000169
1st Quarter 2004	(0.001488)
2nd Quarter 2004	0.000262
3rd Quarter 2004	(0.000674)
4th Quarter 2004	(0.001028)
1st Quarter 2005	(0.001488)
2nd Quarter 2005	0.001989
3rd Quarter 2005	0.002953
4th Quarter 2005	0.001989
1st Quarter 2006	0.001000
2nd Quarter 2006	0.001140
3rd Quarter 2006	0.002795
4th Quarter 2006	0.002028
1st Quarter 2007	0.002937
2nd Quarter 2007	0.003170
3rd Quarter 2007	0.003575
4th Quarter 2007	0.002373
1st Quarter 2008	0.002881
2nd Quarter 2008	0.004876
3rd Quarter 2008	0.004916
4th Quarter 2008	0.005896
1st Quarter 2009	0.006200
2nd Quarter 2009	0.009698
3rd Quarter 2009	0.009732
4th Quarter 2009	0.010095
1st Quarter 2010	0.007437
2nd Quarter 2010	0.004293
3rd Quarter 2010	(0.004091)
4th Quarter 2010	(0.004439)